TerraCom Limited
Blair Athol Mine Access Road
Clermont, Queensland, 4721
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ASX ANNOUNCEMENT

1 September 2020

TERRACOM

APPENDIX 4E AND PRELIMINARY FINAL REPORT

The financial results for the year ending 30 June 2020 for TerraCom Limited (**TerraCom** or **Company**) accompanying this announcement.

As shareholders are aware, the Company completed the acquisition of 100% interest in Universal Coal plc (**Universal**) on 30 June 2020. Given the complexities with the transition of this acquisition as well as the inability of staff being able to travel internationally due to COVID-19, the audited results are still being finalised.

The Company does not expect any material change to the results released and is working to provide audited financial results to shareholders as soon as practicable and in accordance with the ASX Listing Rules.

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

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About TerraCom Limited

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

TerraCom Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	TerraCom Limited
ABN:	35 143 533 537
Reporting period:	For the year ended 30 June 2020
Previous period:	For the year ended 30 June 2019

2. Results for announcement to the market

				$'000
Revenues from ordinary activities (including discontinued operations)	up	3.9%	to	351,592
Revenue from ordinary activities (excluding discontinued operations)	up	15.2%	to	316,858
Loss from ordinary activities after tax attributable to the owners of TerraCom Limited (excluding discontinued operations)	up	202.5%	to	(26,002)
Loss for the year attributable to the owners of TerraCom Limited (including discontinued operations)	up	1158.1%	to	(141,308)

Dividends

	Amount per security Cents	Franked amount per security Cents
Interim dividend (already paid) for the period ended 30 September 2019 of 1 cent (2019:nil)	1.000	-

Comments
The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to $141,308,000 (30 June 2019: $11,232,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	8.42	15.08

Net tangible assets per ordinary security excluding Right of Use Assets recognised from the adoption of AASB 16 Leases on 1 July 2019 is $7.79.

4. Control gained over entities

Name of entities (or group of entities)	Universal Coal Plc
Date control gained	31 March 2020

	$'000
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	842
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	70,390

5. Loss of control over entities

Name of entities (or group of entities)	Tellus Commodities Pte. Ltd Tellus Marketing Pte. Ltd Terra Infrastructure Pte. Ltd Terra Coal Processing LLC Tsagaan Uvuljuu LLC Terra Energy LLC Alag Tvesh LLC Enkhtunkh Orchon LLC
Date control lost	23 June 2020

	$'000
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	(13,827)
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)	(36,614)

6. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Interim dividend (already paid) for the period ended 30 September 2019 of 1 cent (2019:nil)	1.000	-

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Refer Note 15.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

This preliminary financial report is based on statutory financial statements that are in the process of being audited. The independent audit report is likely to contain an emphasis of matter with respect to material uncertainty related to going concern with respect to the refinancing risk associated with the refinance of the Listed Euroclear Bond, currently due for repayment on 30 June 2021. The audit opinion will not be modified.

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11. Attachments

Details of attachments (if any):

The Appendix 4E Report of TerraCom Limited for the year ended 30 June 2020 is attached.

TerraCom Limited

ABN 35 143 533 537

Appendix 4E - 30 June 2020

Directors	Mr Wallace (Wal) King AO Mr Craig Ransley (appointed 21 February 2020) Mr Matthew Hunter Mr Glen Lewis (appointed 23 December 2019) Mr Craig Lyons (appointed 14 July 2020)
Company secretary	Ms Megan Etcell
Management team	Mr Daniel (Danny) McCarthy, Chief Executive Officer Mr Nathan Boom, Chief Financial Officer
Registered office	Blair Athol Mine Access Road Clermont, Queensland, 4721 Australia
Principal place of business	Blair Athol Mine Access Road Clermont, Queensland, 4721 Australia
Contact address	PO Box 131 Clermont, Queensland, 4721 Australia
Share register	Link Market Services Limited Level 12, 680 George Street Sydney, New South Wales, 2000 Australia Telephone: +61 1300 554 474 Facsimile: +612 9287 0303
Auditor	Ernst & Young 200 George Street Sydney, New South Wales, 2000 Australia
Solicitors	Ashurst Australia Level 26, 181 William Street Melbourne, Victoria, 3000 Australia
Bankers	Westpac Banking Corporation Suite 2, Level 2 22 Walker Street Townsville, Queensland, 4810 Australia
Stock exchange listing	TerraCom Limited shares are listed on the Australian Securities Exchange (ASX code: TER)
Website	terracomresources.com

This report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'Group') consisting of TerraCom Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Divestment of the Baruun Noyon Uul (BNU) Coal Mine and the Enkhtunkh Orchon (EO) Coal Mine in Mongolia
- Acquisition of 100% interest in Universal Coal plc (Universal or UNV)
- Continuing production at the Group's operations in South Africa (Kangala, North Block Complex and New Clydesdale Colliery) and Australia (Blair Athol (BA)).
- Progressive rehabilitation of the Group's mine sites.
- Development of the Ubuntu Colliery in South Africa.
- Mineral exploration activities in a number of mining tenements held across Australia.

Significant changes in the state of affairs

Acquisition of Universal Coal plc

Following the acquisition of a 19.995% shareholding in Universal in October 2019, on 3 February 2020, TerraCom announced a takeover offer, through its wholly owned subsidiary TCIG Resources Pte Ltd (**TCIG**) to acquire the entire issued and to be issued share capital of Universal not already directly or indirectly owned by it (the **Offer**). The offer price per UNV security consisted of 10 cents cash and 0.6026 new TerraCom shares.

The Offer closed on 25 March 2020 and TerraCom achieved just over 90% of the voting rights attached to Universal shares. At this level of acceptance, TerraCom proceeded to a mandatory sell-out process in accordance with the *UK Companies Act 2006* (the **Act**). On 1 April 2020, UNV announced changes to its board composition. These changes were to align TerraCom's controlling interest of over 90% such that TerraCom had a majority of directors on the UNV Board to manage the mandatory sell-out and compulsory acquisition processes, including the ASX delisting.

On 23 April 2020, TerraCom announced that it had achieved just over 92% of the voting rights attached to UNV shares and was entitled to proceed to compulsory acquisition in accordance with Chapter 3 of Part 28 of the Act.

The compulsory acquisition was finalised on 30 June 2020 and Link Market Services Limited (**Link**) was authorised by UNV to hold as trustee and dispatch the final consideration payable by TCIG to all remaining UNV securityholders.

The acquisition of Universal aligns with the Company's ongoing corporate strategy and enables the Company to enter into an emerging market, yet at the same time reducing the Company's sovereign risk profile with new investments in South Africa.

Since 30 June 2020 TerraCom has been working with UNV's Management Team, led by CEO Tony Weber and Executive Director Shammy Luvhengo, to integrate the Universal business into the TerraCom Group.

Divestment of Mongolia

The Group finalised the divestment of the Group's Mongolian Assets to Bridge Resources Pte Ltd (Bridge) on 23 June 2020, through the sale of three of the Group's Singapore subsidiaries (Tellus Commodities Pte Ltd, Tellus Marketing Pte Ltd and Terra Infrastructure Pte Ltd) for total consideration of US$3.

The sale included the disposal of both the BNU Coal Mine and the EO Coal Mine in Mongolia, along with associated legal entities. The subsidiaries were sold as a going concern resulting in Bridge accepting all assets and liabilities (including working capital) of the Mongolian entities and Singapore holding companies. The total consideration received from the sale was US$3.

Transition to owner operator at Blair Athol

The Company successfully negotiated to transition to owner operator at the Blair Athol coal mine in Queensland, effective from 31 July 2020. The decision to transition to owner operator is forecasted to positively impact operating costs at Blair Athol.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Directors

At the date of this report, the Directors of the Company are:

Mr Wallace (Wal) King AO, Chairman
Mr Craig Ransley, Deputy Executive Chairman (appointed 21 February 2020)
Mr Matthew Hunter
Mr Glen Lewis (appointed 23 December 2019)
Mr Craig Lyons (appointed 14 July 2020)

Unless otherwise stated, the Directors listed above held office as a Director of the company throughout the financial year ended 30 June 2020.

The following persons were Directors of the company throughout the financial year ended 30 June 2020 up until the date of resignation, as noted:

Mr Paul Anderson (resigned 31 July 2020)
Mr Philip Forrest (resigned 23 December 2019)
Mr James (Jim) Soorley (resigned 13 July 2020)
Mr Tsogt Togoo (resigned 24 June 2020)
The Hon. Craig Wallace (resigned 22 August 2020)

Review of operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to $141,308,000 (30 June 2019: $11,232,000).

