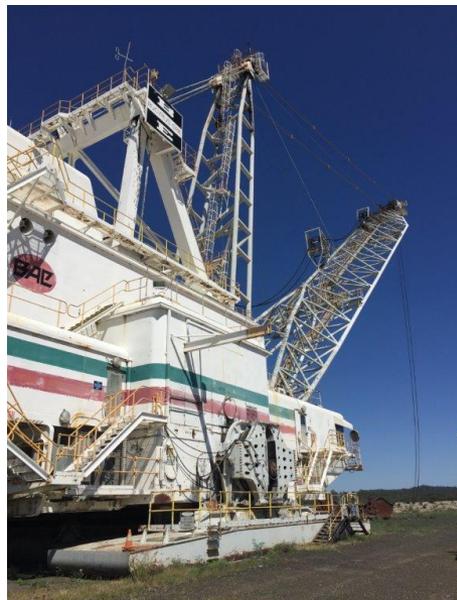




TERRACOM

FY19 HALF-YEAR RESULTS PRESENTATION

MARCH 2019



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AGENDA

- 1 Overview
- 2 Financials
- 3 Project Updates
- 4 Summary

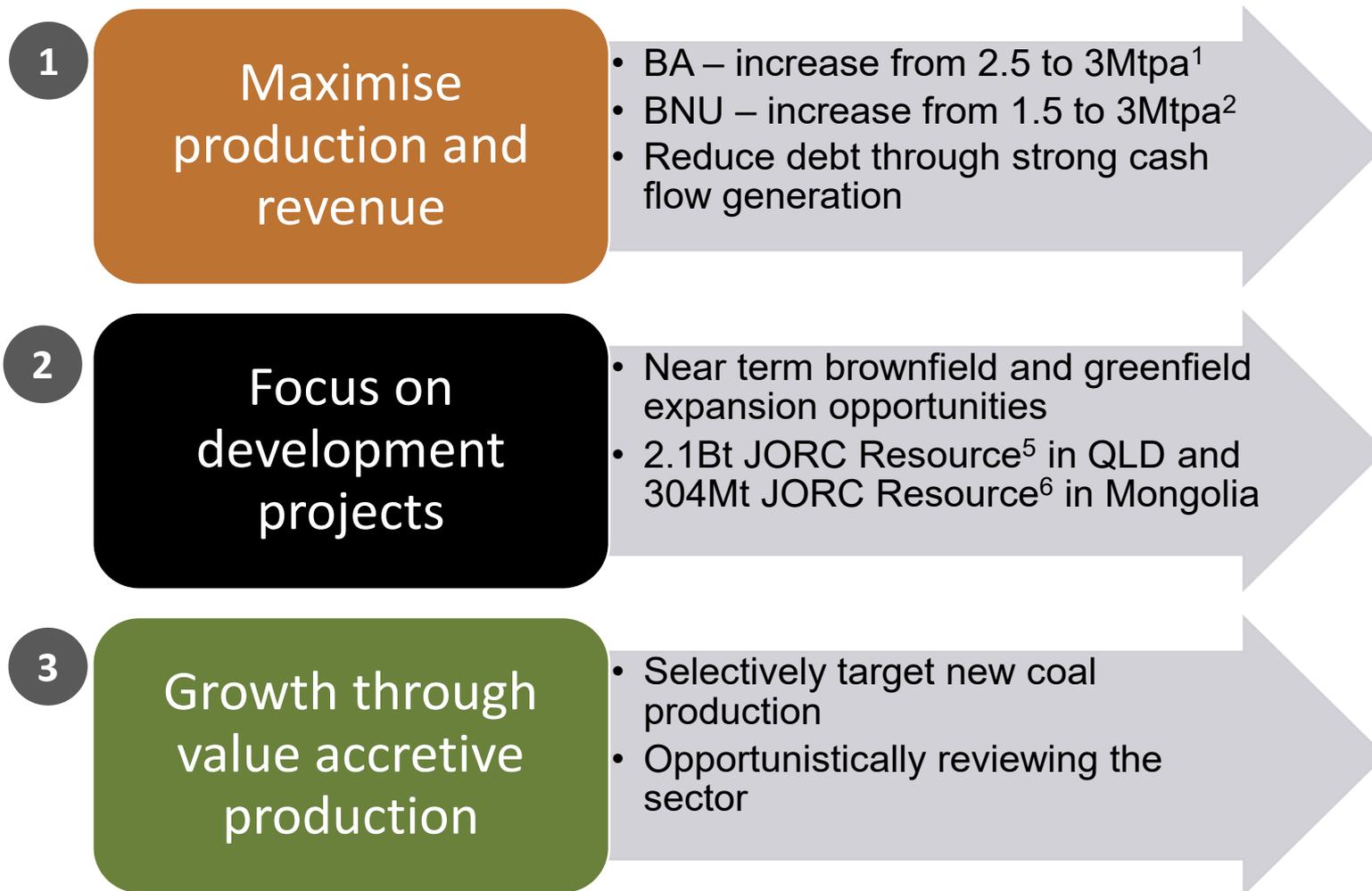


OVERVIEW



STRATEGY – UNLOCKING VALUE

FOCUSED ON BECOMING A MID-TIER COAL PRODUCER



OVERVIEW



2 Regions

ASX listed coal producer with operations in Australia and Mongolia



Cash Generating

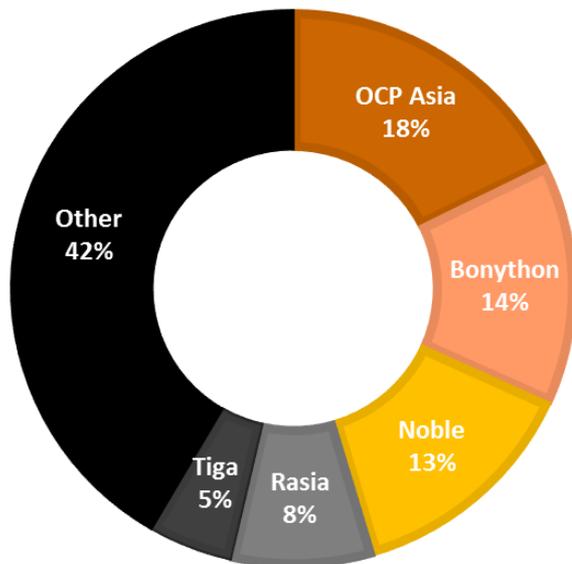
Capitalising on strong coal market targeting 6.0Mtpa generating strong cash flows

3.0Mt BA¹ (Qld) & 3.0Mt BNU² (Mongolia)



Organic Growth

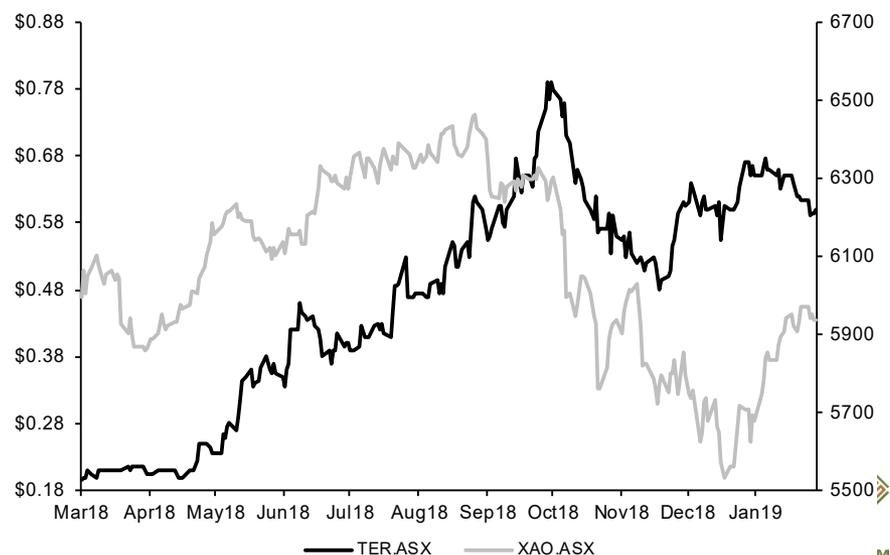
Near term Brownfield and greenfield expansion opportunities with a JORC Resource in excess of 2.1Bt in Queensland⁵ and 304 Mt in Mongolia⁶.