Highlights

TerraCom Limited and its controlled entities (TerraCom or the Company) has achieved the following for the year ended 30 June 2020:

- Run of mine production 14,543,000 tonnes (2019: 3,367,529 tonnes) *(reflecting continuing operations and Universal ownership for the 2020 financial year)*
- Coal sales 9,979,000 tonnes (2019: 3,036,124 tonnes) *(reflecting continuing operations and Universal ownership for the 2020 financial year)*
- Revenue from operations $351.6 million (2019: $338.3 million)
- Earnings before interest, tax, depreciation and amortisation (Operating EBITDA) of $4.529 million (2019: $96.9 million) *(reflecting continuing operations)*
- Net loss after tax of $146.127 million (2019: $11.3 million)
- Net operating cash flows of $3.7 million (2019: $67.0 million)
- Cash and cash equivalents of $10.1 million (2019: $59.2 million)

Financial Performance, Financial Position and Cash Flow

The Company has reported a net loss after tax of $146.127 million (2019: $11.3 million).

The Company has reporting earnings before interest, tax, depreciation and amortisation (Operating EBITDA) of $4.529 million (2019: $96.924 million) *(reflecting continuing operations)*.

Statement of comprehensive income analysis	Year ended 30 June 2020 $M	Year ended 30 June 2019 $M	Year ended 30 June 2018 $M
Revenue	316.9	338.3	147.1
Cost of Goods Sold	296.2	(226.6)	(106.3)
Gross Profit	20.7	111.7	40.8
Gain on Acquisition	10.2	-	-
Other Expenses	(26.3)	(17.8)	(13.7)
EBITDA	4.6	93.9	27.1
Depreciation and Amortisation	(24.5)	(35.5)	(18.2)
Net Financial Expense	(26.5)	(76.6)	(36.1)
Profit/(Loss) Before Income Tax	(46.5)	(18.2)	(25.7)
Income Tax Benefit	15.6	6.9	6.6
Loss after income tax from discontinued operations	(115.2)	-	-
Profit/(Loss) After Income Tax	(146.1)	(11.3)	(19.1)

The Group has reported a decrease in its cash and cash equivalents by $48.449 million to $10.108 million (2019: increase of $45.631 million to $59.201 million).

Statement of cash flows analysis	Year ended 30 June 2020 $M	Year ended 30 June 2019 $M	Year ended 30 June 2018 $M
Net cash at beginning of period	59.2	13.9	8.6
Net cash from operating activities	3.7	67.0	34.3
Net cash from investing activities	(57.7)	(31.4)	(53.2)
Net cash from financing activities	5.6	10.0	24.2
Net increase/(decrease) in cash held	(48.4)	45.3	5.3
Net cash at end of period	10.1	59.2	13.9

The Group ended the 2020 financial year with a net asset position of $63.5 million (2019: $70.4 million).

Statement of financial position analysis	As at 30 June 2020 $M	As at 30 June 2019 $M	As at 30 June 2018 $M
Current Assets	88.3	93.0	46.1
Non-Current Assets	542.0	399.3	373.4
Total Assets	630.3	492.2	419.5
Current Liabilities	331.2	119.7	112.9
Non-Current Liabilities	235.6	302.2	279.3
Total Liabilities	566.8	421.8	392.2
Net Assets	63.5	70.4	27.3
Equity	63.5	70.4	27.3

Operational Summary

Production Overview: Year to Date for 12 Months Ending 30 June 2020:

	2020 YTD (kt)	2019 YTD (kt)	Change (kt)	Change %
Production: Year to Date				
Managed Tonnes (Continuing Operations)				
ROM Coal Production	14,546	11,530	3,016	26%
Saleable Coal	10,432	9,011	1,421	16%
Coal Sales	9,979	9,019	960	11%
Inventory (ROM)	739	316	423	134%
Inventory (Saleable)	342	310	32	10%
Equity Tonnes (Continuing Operations)				
ROM Coal Production	9,352	7,831	1,521	19%
Saleable Coal	6,810	6,096	714	12%
Coal Sales	6,626	6,108	518	8%
Inventory (ROM)	494	258	236	91%
Inventory (Saleable)	257	270	(13)	(5%)

	2020 YTD (kt)	2019 YTD (kt)	Change (kt)	Change %
ROM Coal Production: by Project				
Australia				
Blair Athol	3,052	2,647	404	15%
South Africa				
Kangala Colliery – 70.5% Equity Interest	3,109	3,865	(756)	(20%)
New Clydesdale Colliery – 49% Equity Interest	3,955	2,969	986	33%
North Block Complex – 49% Equity Interest	3,929	2,049	1,880	92%
Ubuntu Colliery – 48.9% Equity Interest	501	-	501	100%

	2020 YTD (kt)	2019 YTD (kt)	Change (kt)	Change %
Coal Sales: by Project				
Australia				
Blair Athol	2,589	2,298	291	13%
South Africa				
Kangala Colliery – 70.5% Equity Interest	1,935	2,404	(469)	(20.00%)
New Clydesdale Colliery – 49% Equity Interest	2,620	2,535	85	3.00%
North Block Complex – 49% Equity Interest	2,578	1,782	796	45.00%
Ubuntu Colliery – 48.9% Equity Interest	256	-	265	100.00%

Note: the figures reflect continuing operations (Mongolia sold in June 2020 has been excluded from all of the numbers). The figures assume continuous ownership of Universal, even though control was not effective until 1 April 2020.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report.

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.

Global Pandemic risk

The recent COVID-19 pandemic outbreak poses significant risk to the Group across a number of areas. Ongoing or intermittent government-imposed shutdowns continue to impact sectors of the economy and ongoing travel restrictions and border closures by both the Australian and South African governments mean that supply chains, exports or customers of the Company may be impacted. With employees in both Australia and South Africa, a pandemic outbreak among employees, in either location, has the potential to cause interruption to business operations which may result in loss.

Development risk

There is a risk that circumstances (including unforeseen circumstances) may cause a delay to project development, exploration milestones or other operating factors, resulting in receipt of revenue at a later date than expected. Additionally, the construction of new projects/expansion by the Group may exceed the currently envisaged timeframe or cost for a variety of reasons outside the control of the Group.

Cash Flow risk

The risk that the Group's operations are unable to generate sufficient cashflow to meet their operational commitments and debt funding repayments 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.

Financial instrument risk

Both the Company and consolidate entity are exposed to risks arising from financial instruments held. These are discussed in note 41 of the financial statements.

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.

Competition risk

The industry in which the Group is involved is subject to domestic and global competition. While the Group will undertake all reasonable due diligence in its business decisions and operations, the Group will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Group's projects and business.

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.

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.

Acquisitions and 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.

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.

Cyber risk

The Group's operations are supported by an information technology security framework ad back-up data infrastructure. However, computer viruses, unauthorised access, cyber-attack and other similar disruptions may threaten the security of information and impact operational systems.

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 forecasted 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.

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. The Group continuously focuses on improving its energy efficiency and emissions management in delivering cost efficiencies.

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.

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.

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.

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General information

The financial statements are presented in Australian dollars (AUD), which is TerraCom Limited's presentation currency. The functional currency of the Australian exploration subsidiaries and United Kingdom subsidiaries is Australian dollars (AUD), the South African subsidiaries is South Africa Rand (ZAR), and the balance of the subsidiaries and TerraCom Limited is United States Dollar (USD).

TerraCom Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Blair Athol Mine Access Road, Clermont, Queensland, 4721

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

TerraCom Limited
Statement of profit or loss
For the year ended 30 June 2020

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Revenue		316,858	275,058
Cost of goods sold		(296,193)	(167,335)
Gross profit		20,665	107,723
Net gain on revaluation of investment in associate	4	10,151	-
Expenses			
Other operating and administration expenses		(26,276)	(10,500)
Exploration tenement write-off		(854)	(257)
Share of profit/(losses) of associates		843	(42)
EBITDA		4,529	96,924
Depreciation and amortisation expense		(24,527)	(11,905)
Profit on disposal of fixed assets		1	-
Financial income	5	1,716	3,992
Financial expense	6	(34,480)	(60,366)
Net foreign exchange (loss) / gain		6,218	(10,243)
Profit/(loss) before income tax benefit from continuing operations		(46,543)	18,402
Income tax benefit		15,631	6,904
Profit/(loss) after income tax benefit from continuing operations		(30,912)	25,306
Loss after income tax expense from discontinued operations	7	(115,215)	(36,614)
Loss after income tax (expense)/benefit for the year		(146,127)	(11,308)
Loss for the year is attributable to:			
Non-controlling interest		(4,819)	(76)
Owners of TerraCom Limited		(141,308)	(11,232)
		(146,127)	(11,308)
		Cents	**Cents**
Earnings per share for profit/(loss) from continuing operations attributable to the owners of TerraCom Limited			
Basic earnings per share		(5.58)	6.40
Diluted earnings per share		(5.58)	6.18
Earnings per share for loss attributable to the owners of TerraCom Limited			
Basic earnings per share		(25.53)	(2.84)
Diluted earnings per share		(25.53)	(2.74)

The above statement of profit or loss should be read in conjunction with the accompanying notes

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Loss after income tax (expense)/benefit for the year		(146,127)	(11,308)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(4,741)	3,482
Other comprehensive income for the year, net of tax		(4,741)	3,482
Total comprehensive income for the year		(150,868)	(7,826)
Total comprehensive income for the year is attributable to:			
Continuing operations		(9,941)	(76)
Discontinued operations		(2,182)	-
Non-controlling interest		(12,123)	(76)
Continuing operations		(39,640)	28,864
Discontinued operations		(99,105)	(36,614)
Owners of TerraCom Limited		(138,745)	(7,750)
		(150,868)	(7,826)

The comparative period has been represented to reclassify the Mongolian Segment which has been classified as discontinued operations.