Capital Structure

Shares on Issue (m)	397
Share Price 27/02/18 (ASX: TER)	0.62
Market Cap (m)	A\$246
Options (m)	14
Cash (m) as at 30 Dec 2018	A\$12
Debt (m)	US\$159
Enterprise Value (m)	A\$354
Top 20 Shareholders	80.3%

TER – performance over one year



BOARD OF DIRECTORS

Wal King

Chairman

Independent Director

- Wal holds a Bachelor and Masters in Engineering and Engineering Science and an Honorary Doctorate of Science from the UNSW.
- Wal worked in the construction industry for over 40 years and was CEO of Leighton Holdings Limited from 1987 until December 2010.
- He is and a Director of Kimberley Foundation Australia Limited, was previously Deputy Chairman of the UNSW Foundation, and was one of the longest serving Directors of Coca-Cola Amatil Limited.

Hon. Craig Wallace

Deputy Chairman

Independent Director

- Hon. Craig Wallace served as the State Minister for Main Roads, Fisheries and Marine Infrastructure from 2009 to 2012.
- He was a member of the Executive Council of Queensland, a member of Roads Australia and a Patron of the Committee for Infrastructure and Logistics Australia.
- In 2012 he formed Shanghai Commonwealth Investment and Consulting (which is operating mainly in China).

Philip Forrest

Independent

Non-Executive Director

- Philip has been in South East Asia for over 30 years and contributed to the commercial relationship between Australia and Asia.
- Since 1991, Philip has headed 3 international banks (Westpac, NatWest and ANZ), with wide-ranging regional responsibilities.
- Recently, he was Asia Head for ANZ Bank, with responsibility for all of the Bank's activities in eleven countries ranging from Japan to Indonesia.
- Currently a Director of The Australian Chamber of Commerce, Singapore and a Member of the Governing Council of the Singapore Institute of Directors

Tsogt Togoo

Non-Executive Director

- Tsogt has two decades of experience in the Mongolian public sector.
- He has previously worked in the senior management of the Mongolian National Oil company and as the head of the Privatisation Division of the State Property Committee playing an extensive role in the privatisation of Mongolia's most valuable state-owned companies.

Jim Soorley

Independent

Non-Executive Director

- Jim served as the Lord Mayor of Brisbane from 1991-2003, presiding over an annual budget of \$1.6b and a workforce of 7,000.
- Jim lists his greatest achievement as Lord Mayor as transforming Brisbane from a city with a 'country town' mentality into a vibrant urban metropolis, without compromising its liveability.
- Jim also worked as a consultant for government and business across a range of issues relating to sustainable development, partnerships between government and corporations, and environmental initiatives.

Matthew Hunter

Non-Executive Director

- Matthew has more than 20 years' experience in the finance industry, most recently with over 10 years' experience in private equity investment.
- He founded Rivendell Capital in early 2016 to provide capital and advisory services to small and medium sized enterprises and specialised projects.
- Prior to founding Rivendell Capital, Mr Hunter was a Managing Director of The Carlyle Group.
- Mr Hunter is OCP Asia's nominee director. He is presently Non-Executive Director of Silver Heritage Group Limited, Chairman of Measure Australia, a Non-Executive Director of Medirent, Advisory Board Member of AtlasTrend and Consultant engaged by OCP Asia.

Paul Anderson

Non-Executive Director

- Paul has over 30 years' experience in senior executive management roles in both the public and private sector.
- Mr Anderson holds formal qualifications in Building Surveying, Engineering, Planning and Management is a member of the Australian Institute of Company Directors.
- Paul is Bonython Coal No 1 Pty Limited's (Bonython) nominee director and Bonython is a substantial shareholder of the Company and was the sole sub-underwriter of the rights issue from earlier this calendar year.



TERRACOM

EXECUTIVE MANAGEMENT TEAM

Danny McCarthy

CEO

- Mr McCarthy is a highly experienced mining executive having held senior roles with Mineral Resources, Thiess, Wesfarmers, and QCoal and has a proven record of accomplishment of delivering exceptional results over 22-years in the resources sector.
- Prior to joining TerraCom in December 2018, for the past 2.5 years, Mr McCarthy has held the role of Chief Operating Officer for the highly regarded, West Australian based, commodity producer and mining services company Mineral Resources Limited (ASX: MIN, Market capitalisation of approximately \$2.8 Billion). During his time in this role, he has overseen the successful implementation of MIN's strategic growth initiatives.
- He brings a wealth of experience to TerraCom with a strong commercial focus and background in the development and implementation of business strategy, construction, mining and minerals processing across a range of commodities.

Nathan Boom

CFO & Company Secretary

- Nathan Boom holds a Bachelor of Commerce (Accounting) from University of Wollongong, and is a Chartered Accountant with a strong resources sector background.
- His 14 year career working at large multinationals such as Xstrata Coal and Tenova Delkor has provided him with extensive exposure in business restructuring and associated implementation of recovery plans also leading finance and commercial aspects of the business. Nathan has led business development projects and re-financing packages with banking consortium's, as well
- as has substantial experience in financial system implementation and integration.
- Nathan joined TerraCom in 2015, was appointed Company Secretary in January 2016 and Chief Financial Officer in March 2017.

Shaun Lucas

Australian Business Unit Head

- Shaun Lucas has held operational, and managerial roles in the mining industry having previously worked for Rio Tinto and NRW Civil and Mining over a career spanning more than 20 years.
- Having worked for both miners and mining services, Shaun brings an abundance of experience in mine site operations (construction, mining and processing) and contractor management.

Sam Bowles

Mongolia Business Unit Head

- Since graduating from the University of New South Wales with a Bachelor of Engineering (Mining), Sam has worked for more than 15 years at coal mining operations in Australia and Mongolia. He is a member of the Australasian Institute of Mining and Metallurgy.
- During this time, he has held technical, operational, managerial and executive roles within underground and open cut coal mining companies, and has worked for large multinational companies such as Anglo Coal Australia, Rio Tinto Coal Australia and Leighton Asia.
- Prior to joining TerraCom, he was responsible for operation of Mongolia's largest coal mining, processing and export business as Chief Operating Officer of Mongolian Mining Corporation.



TERRACOM

FINANCIALS



FY19 – H1 HIGHLIGHTS

FINANCIAL & OPERATING PERFORMANCE

✓ 2019 Financial Year – H1 Financial Highlights

- **Group EBITDA \$52.6m**
 - Blair Athol (BA) \$61m
 - Baruun Noyon Uul (BNU) -\$3.9m
 - Corporate -\$4.5m
- **Net Operating Cash Flows (excluding Interest) \$50.7m**
- **EBITDA Forecast \$130m-\$150m**
- Auditors removed emphasis of matter regarding material uncertainty related to going concern from audit report
- **Cash at Bank as at 28 February 2019 – in excess of \$17M**

✓ 2019 Financial Year – H1 Operation Highlights

- **Production 1.4Mt** – 1.2Mt BA, 0.2Mt BNU
- **Sales 1.5Mt** – 1.2Mt BA, 0.3Mt BNU
- Annualised production in Q4 2019 – 3.0Mt from Blair Athol¹ (BA) and 3.0Mt from Baruun Noyon Uul² (BNU)

FY19 – H1 HIGHLIGHTS

FINANCIAL & OPERATING PERFORMANCE

	H1 FY19	H1 FY18	Change	H1 FY19	H2 FY18	Change
Production						
ROM Production (Mt)	1.4	0.9	↑ 65%	1.4	1.6	-11%
Saleable Production (Mt)	1.4	0.8	↑ 67%	1.4	1.4	↑ 1%
Coal Sales (Mt)	1.5	0.6	↑ 134%	1.5	1.3	↑ 16%
Financial						
Revenue	171.9	45.2	↑ 280%	171.9	101.9	↑ 69%
Operating EBITDA	52.6	5.5	↑ 850%	52.6	21.6	↑ 143%
Profit after Tax	3.2	(14.2)	↑ 123%	3.2	(4.9)	↑ 165%
Comprehensive Income	6.7	(13.6)	↑ 149%	6.7	(4.9)	↑ 235%
Cash Flows						
Net Cash from Operating Activities	33.1	3.0	↑ 1022%	33.1	31.4	↑ 6%

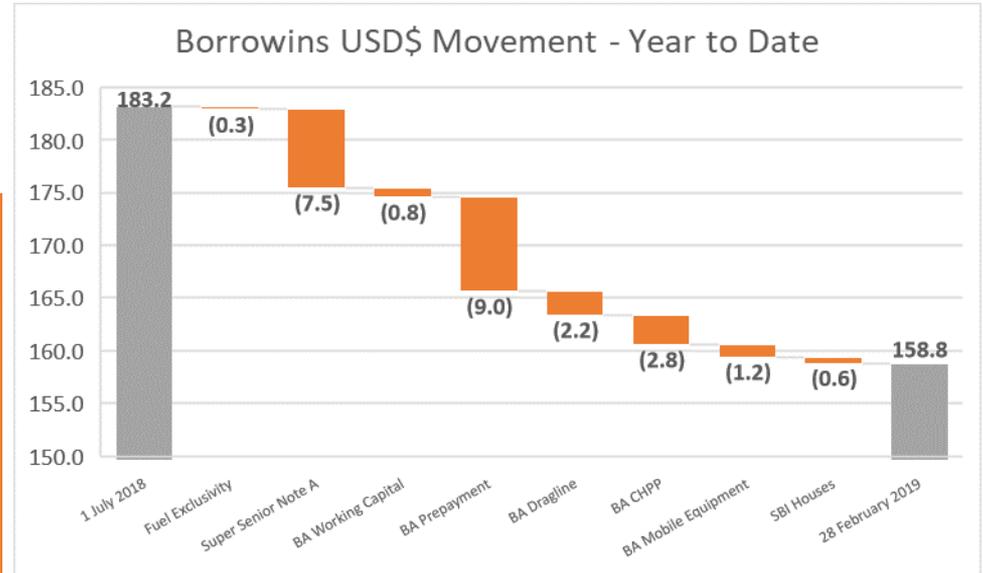
	Blair Athol	BNU	Corporate	Total
Production				
ROM Production (Mt)	1.2	0.2		1.4
Saleable Production (Mt)	1.1	0.2		1.4
Coal Sales (Mt)	1.2	0.3		1.5
Financial (AU\$m)				
Revenue	153.6	18.4		172.0
Operating EBITDA	61.0	(3.9)	(4.5)	52.6
Profit before Tax	55.8	(11.3)	(28.0)	16.5
Financial (AU\$/t)				
Revenue	126.0	70.4		116.2
Operating EBITDA	50.0	(14.9)		35.5
Profit before Tax	45.8	(43.2)		11.2

FY19 – H1 HIGHLIGHTS

DEBT OVERVIEW

Face value of debt reduced by **US\$23.6** million FY19YTD, including extinguishment of the following facilities:

Facility	Currency	\$M
✓ Blair Athol Prepayment	USD	\$9.0
✓ Super Senior Note A	USD	\$7.5
✓ Blair Athol Working Capital	USD	\$0.8
✓ Fuel Exclusivity Facility	USD	\$0.3
✓ Blair Athol Dragline	AUD	\$2.8
✓ Blair Athol CHPP	AUD	\$3.6



Facility Name	Security	US\$ mill.
Euroclear Listed Bond	GSA over TER with exclusions	145.2
Mobile Equipment Facility	BA Mobile Equipment	0.6
State Bank of India	Clermont Housing Suite	10.1
Non-Interest Bearing Loan	Unsecured	3.0
TOTAL DEBT		158.8

COAL QUALITY AND SALES

STRONG COAL BRANDS SOLD INTO ESTABLISHED MARKETS

✓ **Australia - Blair Athol Thermal Coal**

- Strong brand history with an estimated 250 million tonnes of BA Thermal Coal sold into Asian Markets
- High Energy, Low Ash, Low sulfur coal with low trace element attractive to Japanese and Korean Power Utilities
- Up to 55% of forecast coal production sold under offtake agreements with major Japanese and Korean Power Utilities

✓ **Mongolia - BNU Coking Coal**

- High quality hard coking coal with high G, X and Y indexes , High fluidity, dilatation and plastic range making it a desirable coke blend feed to produce higher grade coke product
- 5.5 year offtake agreement for 1.5Mtpa with large Chinese coke manufacturer

PROJECT UPDATES



Queensland

Blair Athol (BA)



OPERATIONAL PERFORMANCE

BLAIR ATHOL MINE IN AUSTRALIA

May 2017	August 2017	August 2017	August 2017	October 2017	October 2017
✓ Completion of the Sale and Purchase Agreement for Mine Operations	✓ First Coal Mined	✓ First Product Coal Crushed	✓ First Dragline Swing	✓ First Product Coal Washed	✓ First Coal Trucked to Third Party TLO

April 2018	June 2018	September 2018	October 2018	December 2018	February 2019
✓ BA TLO Completed and First Train Loaded	✓ Annualised ROM Coal mine 2.9Mtpa	✓ Annualised Coal Sales of 2.5Mtpa	✓ 1 million tonnes loaded onto trains from BA TLO	✓ Annualised saleable production 2.9Mtpa	✓ Announce saleable coal production increase to 3Mtpa ¹