The above statement of other comprehensive income should be read in conjunction with the accompanying notes

TerraCom Limited
Statement of financial position
As at 30 June 2020

	Note	Consolidated 2020 $'000	2019 $'000
Assets			
Current assets			
Cash and cash equivalents	8	10,108	57,201
Trade and other receivables	9	48,201	17,892
Inventories	11	26,631	17,040
Restricted cash	12	-	702
Other current assets		3,321	158
Total current assets		88,261	92,993
Non-current assets			
Trade and other receivables	10	-	8,436
Restricted cash	13	47,647	73,791
Investments accounted for using the equity method		35	-
Other financial assets	16	4,737	-
Property, plant and equipment	17	301,726	253,785
Exploration and evaluation	18	154,589	48,031
Deferred tax		25,060	10,691
Other non-current assets	14	8,253	4,518
Total non-current assets		542,047	399,252
Total assets		630,308	492,245
Liabilities			
Current liabilities			
Trade and other payables	19	106,770	91,786
Borrowings	21	219,751	7,306
Lease liabilities		2,273	-
Provisions		1,429	474
Financial liabilities	24	1,026	3,470
Deferred revenue		-	16,614
Total current liabilities		331,249	119,650
Non-current liabilities			
Trade and other payables	20	1,726	5,467
Borrowings	22	39,604	213,483
Lease liabilities		2,666	-
Deferred tax		36,885	-
Provisions	23	143,938	71,072
Financial liabilities	25	3,386	12,129
Other	26	7,383	-
Total non-current liabilities		235,588	302,151
Total liabilities		566,837	421,801
Net assets		63,471	70,444

The above statement of financial position should be read in conjunction with the accompanying notes

	Note	Consolidated 2020 $'000	2019 $'000
Equity			
Issued capital	27	342,394	277,662
Reserves		(21,040)	(23,847)
Accumulated losses		(333,737)	(187,758)
Equity/(deficiency) attributable to the owners of TerraCom Limited		(12,383)	66,057
Non-controlling interest		75,854	4,387
Total equity		63,471	70,444

The above statement of financial position should be read in conjunction with the accompanying notes

TerraCom Limited
Statement of changes in equity
For the year ended 30 June 2020

Consolidated	Issued capital $'000	Acquisition reserve $'000	Foreign currency translation reserve $'000	Share based payments / options reserve $'000	Accumulated Losses $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2018	227,804	(36,685)	(1,639)	11,130	(176,526)	3,289	27,373
Loss after income tax benefit for the year	-	-	-	-	(11,232)	(76)	(11,308)
Other comprehensive income for the year, net of tax	-	-	3,482	-	-	-	3,482
Total comprehensive income for the year	-	-	3,482	-	(11,232)	(76)	(7,826)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs (note 27)	49,708	-	-	-	-	-	49,708
Acquisition of a subsidiary	-	(672)	-	-	-	1,174	502
Share-based payments	150	-	-	537	-	-	687
Balance at 30 June 2019	277,662	(37,357)	1,843	11,667	(187,758)	4,387	70,444

Consolidated	Issued capital $'000	Acquisition reserve $'000	Foreign currency translation reserve $'000	Share based payments / options reserve $'000	Accumulated Losses $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2019	277,662	(37,357)	1,843	11,667	(187,758)	4,387	70,444
Loss after income tax benefit for the year	-	-	-	-	(141,308)	(4,819)	(146,127)
Other comprehensive income for the year, net of tax	-	-	2,563	-	-	(7,304)	(4,741)
Total comprehensive income for the year	-	-	2,563	-	(141,308)	(12,123)	(150,868)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs (note 27)	64,582	-	-	-	-	-	64,582
Additions through Business combinations	-	-	-	-	-	83,590	83,590
Share-based payments	150	-	-	244	-	-	394
Dividends paid	-	-	-	-	(4,671)	-	(4,671)
Balance at 30 June 2020	342,394	(37,357)	4,406	11,911	(333,737)	75,854	63,471

The above statement of changes in equity should be read in conjunction with the accompanying notes

TerraCom Limited
Statement of cash flows
For the year ended 30 June 2020

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Cash flows from operating activities			
Receipts from customers		409,747	334,863
Payments to suppliers and employees		(405,671)	(232,823)
Interest received		4,097	1,429
Interest paid		(23,781)	(38,910)
Tax Payments made		(5,642)	-
Receipts/(payments) relating to secured deposits		24,990	2,448
Net cash from operating activities		3,740	67,007
Cash flows from investing activities			
Cash acquired in business acquisition	4	21,528	-
Payment for purchase of subsidiary	4	(59,110)	-
Payments for property, plant and equipment		(15,435)	(27,849)
Payments for exploration and evaluation		(1,031)	(2,500)
Increase in financial asset		(1,085)	-
Payments for cash advances to other parties		(2,610)	(1,063)
Net cash used in investing activities		(57,743)	(31,412)
Cash flows from financing activities			
Proceeds from issue of shares		-	35,341
Proceeds from borrowings		28,879	-
Share issue transaction costs		(1,233)	(3,523)
Repayment of land royalty agreement		(211)	-
Dividends paid		(4,672)	-
Repayment of borrowings		(6,043)	(21,782)
Repayment of lease liabilities		(14,844)	-
Loan repayment from Ndalamo Resources		3,166	-
Dividends received		512	-
Net cash from financing activities		5,554	10,036
Net increase/(decrease) in cash and cash equivalents		(48,449)	45,631
Cash and cash equivalents at the beginning of the financial year		59,201	13,874
Effects of exchange rate changes on cash and cash equivalents		(644)	(304)
Cash and cash equivalents at the end of the financial year		10,108	59,201
Cash and cash equivalents at the end of the financial year			
Current		10,108	57,201
Non-current		-	2,000
		10,108	59,201

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases

The Group has adopted AASB 16 *Leases* from 1 July 2019 using the modified retrospective approach. On day one, the right-of-use asset was booked equal to the lease liability.

Basis of preparation

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

Going Concern

The financial report has 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 2020 the Group had a net current liability deficiency of $243.0 million (30 June 2019: $26.7 million), with $215.1 million (or 88%) of this deficiency relating to repayment of Borrowings (Listed Euroclear Bond) due for repayment on 30 June 2021.

The statutory loss after tax for the period was $146.1 million, which consisted of major non-cash items, including $101.3 million related to loss on disposal of discontinued operations, $10.2 million gain on acquisition of Universal and $42.1 million of depreciation and amortisation.

The Group generated net cash from operating activities excluding interest and tax of $29.1 million (2019: $104.5 million).

The maturity date of the Listed Euroclear Bond is 30 June 2021. Significant progress had been made on refinancing this facility during the period. However, as part of the implementation of the Group's strategy (to position itself as a mid-tier diversified bulk commodities producer operating in multiple jurisdictions), the directors made the conscious decision to put the refinance on hold, with the focus on the purchase of 100% of Universal Coal plc (refer note 4 for details of the acquisition).

The acquisition of Universal Coal plc has provided the platform for the Group to implement part of its diversification strategy. The Group has also reduced its sovereign risk profile with new investments in South Africa. This acquisition allows the Company to establish itself on the African continent, with equity interests in four operating mines that produced in excess of 11 million tonnes of ROM production in the 2020 financial year.

As a result of delaying the refinance for the current period acquisition of Universal Coal plc, the Group has a refinance risk on account of the Listed Euroclear Bond being due for repayment approximately 10 months from the release date of the Financials. The refinancing risk gives risk to uncertainty as to the Group's ability to continue as a going concern.

Based on current operations and the Group's history of being able to pay down, refinance or defer its debt obligations if required, the Group believes the going concern basis is appropriate. If the Group is unable to achieve the above, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business at amounts different from those stated in the statement of financial position. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Note 1. Significant accounting policies (continued)

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Some comparative information has been reclassified for presentation purposes.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 47.

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 2020 and the results of all subsidiaries for the year then ended. TerraCom Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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

Where the consolidated entity 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 consolidated entity 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.

Discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss.

Note 1. Significant accounting policies (continued)

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 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.

Impairment 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.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

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.

Provision 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 mining property and 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 comprehensive income as it occurs.

For closed mines, changes to estimated costs are recognised immediately in the consolidated statement of comprehensive income.

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 comprehensive income as incurred.

Note 1. Significant accounting policies (continued)

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price at the date of exchange. Transaction costs arising on the issue of equity are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date, irrespective of the extent of any non-controlling interest assumed. The non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

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.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the 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 assets
The consolidated entity assesses at the end of each reporting period, whether there is any indication that an asset may be impaired. If any such indication exists, the consolidated entity estimates the recoverable amount of the asset. 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.