SIGNIFICANT ACHIEVEMENTS

BLAIR ATHOL MINE IN AUSTRALIA



- ✓ **Recommissioned BA Mine**
 - World class infrastructure capable of supporting 12Mtpa
 - Ramped up to in excess of 2.5Mtpa annualised production rate within 12 months of taking ownership
 - Re-established BA strong coal brand in strong Japanese and Korean markets
- ✓ **Constructed , Commissioned and Paid for dedicated Train Load Out Facility (TLO)**
 - Upgraded the existing unused Agricultural rail line which runs across the Blair Athol mine site and connects into the main Goonyella Rail Line, which then continues to Dalrymple Bay Coal Terminal
- ✓ **Increased JORC Resource and Reserve³**
 - Increased JORC profile to 18Mt Reserve with 44mt Resource of which 31.5Mt is Measured and 11.6Mt is Indicated

AUSTRALIA

RAIL LOAD-OUT FACILITY (BA)



BA Coal Mine



Existing Rail Line
Connecting into Main
Goonyella Line to DBCT

BA Rail Load Out



OPERATIONAL PERFORMANCE

BLAIR ATHOL MINE IN AUSTRALIA

Detail	July to December 2016	January to June 2017	July to December 2017	January to June 2018	July to December 2018
Run of Mine (tonnes)			441,996	1,132,924	1,193,179
Overburden (bcm)			5,961,281	8,287,764	7,328,915
Saleable Production (tonnes)			406,049	900,712	1,145,286
Sales (tonnes)			204,548	790,094	1,218,981
Inventory (tonnes)			201,118	312,119	195,476

CONTRACTOR ENGAGEMENTS

BLAIR ATHOL MINE IN AUSTRALIA

- ✓ Link Mining Services
 - Principal Contractor
 - Statutory Positions (Coal Mine Operator, SSE, OCE, etc)
 - Overburden Removal (including Drill & Blast, and Dragline)
 - Mining of ROM Coal
 - Washing and Crushing of ROM Coal

- ✓ Toll
 - Hauling of Clean Coal (Washed, Crushed) to TLO
 - Loading of Trains (via Front End Loader)

- ✓ Pacific National
 - Haul coal from Blair Athol to DBCT/APCT (Above Rail Provider)

- ✓ Aurizon Network
 - Provide Network Access (Below Rail Provider)

- ✓ Port Provider
 - Dalrymple Bay Coal Terminal (DBCT)
 - Abbott Point Coal Terminal (APCT)

RESOURCE AND RESERVES

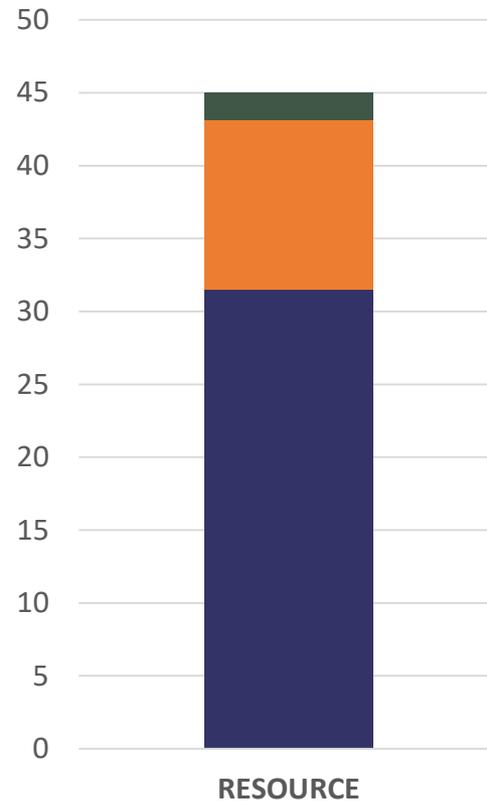
JORC 2012

Resource ³	Mt
Measured	31.5
Indicated	11.6
Inferred	1.9
Total	45.0

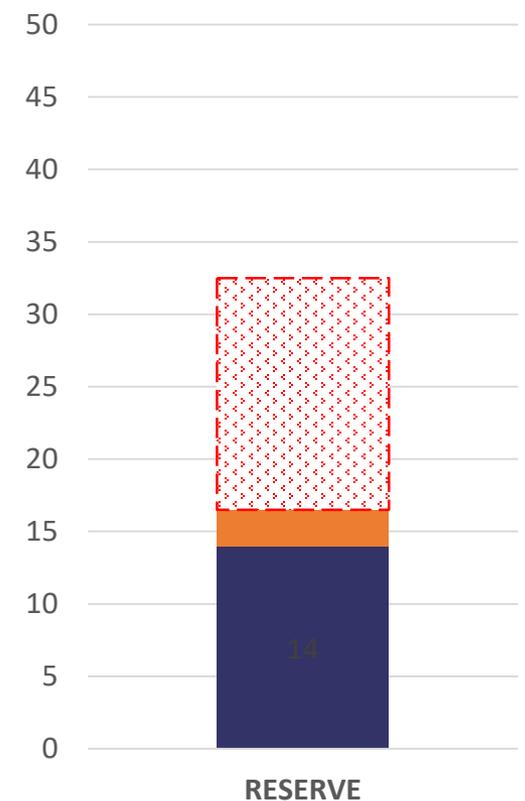
Note – after mining depletion of 2.2Mt, updated 6 December 2018³.

Reserve ⁴	Mt
Proved	14.0
Probable	2.5
Total	16.5

Note – historical, pre JORC Resource reclassification⁴.



■ Measured ■ Indicated ■ Inferred



■ Proved ■ Probable ■ Future

THERMAL COAL PRODUCT

PRODUCT SPECIFICATION

BASIS	As Received	Air Dried	Dry	Dry Ash Free
-------	-------------	-----------	-----	--------------

TOTAL MOISTURE (%)	15.0			
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CALORIFIC VALUE	(ar)	(ad)	(db)	(daf)
Gross kcal/kg	5800	6414	6823	7870
Net kcal/kg	5553			

PROXIMATE ANALYSIS (%)	(ar)	(ad)	(db)	(daf)
Moisture		6.0		
Ash Content	11.3	12.5	13.3	
Volatile Matter	24.0	26.5	28.2	32.5
Fixed Carbon	49.7	55.0	58.5	67.5

ULTIMATE ANALYSIS (%)	(ar)	(ad)	(db)	(daf)
Carbon	61.0	67.5	71.8	82.8
Hydrogen	3.3	3.70	3.94	4.54
Nitrogen	1.4	1.55	1.65	1.90
Total Sulphur	0.27	0.30	0.32	0.37
Ash	11.3	12.5	13.3	
Oxygen (by difference)	7.6	8.5	9.0	10.4

Hardgrove Grindability Index	(ad)
	58

ASH FUSION TEMPERATURES (Deg. C)	Reducing Atmosphere
Initial Deformation	1420
Sphere	1470
Hemisphere	1600
Flow	1600

ASH COMPOSITION (%)	(db)
Silicon Dioxide SiO ₂	67.0
Aluminium Oxide Al ₂ O ₃	22.3
Iron Oxide Fe ₂ O ₃	8.0
Calcium Oxide CaO	0.1
Magnesium Oxide MgO	0.4
Sodium Oxide Na ₂ O	0.09
Potassium Oxide K ₂ O	0.69
Titanium Dioxide TiO ₂	1.22
Manganese Oxide Mn ₂ O ₄	0.13
Sulphur Trioxide SO ₃	0.02
Phosphorus Pentoxide P ₂ O ₅	0.05

TRACE ELEMENTS	(db)
Arsenic (mg/kg)	3.0
Chlorine (%)	0.02
Fluorine (mg/kg)	70
Mercury (mg/kg)	0.07
Phosphorus (%)	0.01

TYPICAL SIZING %	
0 x 50 mm	100
0 x 2.0mm	30



ENVIRONMENT

SIGNIFICANT REHABILITATION WORK COMPLETED IN BA

✓ Significant progress of rehabilitation activities in BA

- The capping of the old tailings storage facility completed ahead of schedule as part of the mining operations process.
- The completion of the rehabilitation of 58 hectares as part of the mine's recommissioning to production.
- The rehabilitation performance has resulted in the financial assurance requirements being reduced to \$72,493,383.



Image – 58 hectares of rehabilitation



Image – Capped Tailings Dam



Mongolia

Baruun Noyon Uul (BNU)

SOUTH GOBI PROJECT

NOYON BASIN – MULTIPLE MINING AND EXPLORATION LICENCES

- ✓ The South Gobi Project comprises contiguous mining and exploration licenses covering 696 sq km in the Noyon Coal Basin
 - c.850 km southwest of Ulaanbaatar
 - 140 km from the Chinese border coal station of Ceke
 - Connects by road and rail to northern Chinese steel producers
 - Potential link to seaborne market

- ✓ There are currently three primary groups of mining licenses:
 - **North:** 100% owned, comprising mining, pre mining and exploration licenses
 - **East:** 83.9% owned, comprising mining and pre-mining licenses
 - **Khar Servegen (KS):** 100% owned, comprising mining and exploration licences

South Gobi Project JORC Resources⁶

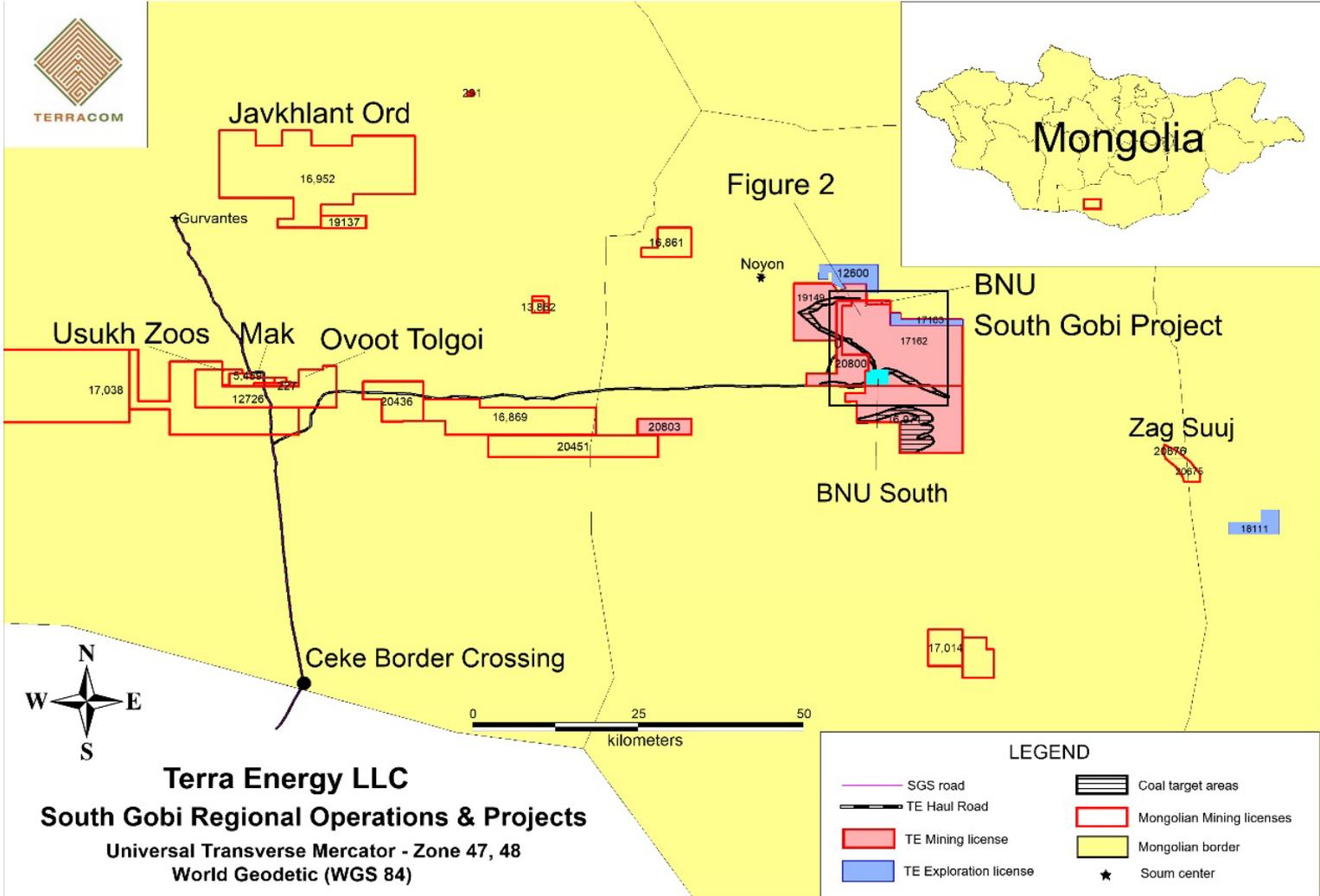
	Measured	Indicated	Inferred	Total
North	15 Mt	9 Mt	3 Mt	27 Mt
East	-	-	41 Mt	41 Mt
KS	-	-	15 Mt	15 Mt
Total	15 Mt	9 Mt	59 Mt	83Mt

Location



SOUTH GOBI PROJECT

REGIONAL MINING LICENCE LAYOUT



SOUTH GOBI PROJECT

DELIVERY OF IMPLEMENTATION PLAN²

- ✓ Operating Cost Rationalisation:
 - ❑ Have engaged the Number 1 Mining Equipment and Services Contractor in Mongolia.
 - ❑ Implementation Plan in the process of being enacted. Once fully implemented forecasted to reduce mine operating costs by up to 20%.

- ✓ Negotiations ongoing with a Mongolian Joint Venture Partner.

- ✓ Delivery of Coal Plan²:
 - ❑ The border crossing that is utilised to transport our coal from Mongolia to China has opened up following the Chinese New Year and Mongolian Tsagaan Sar festivities.
 - ❑ Over the last 10 days (18 February to 27 February) the Company has loaded 487 trucks, translating to 43,182 tonnes of coking coal sold (implying an annualised run rate of 1.6Mtpa).
 - ❑ The additional coking coal pit (Pit 5) is well into production per forecast as previously announced.
 - ❑ The introduction of the thick seam thermal coal pit (Pit 7) is on target with production to commence in Quarter 4 2019 FY.