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.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity 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.

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 consolidated entity 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 mining assets, 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 consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity 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.

Share-based payment transactions
The consolidated entity 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.

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

Valuation of financial instruments
In respect of the instruments measured at amortised cost, judgement is required in estimating the timing of expected cash inflows and outflows used in applying the effective interest rate method. These cash flows are dependent on timing of future coal production, and timing of debt repayments.

The consolidated entity is required to classify all assets and liabilities, measured 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 prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability.

Income tax
The consolidated entity 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 many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity'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.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into three operating segments distinguished into geographic units. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

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

Types of products and services
The principal products and services of each of these operating segments are as follows:

Australia	Coal exploration and extraction activities within Australia
South Africa	Coal exploration and extraction activities within South Africa
Mongolia	Coal exploration and extraction activities within Mongolia (now a discontinued operation)

Note 3. Operating segments (continued)

Operating segment information

Consolidated – 2020	Australia $'000	South Africa $'000	Mongolia $'000	Unallocated / Corporate $'000	Total $'000
Revenue					
Sales to external customers	221,546	95,312	34,734	-	351,592
Other revenue	-	-	-	-	-
Cost of goods sold	(209,181)	(87,012)	(12,365)	-	(308,558)
Gross Margin	12,365	8,300	22,369	-	43,034
Gain on revaluation of investment in associate	-	10,151	-	-	10,151
Other operating and administration expenses	(3,817)	(6,881)	(9,716)	(15,578)	(35,992)
Exploration tenement write-off	(854)	-	-	-	(854)
Share of profits of associates	-	843	-	-	843
EBITDA	7,694	12,413	12,653	(15,578)	17,182
Depreciation and amortisation	(17,024)	(7,503)	(17,573)	-	(42,100)
Loss on disposal	-	1	(101,306)	-	(101,305)
Net Finance expenses	-	(1,489)	(5,546)	(31,275)	(38,310)
Net foreign exchange loss	-	-	(3,361)	6,218	2,857
	(9,330)	3,422	(115,133)	(40,635)	(161,676)
Profit / (Loss) before income tax					(161,676)
Income tax benefit / (expense)					15,549
Profit after income tax benefit					(146,127)
Assets					
Segment assets	259,309	366,505	-	4,494	630,308
Total assets					630,308
Total assets include additions and acquisitions of non-current assets:					
Property, plant and equipment	17,632	208,326	30,605	-	256,563
Exploration and evaluation	383	115,402	-	-	115,785
	18,015	323,728	30,605	-	372,348
Liabilities					
Segment liabilities	137,098	167,103	-	262,636	566,837
Total liabilities					566,837

Note 3. Operating segments (continued)

Consolidated - 2019	Australia $'000	Mongolia $'000	Unallocated / Corporate $'000	Total $'000
Revenue				
Sales to external customers	275,058	63,264	-	338,322
Cost of goods sold	(167,335)	(69,282)	-	(226,617)
Gross Margin	107,723	3,982	-	111,705
Other operating and administration expenses	(4,279)	(2,476)	(10,761)	(17,516)
Exploration tenement write-off	(257)	-	-	(257)
Share of profits of associates	(42)	-	-	(42)
EBITDA	103,145	1,506	(10,761)	93,890
Depreciation and amortisation	(10,380)	(25,093)	-	(35,473)
Net Finance expenses	-	(11,401)	(59,538)	(70,939)
Net foreign exchange loss	-	-	(5,687)	(5,687)
	92,765	(34,988)	(75,986)	(18,209)
Profit / (Loss) before income tax				(18,209)
Income tax benefit / (expense)				6,904
Profit after income tax benefit				(11,305)
Assets				
Segment assets	265,171	162,547	64,530	492,245
Total assets				492,245
Total assets include additions and acquisitions of non-current assets:				
Property, plant and equipment	7,384	20,464		27,848
Exploration and evaluation	462	2,038		2,500
	7,846	22,502		30,348
Liabilities				
Segment liabilities	112,882	97,759	211,160	421,801
Total liabilities				421,801

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 4. Business combinations

Acquisition of Universal Coal plc

Following the acquisition of a 19.995% shareholding in Universal Coal plc (Universal or UNV) in October 2019, on 3 February 2020, TerraCom announced a takeover offer, through its wholly owned subsidiary TCIG Resources Pte Ltd to acquire the entire issued and to be issued share capital of Universal not already directly or indirectly owned by it. The offer price per UNV security consisted of 10 cents cash and 0.6026 new TerraCom shares.

From 3 February 2020 to 31 March 2020, TerraCom acquired Universal shares via a take-over process increasing its ownership interest in stages. Control over Universal was obtained on 27 March 2020 (the Acquisition Date) and accordingly TerraCom has consolidated the results from Universal's operations from this date. From the Acquisition Date to 30 June 2020 the Group acquired the remaining share capital in UNV, owning 100% of the entity at 30 June 2020.

The acquisition of Universal aligns with the Company's ongoing corporate strategy and enables the Company to enter into an emerging market, yet at the same time reducing the Company's sovereign risk profile with new investments in South Africa.

Note 4. Business combinations (continued)

Assets acquired and liabilities assumed:

The provisional fair value of identifiable assets and liabilities of Universal as at the Acquisition Date were:

	Fair value $'000
Cash and cash equivalents	21,528
Trade and other receivables	91,208
Inventories	15,063
Restricted cash	770
Property, plant and equipment	203,435
Exploration and evaluation	115,402
Financial Asset	3,653
Loan payable to external shareholders	(4,218)
Trade and other payables	(93,777)
Borrowings	(11,464)
Provisions	(79,307)
Financial liabilities	(1,039)
Deferred Tax	(42,289)
	-
Net assets acquired	218,965
Non-controlling interest	(101,669)
Acquisition-date fair value at TerraCom's share	110,298
Representing:	
Investment in associate at acquisition (27 March 2020)	99,848
Dividend received	(519)
Share of profit/(loss) of associate to date of control	818
Gain on revaluation of associate on acquisition	10,151
	110,298

The fair values disclosed are provisional as at 30 June 2020, this is due to the size and complexity of this acquisition, proximity to year end, and travel restrictions arising due to COVID-19. The Group in collaboration with an independent valuation expert used a discounted cash flow models to estimate the expected future cash flows of Universal's operating mines, based on the life-of-mine plans. Expected future cash flows are based on estimates of future production and commodity prices, operating costs, and forecast capital expenditures using the life-of-mine plan as at the acquisition date. Additional resources which were not included in the life-of-mine plan and exploration potential were separately valued in collaboration with an independent valuation expert using a market approach, evaluating recent comparable transactions and are included above as part of ’Exploration and evaluation assets’.

If new information is obtained within one year from the acquisition date about facts and circumstances that existed at acquisition date and such information identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the accounting for the acquisition will be revised.

The fair value of property, plant and equipment and exploration and evaluation assets is represented by the value of the mining rights and prospecting rights of Universal, including the 4 operating mines (Kangala Colliery, New Clysedale Colliery, North Block Complex, and Ubuntu Colliery) and 2 exploration projects (Eloff, and Berenice and Cygnus).

The fair value of working capital (trade and other receivables, inventory, and trade and other payables) represents the full contractual amounts that will be collected, sold or paid.

The fair value of borrowings represents the fair value of total loans payable to Investec and Capital Harvest.

Note 4. Business combinations (continued)

Performance since Acquisition Date:
From the Acquisition Date to 30 June 2020, Universal has contributed $95,312,000 revenue and a loss after tax of $842,000.

Transaction costs of US$4,159,000 were expensed and are included in other operating and administration expenses in the period.

Purchase consideration	$'000
Cash consideration (1)	49,432
Shares issued, at fair value (2)	50,416
Total consideration	99,848

(1) The cash consideration for the Universal acquisition was 10 cents per Universal share held. The Company acquired 321,217,068 shares in Universal (representing 61.49% of Universal when combined with the 19.995% holding the Company held prior to the takeover offer a combined holding in Universal of 81.48%) up until Acquisition Date and therefore $32,121,707 cash consideration was paid (in addition to the $17,310,191 cash paid for the initial 19.99%).

(2) The equity consideration for the Universal acquisition was 0.6026 new TerraCom shares per Universal share held. The Company issued 193,565,407 ordinary shares as consideration for the 81.48% interest in Universal. The fair value of the shares was calculated with reference to the quoted price of the shares of the Company on each issue date of the shares. The fair value of the equity component of the consideration was therefore $36,564,276 (in addition to the $13,852,257 in shares issued for the initial 19.99%).

The Group acquired the remaining 18.52% of Universal Coal shares on issue prior to 30 June 2020, for a total consideration of $18.175 million (cash consideration of $9.678 million and TerraCom shares at fair value of $8.497 million). Increases in the ownership after acquisition (27 March 2020) do not result in the recognition of a gain or loss. The acquisition of these shares was treated as discrete transactions rather than part of a single acquisition arrangement.

Note 5. Financial income

	Consolidated 2020 $'000	Consolidated 2019 $'000
Interest Income	1,716	1,445
Gain on debt to equity conversion (1)	-	2,547
	1,716	3,992

(1) On 21 December 2018, Noble Resources International Pte Limited (Noble) and the company agreed to convert Noble's Blair Athol Prepayment Facility into fully paid ordinary shares of TerraCom. The issue price per ordinary share was $0.75, which represented a 23% premium to the closing share price on the date of the conversion (refer to Note 26, working capital facilities).

Note 6. Financial expense

	Consolidated 2020 $'000	Consolidated 2019 $'000
Interest expense on interest bearing loans	33,172	28,946
Amortisation of bond discount (1)	-	27,250
Other interest and finance expense (2)	1,308	4,170
	34,480	60,366

Other interest and finance expense

Other interest and finance expense includes special interest amortisation, royalties and changes in amortised cost of financial instruments. The large decrease in interest expense is driven by the following items:

(1) The Euroclear Listed Bond included non-cash amortisation over the 5-year term due to the difference in the purchase price and initial redemption value of the bonds. As a result of the Company's intention to refinance this facility, in the prior year the Group accelerated non-cash amortisation of $19.8 million (US$13.8 million) such that the redemption value of the bonds is recognised as the amount outstanding as at 30 June 2019. The refinancing of this facility was delayed on account of the Company opting to acquire a 100% interest in Universal Coal plc during the 2020 financial year. As the bond was already being carried at its face value from 1 July 2019, no further amortisation expense has been recorded this period. The refinancing is due to be completed prior to 30 June 2021.

(2) In the prior year the company issued a royalty to OCP Asia relating to production from its Mongolian operations. The key terms include a royalty of US$2 per coking coal tonne sold from Mongolia for the period 1 October 2018 to 30 September 2023. This financial instrument was carried at amortised cost. This financial instrument was disposed of as part of the Mongolia divestment to Bridge Resources Pte Ltd in the 2020 financial year. Amounts relating to Mongolian subsidiaries are excluded from the table above and have been presented in the discontinued operations note (note 7), the comparative period has also been represented.

Note 7. Discontinued operations

Description

On 23 June 2020, the Company completed the sale of its Mongolian operations to Bridge Resources Pte Ltd (Bridge) for US$3. This transaction was effected, through the sale of the equity in three of TerraCom's Singapore based subsidiaries who were the holders of the interests in the Mongolian assets (Tellus Commodities Pte Ltd, Terra Infrastructure Pte Ltd and Tellus Marketing Pte Ltd).

Financial information relating to the discontinued operation for the period to date of disposal is set out below.

Note 7. Discontinued operations (continued)

(A) Financial performance information

	Consolidated 2020 $'000	Consolidated 2019 $'000
Coal Sales	34,734	63,264
Cost of Goods Sold	(12,365)	(59,283)
Other Operating and Administration Expenses	(9,716)	(7,018)
Depreciation and amortisation	(17,573)	(23,568)
Net foreign exchange (loss)/gain	(3,361)	4,556
Net Finance costs	(5,546)	(14,565)
Total expenses	(48,561)	(99,878)
Loss before income tax expense	(13,827)	(36,614)
Income tax expense	(82)	-
Loss after income tax expense	(13,909)	(36,614)
Loss on disposal before income tax	(101,306)	-
Income tax expense	-	-
Loss on disposal after income tax expense	(101,306)	-
Loss after income tax expense from discontinued operations	(115,215)	(36,614)

(B) Details of the sale of the subsidiary

	Consolidated 2020 $'000
Total sale consideration (US$ 3 sale price)	-
Derecognition of foreign currency translation reserve	(13,928)
Carrying amount of net liabilities disposed	(87,378)
Loss on disposal before income tax	(101,306)
Loss on disposal after income tax	(101,306)

Note 8. Current assets - Cash and cash equivalents

	Consolidated 2020 $'000	Consolidated 2019 $'000
Cash on hand	-	2
Cash at bank	10,108	57,199
	10,108	57,201

Note 9. Current assets - Trade and other receivables

	Consolidated 2020 $'000	Consolidated 2019 $'000
Trade receivables	32,663	13,280
Other receivables	15,538	4,612
	48,201	17,892

The other receivables includes refundable Value Added Tax (VAT), Goods and Services Tax (GST) and Diesel Rebate 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.

Based on past performance and future estimates the Group considers that any expected credit loss will be immaterial (less than 1%).

Note 10. Non-current assets - Trade and other receivables

	Consolidated 2020 $'000	Consolidated 2019 $'000
Other receivables	-	8,436

The non-current other receivables in the comparative year included Mongolian value added tax (VAT) receivable. This is not recognised at 30 June 2020 as the Mongolian segment was disposed of during the current year.

Note 11. Current assets - Inventories

	Consolidated 2020 $'000	Consolidated 2019 $'000
Coal stock	25,694	17,040
Consumables and stores	937	-
	26,631	17,040

Coal inventory has been valued at the lower of cost or net realisable value.

Note 12. Current assets - Restricted cash

	Consolidated 2020 $'000	2019 $'000
Secured deposit	-	702

The secured cash related to an amount of $701,943 which is refundable to Orion Mining Pty Limited a wholly owned subsidiary of TerraCom Limited. During the prior period, there was a reduction in the amount required to be held under a secured deposit as a result of an updated Financial Assurance approved by the Queensland Government's Department of Environment and Science for the Blair Athol Coal Mine's Environmental Authority EPML00876713. This amount was refunded in the current year.

Note 13. Non-current assets - Restricted cash

	Consolidated 2020 $'000	2019 $'000
Bank deposit	2,647	2,000
Secured deposit	45,000	71,791
	47,647	73,791

The bank deposit consists of the following:
- $2.000 million held by the State Bank of India, Sydney Branch as required under the $15.0 million facility agreement.
- $0.647 million consists of standby equity and security for financial and supplier guarantees provided by financial institutions on behalf of the Group's South African operations.

The secured deposit relates to the cash pledged as security for the issuance of a bank guarantee 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. During the current year the Company completed an insurance bond facility resulting in $27 million of restricted cash being released back to the Company. The insurance bond facility is approximately $72 million, however only requires a cash backing of $45 million. In the first week of January 2020, this secured deposit was moved from the State Bank of India, Sydney Branch to be held by Westpac, which at reporting date was bearing an interest rate of 1.48% per annum, with interest payable 6 monthly in arrears.

Note 14. Non-current assets - Other non-current assets

	Consolidated 2020 $'000	2019 $'000
Other deposits	8,253	4,518
	8,253	4,518

Other deposits comprise mainly of refundable security deposits paid to Dalrymple Bay Coal Terminal, Abbott Point Coal Terminal and Aurizon Network for port and below rail contract security for the Blair Athol supply chain.

Note 15. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
Universal Coal Development VI (Pty) Ltd	South Africa	15.00%	-
Universal Coal Logistics (Pty) Ltd	South Africa	49.00%	-

Note 16. Non-current assets - Other financial assets

	Consolidated 2020 $'000	Consolidated 2019 $'000
Mining rehabilitation guarantees	4,737	-

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 South Africa's Department of Mineral Resources. 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.

Note 17. Non-current assets - Property, plant and equipment

	Consolidated 2020 $'000	Consolidated 2019 $'000
Land and buildings - at cost	6,344	6,230
Right-of-use plant and equipment - at cost	6,843	-
Less: Accumulated depreciation	(2,108)	-
	4,735	-
Plant and equipment - at cost	48,280	20,787
Less: Accumulated depreciation	(16,510)	(4,584)
	31,770	16,203
Capital works in progress	27,797	474
Mine development - at cost	344,089	300,516
Less: Accumulated amortisaton	(113,009)	(69,638)
	231,080	230,878
	301,726	253,785

Note 17. Non-current assets - Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Right-of-use Assets $'000	Capital works in progress $'000	Land and buildings $'000	Plant and equipment $'000	Mine development $'000	Total $'000
Balance at 1 July 2018	-	80	5,913	16,269	220,870	243,132
Additions	-	477	-	1,263	26,108	27,848
Disposals	-	(6)	-	-	(418)	(424)
Exchange differences	-	(77)	317	670	9,342	10,252
Transfers in/(out)	-	-	-	-	4,386	4,386
Depreciation and amortisation expense	-	-	-	(1,999)	(29,410)	(31,409)
Balance at 30 June 2019	-	474	6,230	16,203	230,878	253,785
Effect of adoption of AASB 16 - Leases	19,571	-	-	-	-	19,571
Additions	16,865	13,691	-	146	3,853	34,555
Additions through business combinations (note 4)	1,121	40,164	-	11,842	150,308	203,435
Disposals as a result of discontinued operations	(21,866)	-	-	(104)	(135,081)	(157,051)
Exchange differences	(12)	(1,679)	114	(726)	(7,556)	(9,859)
Transfers in/(out)	-	(24,853)	-	8,025	17,467	639
Depreciation and amortisation expense	(10,944)	-	-	(3,616)	(28,789)	(43,349)
Balance at 30 June 2020	4,735	27,797	6,344	31,770	231,080	301,726

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

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 Statement of Comprehensive Income 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.