SOUTH GOBI PROJECT

DELIVERY OF IMPLEMENTATION PLAN²

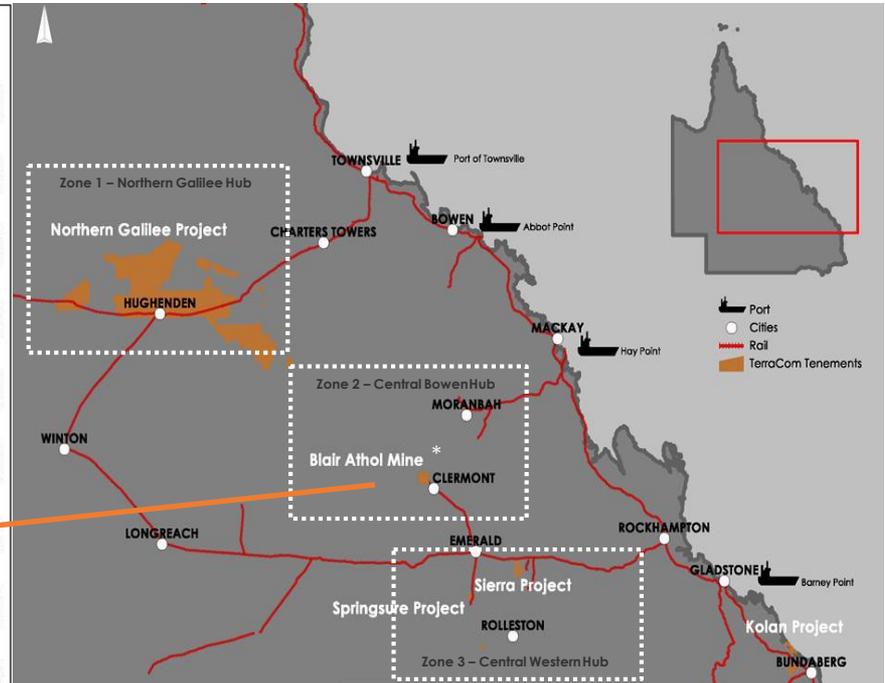
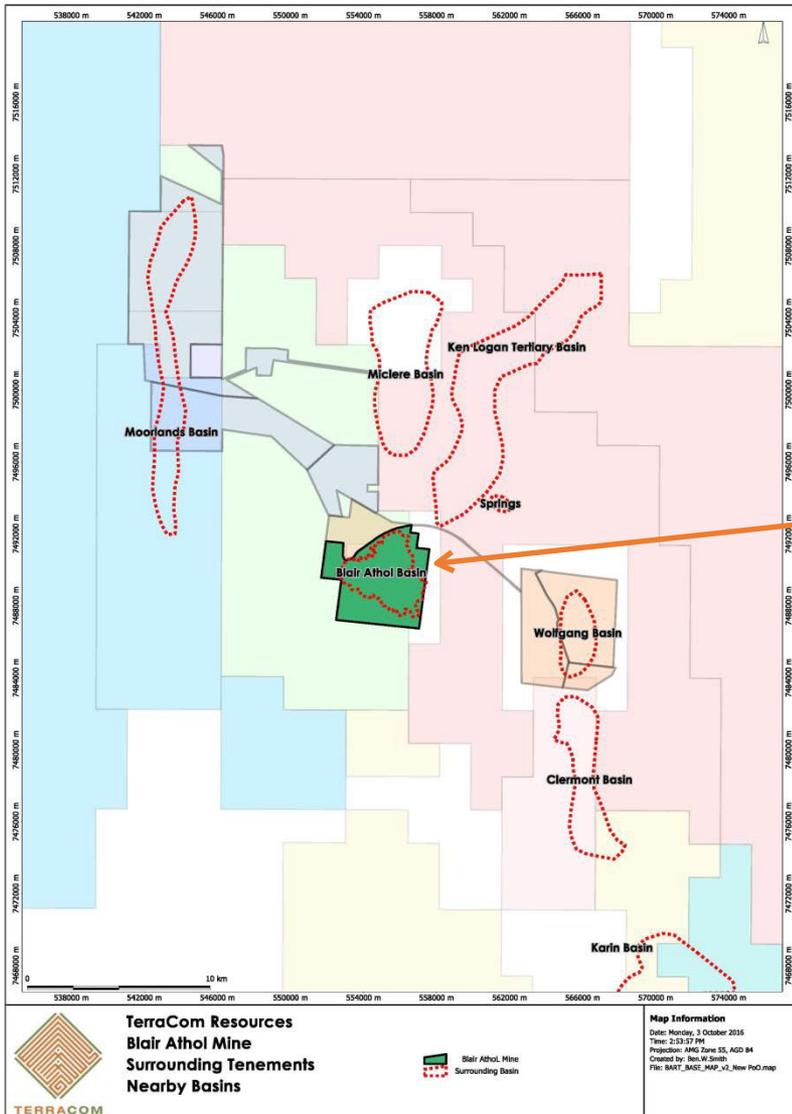


Other Projects



QUEENSLAND EXPANSION

ORGANIC GROWTH FROM STRATEGICALLY LOCATED ASSETS



The BA acquisition **revalues** TerraCom’s Australian portfolio through providing a **hub** for their development across major coal basins in Queensland including:

- ▶ Northern Galilee Project (**1.9Bt JORC 2004⁵**) is large thermal resource with multi pit potential crossed by under-utilised rail and port system
- ▶ Springsure Project* (**190Mt JORC 2004⁵**) a high grade thermal/PCI resource adjacent to existing rail infrastructure with expansion potential into adjoining Fernlee Project (EPC1103)

* Note Springsure is 87% owned by TerraCom and Fernlee is 100% owned by TerraCom

Note no change to this information from previous disclosures and see competent person statement at end of presentation