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 fields. Future commodity prices are reviewed at least annually. Where volumes are contracted, future prices are based on the contracted price.

Note 17. Non-current assets - Property, plant and equipment (continued)

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.

There has been no impairment recorded or reversed during the year ended 30 June 2020 (30 June 2019: nil).

Note 18. Non-current assets - Exploration and evaluation

	Consolidated	
	2020 $'000	2019 $'000
Exploration and evaluation - at cost	220,425	113,867
Less: Impairment	(65,836)	(65,836)
	154,589	48,031

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	$'000
Balance at 1 July 2018	40,779
Additions	2,500
Exchange differences	576
Write off of assets	(257)
Transfers in/(out)	(4,386)
Acquisition of subsidiary	8,819
Balance at 30 June 2019	48,031
Additions	1,031
Additions through business combinations (note 4)	115,402
Disposed as part of discontinued operations	(4,543)
Revaluation increments	(172)
Exchange differences	(3,655)
Write off of assets	(866)
Transfers in/(out)	(639)
Balance at 30 June 2020	154,589

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. The balance relates to a number of areas of interest in Australia and South Africa.

The Company has previously written off some of its early stage exploration projects that are not imminent, although they are still prospective, such that the exploration balance carried relates primarily to the priority projects.

The Mongolian exploration assets were disposed of on 23 June 2020 as part of the sale to Bridge.

Note 18. Non-current assets - Exploration and evaluation (continued)

Australian mining tenements

Tenement number	Operation/Project	Location	2020 %	2019 %
EPC 1250*	Northern Galilee (Clyde Park)	Charters Towers, Queensland Australia	-	64.40%
EPC 1260	Northern Galilee (Clyde Park)	Charters Towers, Queensland Australia	64.40%	64.40%
EPC 1300	Northern Galilee (Hughenden)	Charters Towers, Queensland Australia	100.00%	100.00%
EPC 1394	Northern Galilee (Hughenden)	Charters Towers, Queensland Australia	100.00%	100.00%
EPC 1477	Northern Galilee (Hughenden)	Charters Towers, Queensland Australia	100.00%	100.00%
EPC 1478	Northern Galilee (Hughenden)	Charters Towers, Queensland Australia	100.00%	100.00%
EPC 1479*	Northern Galilee (Hughenden)	Charters Towers, Queensland Australia	-	100.00%
EPC 1641	Northern Galilee (Hughenden)	Charters Towers, Queensland Australia	100.00%	100.00%
EPC 2049	Northern Galilee (Hughenden)	Charters Towers, Queensland Australia	100.00%	100.00%
EPC 1822*	Northern Galilee (Pentland)	Rockhampton, Queensland Australia	-	100.00%
EPC 1872*	Northern Galilee (Pentland)	Rockhampton, Queensland Australia	-	100.00%
EPC 1890	Northern Galilee (Pentland)	Rockhampton, Queensland Australia	100.00%	100.00%
EPC 1892	Northern Galilee (Pentland)	Rockhampton, Queensland Australia	100.00%	100.00%
EPC 1893	Northern Galilee (Pentland)	Rockhampton, Queensland Australia	100.00%	100.00%
EPC 1962	Northern Galilee (Pentland)	Rockhampton, Queensland Australia	100.00%	100.00%
EPC 1964	Northern Galilee (Pentland)	Rockhampton, Queensland Australia	100.00%	100.00%
EPC 1674	Springsure (Springsure)	Emerald, Queensland Australia	90.07%	86.97%
MDL 3002	Springsure (Springsure)	Emerald, Queensland Australia	90.07%	86.97%
EPC 1103	Springsure (Fernlee)	Emerald, Queensland Australia	100.00%	100.00%
ML1804	Blair Athol	Blair Athol, Queensland Australia	100.00%	100.00%

South African mining and prospecting rights acquired

Tenement Number	Operation/Project	Location	2020 %	2019 %
MP30/5/1/2/2/429MR	Kangala Colliery	Delmas, Mpumalanga Province, South Africa	70.50%	-
MP30/5/1/1/2/641PR	Kangala Colliery	Delmas, Mpumalanga Province, South Africa	70.50%	-
LP30/5/1/1/2/376PR	Berenice Project	Waterpoort, Limpopo Province, South Africa	50.00%	-
MP30/5/1/2/2/10027MR	Ubuntu Colliery	Delmas, Mpumalanga Province, South Africa	48.90%	-
MP30/5/1/1/2/492MR	New Clydesdale Colliery	Kriel, Mpumalanga Province, South Africa	49.00%	-
MP30/5/1/2/2/10169MR	Eloff Project	Delmas, Mpumalanga Province, South Africa	49.00%	-
MP30/5/1/2/1/326MR	North Block Complex Colliery	Belfast, Mpumalanga Province, South Africa	49.00%	-
MP30/5/1/1/2/19MR (10068MR)	North Block Complex Colliery	Belfast, Mpumalanga Province, South Africa	49.00%	-
MP30/5/1/2/2/10090MR	North Block Complex Colliery	Belfast, Mpumalanga Province, South Africa	49.00%	-
LP30/5/1/1/2/1276PR	Cygnus Project	All Days (Waterpoort), Limpopo Province, South Africa	50.00%	-

Note 18. Non-current assets - Exploration and evaluation (continued)

Mongolia tenements sold as part of Mongolia divestment

Tenement Number	Location	2020 %	2019 %
XV-12929	Mid Gobi, Mongolia	-	100.00%
MV-20800	South Gobi, Mongolia	-	100.00%
MV-19149	South Gobi, Mongolia	-	100.00%
XV-12600	South Gobi, Mongolia	-	100.00%
MV-16971	South Gobi, Mongolia	-	83.87%
MV-17162	South Gobi, Mongolia	-	100.00%
XV-17163	South Gobi, Mongolia	-	100.00%
MV-20803	South Gobi, Mongolia	-	100.00%
XV-18111	South Gobi, Mongolia	-	100.00%
XV-18513	South Gobi, Mongolia	-	100.00%
XV-20268	South Gobi, Mongolia	-	100.00%
XV-18142	Uvs, Mongolia	-	100.00%
XV-18797	Uvs, Mongolia	-	100.00%
XV-18802	Uvs, Mongolia	-	100.00%
XV-20281	Uvs, Mongolia	-	100.00%
XV-20539	Uvs, Mongolia	-	100.00%

* These tenements were relinquished during the period and any carrying costs were written off.

Note 19. Current liabilities - Trade and other payables

	Consolidated 2020 $'000	Consolidated 2019 $'000
Trade and other payables	106,770	91,786

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

Note 20. Non-current liabilities - Trade and other payables

	Consolidated 2020 $'000	Consolidated 2019 $'000
Trade and other payables	-	5,467
Deferred consideration	1,726	-
	1,726	5,467

On 22 February 2019 Universal Coal III (Pty) Limited entered into a five-year instalment sale agreement to purchase the land for the Ubuntu Colliery. The instalment sale agreement is unsecured and is repaid in twenty quarterly payments that commenced on 30 June 2019.

The fair value of non-current trade and other payables is estimated by discounting future cash flows using rates currently available for payables on similar terms.

Note 24. Non-current liabilities - Trade and other payables (continued)

The comparative period trade and other payables balance relates to payments due to suppliers in Mongolia.

Note 21. Current liabilities - Borrowings

	Consolidated	
	2020 $'000	2019 $'000
Listed (Euroclear) bond	215,098	-
Finance leases	-	150
State Bank of India facility	2,880	2,880
Investec project finance facility	1,222	-
Capital Harvest project finance facility	551	-
Non-interest-bearing loan	-	4,276
	219,751	7,306

Note 22. Non-current liabilities - Borrowings

	Consolidated	
	2020 $'000	2019 $'000
Listed (Euroclear) bond	-	203,043
State Bank of India facility	7,560	10,440
OCP convertible note	25,366	-
Capital Harvest project finance facility	6,678	-
	39,604	213,483

Listed (Euroclear) Bond

The Listed (Euroclear) Bond was fully drawn down on 30 June 2020 for the amount of US$97 million (purchase price of the bonds) and an initial redemption value of US$124 million. The facility bears a cash interest rate of 12.5% per annum, payable 6 monthly in arrears. In accordance with the deed, the Company can elect to pay in kind (PIK) 50% of the interest repayments which are added to the redemption value of the bonds. The maturity date of the facility is 30 June 2021 at which point the redemption value of the Listed (Euroclear) bond including the, PIK interest and converted Super Senior note, as calculated on 30 June 2020 is for the amount of US$149.688 million. This facility includes a special interest component which has been treated as a separate non-derivative financial liability. This instrument, which represents an incremental cost that is directly attributable to the issue of the bond, has been treated as a transaction cost and offset against the fair value on initial recognition. The facilities are subject to debt covenants and obligations to make interest and principal payments on set dates. Should these terms not be met by the Company an event of default may eventuate.

Non-Interest bearing loan

This amount related to US$3 million due by Enkhtunkh Orchon LLC. As part of the divestment of Mongolia this loan was derecognised.

Note 22. Non-current liabilities - Borrowings (continued)

State Bank of India

This facility, entered into on 7 June 2018, is for a period of 60 months from commencement date and currently bears an interest rate of 1 month BBSY plus a margin of 5.75%. The BBSY rate for June 2020 was 0.1409% (30 June 2019: 1.515%). Monthly principal repayments of $0.240 million commenced in December 2018 and will continue until November 2021. The monthly principal repayments with then change to $0.370 million from December 2021 to April 2023. A final principal repayment of $0.070 million will be made in May 2023. Under the agreement the company is required to maintain a $ 2.000 million term deposit with SBI. Refer to Restricted Cash (Note 13) for further details.

OCP Convertible Note

On 24 December 2019 TerraCom completed a Convertible Bond Facility for US$20 million with Madison Pacific Trust Limited being appointed the Note Trustee and OL Master (Singapore Fund 1) Pte Ltd (OCP Asia) being the Initial Noteholder. The facility is for 3 years, with a redemption date of 23 December 2023 and bears an interest rate of 9.95% per annum. Interest is paid every 6 months in arrears commencing on 30 June 2020 with a final interest payment due on the redemption date. The principal is due to be repaid on 23 December 2022 unless it is converted to equity. The convertible note includes the option to convert the notes into TerraCom shares at a price of $0.696 per share. This option meets the definition of a derivative liability with changes in fair value being recognised in profit and loss on each reporting date. At 30 June 2020 the value of the derivative liability (refer to Note 25) was AU$2.085 million (2019: $ nil).

Investec Project Finance Facilities

On 31 July 2015 Universal entered into new financing agreements with Investec Bank Limited. The facility bears interest at three-month JIBAR plus 4% per annum and has one remaining repayment scheduled for July 2020 to extinguish the facility.

Capital Harvest Facility

On 19 October 2018 Universal entered into financing agreements with Capital Harvest Emerging Farmer Finance (Pty) Ltd (CHEFF) for a period of 120 months and bears and interest rate of Prime plus a margin of 0.25%, payable quarterly in arrears. The Prime rate for June 2020 was 7.25% (June 2019: 10.00%). The principal repayments are quarterly in arrears.

Note 23. Non-current liabilities - Provisions

	Consolidated	
	2020 $'000	2019 $'000
Mine rehabilitation and closure	143,938	71,072

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 which to 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. This, in turn, will depend upon future coal prices, which are inherently uncertain.

Note 23. Non-current liabilities - Provisions (continued)

	Mine rehabilitation and closure - Blair Athol $'000	Mine rehabilitation and closure - Eloff and Kangala $'000	Mine rehabilitation and closure - New Clydesdale Colliery $'000	Mine rehabilitation and closure - North Block Colliery $'000	Mine rehabilitation and closure - Ubuntu Colliery $'000	Mine rehabilitation and closure - Mongolia $'000	Total $'000
Carrying amount at the start of the year	69,739	-	-	-	-	1,333	71,072
Additions through business combinations (note 4)	-	3,921	36,442	34,500	3,647	-	78,510
Derecognised on sale of Mongolia	-	-	-	-	-	(1,333)	(1,333)
Unwinding of discount	(197)	86	448	829	4	-	1,170
Exchange differences	-	(263)	(2,656)	(2,318)	(244)	-	(5,481)
	69,542	3,744	34,234	33,011	3,407	-	143,938

Note 24. Current liabilities - Financial liabilities

	Consolidated 2020 $'000	Consolidated 2019 $'000
Special interest liability	1,026	1,140
Mongolia royalty	-	2,330
	1,026	3,470

Note 25. Non-current liabilities - Financial liabilities

	Consolidated 2020 $'000	Consolidated 2019 $'000
Special interest liability	-	3,059
Mongolia royalty	-	9,070
Derivative liability	3,386	-
	3,386	12,129

Special Interest Liability

The Special Interest Liability is part of the Listed (Euroclear) Bond which is denominated in USD and is subject to translation at every reporting date, refer to Note 25 and 26. This instrument requires the Company to pay a non-refundable payment of 0.75% of mine gate revenues from Blair Athol, payable six monthly in arrears up to the maturity of the bonds on 30 June 2021. This special interest has been treated as a cost of issuing the Listed (Euroclear) bond and is being amortised over the life of the bond.

Note 25. Non-current liabilities - Financial liabilities (continued)

Derivative Liability

The convertible note (refer to note 26) includes the option to convert the notes into TerraCom shares at a price of $0.696 per share. This option meets the definition of a derivative liability with changes in fair value being recognised in profit and loss on each reporting date.

Mongolia Royalty

The Mongolia Royalty was issued to OCP Asia. The key terms include a royalty of US$2 per tonne of coking coal sold in Mongolia for the period 1 October 2018 to 30 September 2023. The financial liability was derecognised as part of the divestment of Mongolia.

Note 26. Non-current liabilities - other

	Consolidated 2020 $'000	Consolidated 2019 $'000
Ndalamo Resources (Pty) Limited - loan receivable	(11,798)	-
Ndalamo Resources (Pty) Limited - loan payable	19,181	-
	7,383	-

The loan receivable was established in 2015 for funding contributions to the acquisition and development of the New Clysedale Colliery which is owned jointly by Ndalamo Resources (Pty) Ltd (Ndalamo) and Universal Coal. The loan is secured against a share pledge of Ndalamo's shares in Universal Coal Development IV (Pty) Ltd and Universal Coal Development VIII (Pty) Ltd, bears interest at Prime plus 1% and is fully repayable by 30 June 2023 in varying capital instalments.

The loan payable to Ndalamo has been subsequently established as a result of Ndalamo's development contributions to the South African subsidiaries that are jointly owned by Ndalamo and Universal Coal. The loans payable bear interest at Prime and have no fixed terms of repayment. Universal Coal has a similar loan owing to it from the subsidiaries on the same terms; however, due to the consolidation process the Universal Coal loan payable is not recognised on the face of the Group's Balance Sheet as of 30 June 2020.

Note 27. Equity - Issued capital

	Consolidated 2020 Shares	2019 Shares	2020 $'000	2019 $'000
Ordinary shares - fully paid	753,607,630	467,152,735	342,394	277,662

Note 27. Equity – Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2018	377,835,413		227,804
Ordinary shares issued on the exercise of options at an issue price of $0.30 per share	3 July 2018	750,000	$0.3000	225
Ordinary shares issued on the exercise of options at an issue price of $0.45 per share	28 August 2018	1,500,000	$0.4500	675
Ordinary shares issued from a debt to equity swap at an issue price of $0.75 per share	21 December 2018	16,666,667	$0.7500	12,500
Fair value adjustment from debt to equity swap	21 December 2018	-	$0.0000	(2,565)
Ordinary shares issued to Wallace King as a share-based payment at an issue price of $0.6344 per share	24 December 2018	236,450	$0.6344	150
Ordinary shares issued for the acquisition of 51% of issued capital in Springsure Mining Pty Limited at an issue price of $0.65 per share	27 March 2019	9,230,769	$0.6500	6,000
Ordinary shares issued to the terms of the pro-rata non-renounceable entitlement offer announced on the ASX on 10 May 2019 at an issue price of $0.58 per share.	5 June 2019	60,933,436	$0.5800	35,341
Share issuance expenses (net of tax)		-	$0.0000	(2,468)
Balance	30 June 2019	467,152,735		277,662
Ordinary shares issued for the acquisition of 19.995% of issued capital in Universal Coal Plc	30 October 2019	34,203,104	$0.4050	13,852
Share issuance expense on Universal Coal Acquisition		-	$0.0000	(1,075)
Ordinary shares issued to Wallace King as a share-based payment at an issue price of $0.4142 per share	26 November 2019	362,138	$0.4142	150
Ordinary shares issued for the acquisition of Universal Coal Plc	31 March 2020	193,565,407	$0.1889	36,565
Ordinary shares issued for the acquisition of Universal Coal Plc	30 June 2020	58,324,246	$0.3057	15,398
Share issuance expense on Universal Coal Acquisition		-	$0.0000	(158)
Balance	30 June 2020	753,607,630		342,394

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

Note 27. Equity – Issued capital (continued)

Capital is regarded as total equity, as recognised in the 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 consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity 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 consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants 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.

The capital risk management policy remains unchanged from the 2019 Annual Report.

Note 28. Equity - Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2020 $'000	2019 $'000
Interim dividend for the year ended 30 June 2020 of 1 cent per ordinary share (2019: nil)	4,671	-

Note 29. Contingent liabilities

The Group had the following contingent liabilities at the end of the financial year:

Springsure Mining Pty Limited

The Springsure Mining Pty Limited (Springsure) Share Sale and Purchase Agreement entered into (for the Group's original 52.52% interest in Springsure) included contingent payments to be made by TerraCom upon each 10Mt of Joint Ore Reserves Committee (JORC) Indicated Resource recorded on the tenement. A partial payment of this amount was made in 2013 upon a JORC Indicated Resource of 43Mt being recorded. An additional $1,800,000 is payable by the Group for every further 10Mt recorded (up to 50Mt more). This amount can be settled in cash or shares.