QUEENSLAND EXPANSION

LARGE RESOURCE WITH SIGNIFICANT EXPANSION POTENTIAL

Australian JORC Resource Table (excluding Blair Athol)⁵

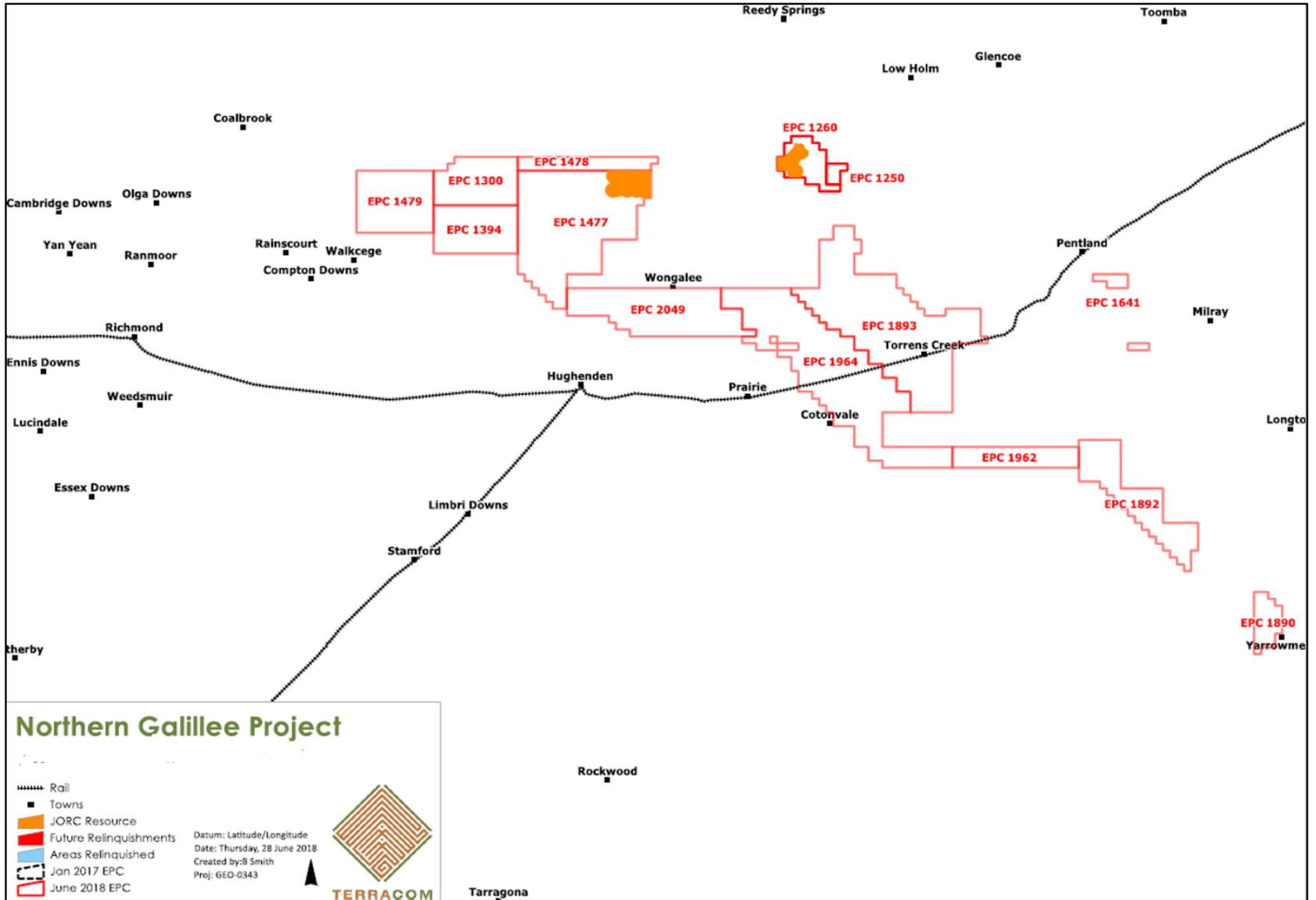
Tenement	JORC 2004 Resources (Mt)				Potential coal type	Independent geologist
	Measured	Indicated	Inferred	Total		
Northern Galilee Project - Hughenden	-	133	1,076	1,209	Thermal	MDM
Northern Galilee Project - Clyde Park	-	51	677	728	Thermal	MDM /Palaris / Xstract
Springsure	-	43	148	191	Thermal/PCI	MDM
Total	-	227	1,901	2,128		

Source: TerraCom

The information presented is available to view on TerraCom's website. TerraCom is not aware of any new information or data that materially affects the information included in the above table in relation to the estimates of Mineral Resources and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

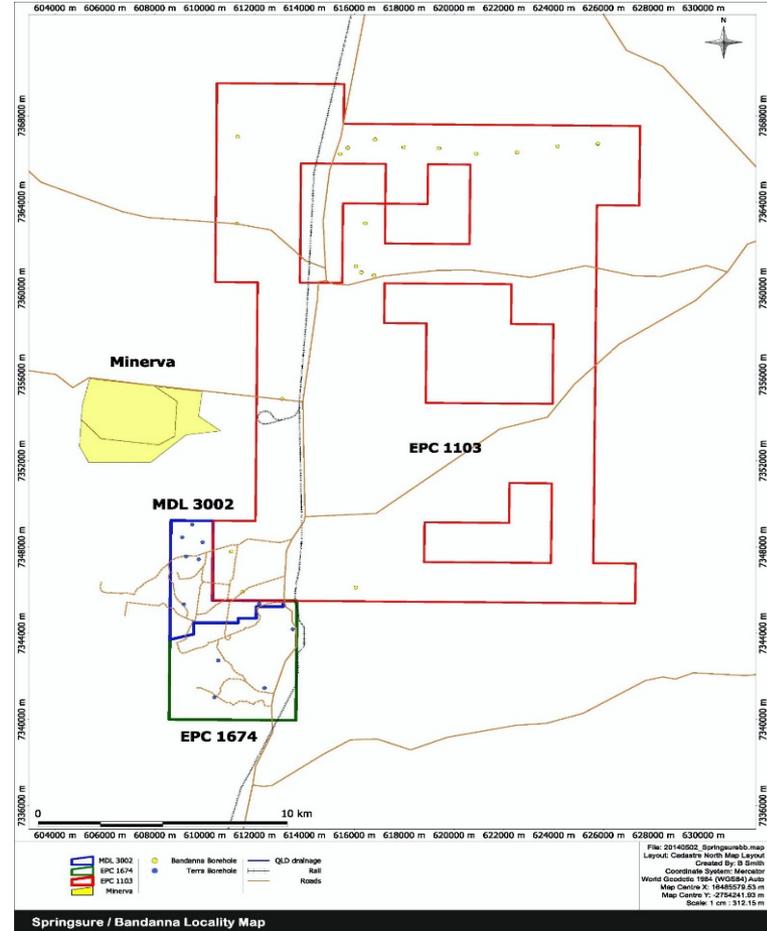
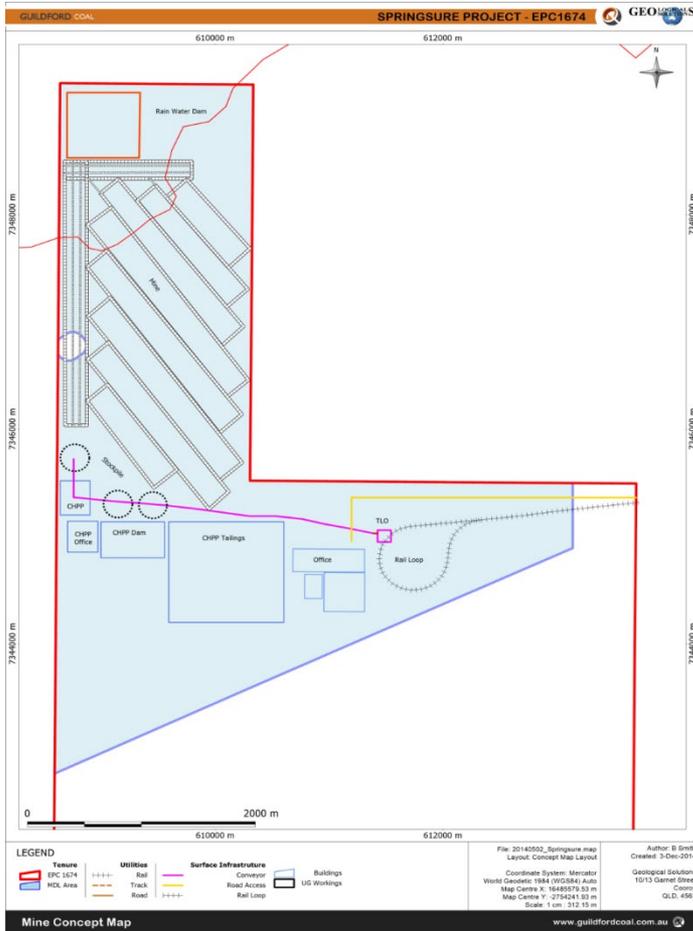
QUEENSLAND EXPANSION

NORTHERN GALILEE PROJECT



QUEENSLAND EXPANSION

SPRINGSURE PROJECT



REFERENCES

1 – Refer to ASX Announcement on 13 February 2018 for further information and clarification on the Blair Athol production forecast. The material assumptions underpinning the Blair Athol production target in this ASX Announcement continues to apply and has not materially changed.