Note 30. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
FTB (QLD) Pty Limited	Australia	100.00%	100.00%
Sierra Coal Pty Limited	Australia	100.00%	100.00%
Orion Mining Pty Limited	Australia	100.00%	100.00%
Clermont Logistics Pty Limited	Australia	100.00%	100.00%
Terra Energy Pty Limited	Australia	100.00%	100.00%
Clyde Park Coal Pty Limited *	Australia	64.40%	64.40%
Guildford Coal (Mongolia) Pty Limited *	Australia	83.87%	83.87%
Guildford Infrastructure (Mongolia) Pty Limited	Australia	100.00%	100.00%
Terra Mining Services Pty Ltd	Australia	100.00%	100.00%
Springsure Mining Pty Ltd***	Australia	90.07%	86.97%
TCIG Pte Limited	Singapore	100.00%	-
Tellus Commodities Pte Limited	Singapore**	-	100.00%
Tellus Marketing Pte Limited *	Singapore**	-	83.87%
Terra Infrastructure Pte Limited	Singapore**	-	100.00%
Alag Tvesh LLC *	Mongolia **	-	83.87%
Terra Energy LLC	Mongolia **	-	100.00%
Enkhtunkh Orchlon LLC	Mongolia **	-	100.00%
Tsagaan Uvuljuu LLC	Mongolia **	-	100.00%
Terra Coal Processing LLC	Mongolia **	-	100.00%
Universal Coal Plc	United Kingdom	100.00%	-
Universal Coal Holding South Africa (Pty) Ltd	South Africa	100.00%	
Universal Coal Development I (Pty) Ltd	South Africa	70.50%	-
Universal Coal Development II (Pty) Ltd	South Africa	50.00%	-
Universal Coal Development III (Pty) Ltd	South Africa	48.90%	-
Universal Coal Development IV (Pty) Ltd	South Africa	49.00%	-
Universal Coal Development V (Pty) Ltd	South Africa	50.00%	-
Universal Coal Development VII (Pty) Ltd	South Africa	50.00%	-
Universal Coal Development VIII (Pty) Ltd	South Africa	49.00%	-
Twin Cities Trading 374 (Pty) Ltd	South Africa	74.00%	-
Episolve (Pty) Ltd	South Africa	74.00%	-
Epsimax (Pty) Ltd	South Africa	74.00%	-
Bold Moves 1756 (Pty Ltd)	South Africa	74.00%	-
Universal Coal Power Generation (Pty) Ltd	South Africa	100.00%	-
North Block Complex (Pty) Ltd	South Africa	49.00%	-
Eloff Agriculture and Mining Company (Pty) Ltd	South Africa	49.00%	-
Manyeka Coal Mine (Pty) Ltd	South Africa	49.00%	-

* Percentage of voting power is in proportion to ownership.
** Mongolian and Singapore entities that were disposed as part of the divestment of Mongolian Operations.
*** On 9 January 2020, TerraCom acquired a further 3.10% interest of Springsure Mining Pty Ltd. This acquisition increased TerraCom's ownership interest to 90.07%.

Control considerations where 50% or less of share capital held
The Group's wholly owned subsidiary Universal Coal Energy Holdings South Africa (Pty) Ltd (UCEHSA) holds the interest in the subsidiaries noted below.

Note 30. Interests in subsidiaries (continued)

Universal Coal Development II (Pty) Limited (UCDII)
Although the Group owns 50% of UCDII, management has determined that the Group controls the entity because within the shareholder arrangement UCEHSA has an option to purchase a further 24% of shares in UCDII. UCEHSA has the practical ability to exercise the option as no restriction exists on the exercise of the option. This potential voting right has therefore, been considered to be substantive and has been included in management's assessment as to whether UCEHSA has control.

Universal Coal Development Ill (Pty) limited (UCDIII)
Although the Group owns less than 50% of UCDIII, management has determined that the Group controls the entity because UCEHSA manages and directly controls the entity by virtue of an operating and management agreement and has the current ability to direct the entities activities. The relevant current activities are the development of the Ubuntu Colliery and infrastructure and planned future activities will be mining, processing and selling of coal. As UCEHSA has operational control over UCDIII and is exposed to and has rights to variable returns from its involvement with UCDIII and has the ability to affect those returns through its operational power over UCDIII, the company is accounted for as a subsidiary.

Universal Coal Development IV (Pty) Limited (UCDIV)
Although the Group owns less than 50% of UCDIV, management has determined that the Group controls the entity because UCEHSA manages and directly controls the entity by virtue of an operating and management agreement, receiving substantially all of the returns related to their operations and net assets and has the current ability to direct the entities activities that most significantly affect these returns. The relevant activities are the mining, processing and selling of coal. As UCEHSA has operational control over UCDIV, is exposed to and has rights to variable returns from its involvement with UCDIV and has the ability to affect those returns through its operational power over UCDIV, the company is accounted for as a subsidiary.

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, UCEHSA has operational control over UCDIV and the company is therefore accounted for as a subsidiary.

North Block Complex (Pty) limited (NBC)
Although the Group owns less than 50% of NBC, management has determined that the Group controls the entity because UCEHSA manages and directly controls the entity by virtue of an operating and management agreement, receiving substantially all of the returns related to their operations and net assets and has the current ability to direct the entities activities that most significantly affect these returns. The relevant activities are the mining, processing and selling of coal. As UCEHSA has operational control over NBC, is exposed to and has rights to variable returns from its involvement with NBC and has the ability to affect those returns through its operational power over NBC, the company is accounted for as a subsidiary.

Universal Coal Development V (Pty) Limited (UCDV)
Although the Group owns 50% of UCDV, management has determined that the Group controls the entity because UCEHSA has an option to exercise a further 24% share purchase and has the practical ability to exercise the option as no restriction exists on the exercise of the option. Therefore, the right to exercise this option is considered substantive and has been included in management's assessment as to whether UCEHSA has control.

Universal Coal Development VII (Pty) Limited (UCDVII)
Although the Group owns 50% of UCDVII, management 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.

Universal Coal Development VIII (Pty) Limited (UCDVIII)
Although the Group owns less than 50% of UCDVIII, management has determined that the Group controls the entity because UCEHSA manages and directly controls the entity by virtue of an operating and management agreement, receiving substantially all of the returns related to their operations and net assets and has the current ability to direct the entities activities that most significantly affect these returns. The relevant activities are the mining, processing and selling of coal.

Note 30. Interests 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	
Name	Principal place of business / Country of incorporation	Principal activities	Ownership interest 2020 %	Ownership interest 2019 %	Ownership interest 2020 %	Ownership interest 2019 %
Clyde Park Coal Pty Limited	Australia	Exploration	64.40%	64.40%	35.60%	35.60%
Guildford Coal (Mongolia) Pty Limited	Australia	Holding Company	83.87%	83.87%	16.13%	16.13%
Tellus Marketing Pte Limited	Singapore	Holding Company	-	83.87%	-	16.13%
Alag Tvesh LLC	Mongolia	Exploration	-	83.87%	-	16.13%
Springsure Mining Pty Ltd.	Australia	Exploration	90.07%	86.97%	9.93%	13.03%
Universal Coal Development I (Pty) Ltd	South Africa	Production	70.50%	-	29.50%	-
Universal Coal Development II (Pty) Ltd	South Africa	Exploration	50.00%	-	50.00%	-
Universal Coal Development III (Pty) Ltd	South Africa	Production	48.90%	-	51.10%	-
Universal Coal Development IV (Pty) Ltd	South Africa	Production	49.00%	-	51.00%	-
Universal Coal Development V (Pty) Ltd	South Africa	Exploration	50.00%	-	50.00%	-
Universal Coal Development VII (Pty) Ltd	South Africa	Exploration	50.00%	-	50.00%	-
Universal Coal Development VIII (Pty) Ltd	South Africa	Holding Company	49.00%	-	51.00%	-
Twin Cities Trading 374 (Pty) Ltd	South Africa	Holding Company	74.00%	-	26.00%	-
Episolve (Pty) Ltd	South Africa	Holding Company	74.00%	-	26.00%	-
Epsimax (Pty) Ltd	South Africa	Holding Company	74.00%	-	26.00%	-
Bold Moves 1756 (Pty Ltd)	South Africa	Holding Company	74.00%	-	26.00%	-
Universal Coal Logistics (Pty) Ltd	South Africa	Holding Company	49.00%	-	51.00%	-
North Block Complex (Pty) Ltd	South Africa	Production	49.00%	-	51.00%	-
Eloff Agriculture and Mining Company (Pty) Ltd	South Africa	Exploration	49.00%	-	51.00%	-
Manyeka Coal Mine (Pty) Ltd	South Africa	Exploration	49.00%	-	51.00%	-

Note 31. Events after the reporting period

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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