2 – Refer to ASX Announcement on 12 October 2018 for further information and clarification on the BNU production forecast. The material assumptions underpinning the BNU production target in this ASX Announcement continues to apply and has not materially changed. A proportion of the production target is classified as inferred mineral resource. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

3 – Refer to ASX Announcement on 6 December 2018 for further information and clarification on the Blair Athol JORC Resource increase in confidence. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement; and that all material assumptions and technical parameters in the announcement made in the original announcement continue to apply and have not materially changed.

4 – Refer to ASX Announcement on 28 September 2018 for further information and clarification on the Blair Athol JORC Reserve. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement; and that all material assumptions and technical parameters in the announcement made in the original announcement continue to apply and have not materially changed.

5 – Refer to ASX Announcement on 28 September 2018 for further information and clarification on the Queensland JORC Resource. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement; and that all material assumptions and technical parameters in the announcement made in the original announcement continue to apply and have not materially changed.

6 – Refer to ASX Announcement on 28 September 2018 for further information and clarification on the Mongolia JORC Resource. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement; and that all material assumptions and technical parameters in the announcement made in the original announcement continue to apply and have not materially changed.



TERRACOM

THANK YOU

FINANCIAL HIGHLIGHTS

6M ENDED 31 DECEMBER 2018 – FINANCIALS

TerraCom Limited		Consolidated	
Interim consolidated statement of profit or loss and other comprehensive income		Half-Year 31	Half-Year 31
For the half-year ended 31 December 2018		December	December
Note		2018	2017
		\$'000	\$'000
	Coal Sales	171,949	45,205
	Cost of Goods Sold	(107,122)	(35,080)
	Gross profit	64,827	10,125
	Expenses		
	Other operating expenses	(5,613)	(1,763)
	Administration expenses	(6,477)	(2,817)
	Exploration tenement write-off	(103)	-
	Share of losses of associates accounted for using the equity method	(43)	(9)
	Operating EBITDA	52,591	5,536
	Depreciation and amortisation expense	8 (12,522)	(5,963)
	Financial income	4 2,549	2
	Financial expense	5 (21,389)	(17,219)
	Net foreign exchange gain/(loss)	(4,716)	(11)
	Profit/(loss) before income tax (expense)/benefit	16,513	(17,655)
	Income tax (expense)/benefit	(13,278)	3,463
	Profit/(loss) after income tax (expense)/benefit for the half-year	3,235	(14,192)
	Other comprehensive income		
	<i>Items that may be reclassified subsequently to profit or loss</i>		
	Foreign currency translation	3,450	592
	Other comprehensive income for the half-year, net of tax	3,450	592
	Total comprehensive income/(loss) for the half-year	6,685	(13,600)
	Profit/(loss) for the half-year is attributable to:		
	Non-controlling interest	(59)	(20)
	Owners of TerraCom Limited	3,294	(14,172)
		3,235	(14,192)
	Total comprehensive income/(loss) for the half-year is attributable to:		
	Non-controlling interest	(56)	(20)
	Owners of TerraCom Limited	6,741	(13,580)
		6,685	(13,600)
		Cents	Cents
	Basic earnings per share	0.87	(4.70)
	Diluted earnings per share	0.83	(4.70)

TerraCom Limited		Consolidated	
Interim consolidated statement of financial position		31 December	30 June 2018
As at 31 December 2018		2018	2018
Note		\$'000	\$'000
	Assets		
	Current assets		
	Cash and cash equivalents	12,523	11,874
	Trade and other receivables	30,111	15,324
	Inventories	11,451	16,333
	Secured deposit	-	2,449
	Other current assets	130	212
	Total current assets	54,215	46,192
	Non-current assets		
	Restricted cash	6 74,493	2,000
	Trade and other receivables	8,455	8,026
	Secured deposit	7 -	71,814
	Investments accounted for using the equity method	1,321	1,363
	Property, plant and equipment	8 251,897	243,132
	Exploration and evaluation	9 42,492	40,779
	Deferred tax	-	2,730
	Other non-current assets	5,417	3,539
	Total non-current assets	384,075	373,383
	Total assets	438,290	419,575
	Liabilities		
	Current liabilities		
	Trade and other payables	80,827	75,044
	Borrowings	10 8,021	22,641
	Provisions	436	347
	Financial liabilities	12 1,891	1,805
	Deferred revenue	6,739	13,031
	Total current liabilities	97,914	112,868
	Non-current liabilities		
	Trade and other payables	13,078	5,294
	Borrowings	11 193,968	196,067
	Deferred tax	10,679	-
	Provisions	14 74,274	74,165
	Financial liabilities	13 3,180	3,808
	Total non-current liabilities	295,179	279,334
	Total liabilities	393,093	392,202
	Net assets	45,197	27,373
	Equity		
	Issued capital	15 238,789	227,804
	Reserves	(23,590)	(27,194)
	Accumulated losses	(173,232)	(176,526)
	Equity attributable to the owners of TerraCom Limited	41,967	24,084
	Non-controlling interest	3,230	3,289
	Total equity	45,197	27,373

FINANCIAL HIGHLIGHTS

6M ENDED 31 DECEMBER 2018 – FINANCIALS

TerraCom Limited

Interim consolidated statement of cash flows
For the half-year ended 31 December 2018



	Note	Consolidated	
		Half-Year 31 December 2018 \$'000	Half-Year 31 December 2017 \$'000
Cash flows from operating activities			
Receipts from customers		150,440	36,210
Payments to suppliers and employees		(102,186)	(27,653)
Financial assurance rebate		-	4,711
Refund of security deposit		2,448	-
		<u>50,702</u>	<u>13,268</u>
Interest and other finance costs paid		(17,559)	(10,313)
Net cash from operating activities		<u>33,143</u>	<u>2,955</u>
Cash flows from investing activities			
Payments for short term loan to associate		(909)	-
Payments for property, plant and equipment	8	(11,638)	(13,980)
Payments for exploration and evaluation	9	(1,731)	(112)
Payments for cash advances to other parties		(605)	-
Net cash used in investing activities		<u>(14,883)</u>	<u>(14,092)</u>
Cash flows from financing activities			
Proceeds from issue of shares		900	-
Proceeds from borrowings		-	6,256
Repayment of borrowings		(18,380)	(2,683)
Net cash from/(used in) financing activities		<u>(17,480)</u>	<u>3,573</u>
Net increase/(decrease) in cash and cash equivalents		780	(7,564)
Cash and cash equivalents at the beginning of the financial half-year		11,874	8,586
Effects of exchange rate changes on cash and cash equivalents		(131)	44
Cash and cash equivalents at the end of the financial half-year		<u>12,523</u>	<u>1,066</u>