BRAVUS
MINING & RESOURCES

ADANI MINING PTY LTD

A.C.N. 145 455 205

CONSOLIDATED FINANCIAL REPORT
complying with
Australian Accounting Standards - Simplified Disclosures

FOR THE YEAR ENDED
31 MARCH 2023

Adani Mining Pty Ltd

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Adani Mining Pty Ltd
Directors' report
Year ended 31 March 2023

Your directors submit their report on the consolidated entity comprising Adani Mining Pty Ltd (the 'Company') and the entities it controlled at the end of, or during the year ended 31 March 2023. Throughout the report, the consolidated entity is referred to as the 'Group'.

DIRECTORS
The names of the directors of Adani Mining Pty Ltd in office during the year and up to the date of this report are:

Samir Vora
Douglas Ritchie
Shaun Treacy
Lucas Dow (appointed 1 January 2023)

COMPANY SECRETARY
The Company Secretary of Adani Mining Pty Ltd during the year and up to the date of this report is:

Rajesh Gupta

CORPORATE INFORMATION
Adani Mining Pty Ltd is a company limited by shares that is incorporated and domiciled in Australia.

The registered office of Adani Mining Pty Ltd is located at:
Level 9, 120 Edward Street
Brisbane, Queensland, Australia.

PRINCIPAL ACTIVITIES
The principal activity of the Group during the year was the construction and operation of a coal mine in Queensland, Australia. The Group's trading name is Bravus Mining and Resources.

REVIEW OF OPERATIONS
During the year ended 31 March 2023, the Group commenced coal production and sales activities.

The loss after tax for the Group for the year ended 31 March 2023 was $365.7 million (2022: $104.5 million).

Excluding the net foreign exchange movement results in a loss of $132.8 million (2022: loss $76.3 million) (non-IFRS disclosure).

DIVIDENDS
No dividend has been paid or recommended during the financial year (2022: $nil).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS
Other than the matters detailed as part of our review of the Group’s operations for the year ended 31 March 2023, there were no significant changes in the state of affairs of the Group during the current financial year.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD
There have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect the Group’s operations, the results of those operations or the Group’s state of affairs in financial years after the financial year ended 31 March 2023.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS
Likely developments in the Group’s operations and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to State and Federal Environmental Legislative requirements. There were no material breaches with these requirements during the financial year ended 31 March 2023 and up to the date of this report.

INSURANCE OF DIRECTORS AND INDEMNITIES

During the financial year, the Company paid premiums in respect of Directors' and Officers' Liability Insurance contract. The insurance contracts insure against certain liabilities (subject to exclusions) for persons who are or have been directors or officers of the Group. A condition of the contract is that the nature of the liabilities indemnified and the premium payable shall not be disclosed.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year ended 31 March 2023.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

ROUNDING

The amounts contained in the directors' report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Group as provided in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* . The Group is an entity to which this legislative instrument applies.

This report is made in accordance with a resolution of directors.

On behalf of the Board of Directors



Samir Vora
Director

Brisbane, 1 May 2023

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Auditor's independence declaration to the directors of Adani Mining Pty Ltd

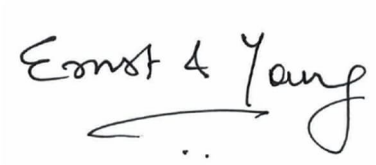
As lead auditor for the audit of the financial report of Adani Mining Pty Ltd for the financial year ended 31 March 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Adani Mining Pty Ltd and the entities it controlled during the financial year.



Ernst & Young



Madhu Nair
Partner
1 May 2023

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Adani Mining Pty Ltd

Consolidated statement of comprehensive income

For the year ended 31 March 2023

	Notes	Year ended 31 March 2023 $'000	Year ended 31 March 2022 $'000
Revenue from contracts with customers	4(a)	885,734	32,545
Cost of sales	5(b)	(726,124)	(45,937)
Gross profit		**159,610**	**(13,392)**
Other operating income	4(b)	18,241	2,038
General and administration expenses	5(a)	(44,573)	(52,317)
Selling expenses		(1,486)	(3,098)
Depreciation and amortisation		(113,713)	(856)
Foreign exchange loss, net		(232,936)	(28,186)
Operating loss		**(214,857)**	**(95,813)**
Finance income		281	450
Finance costs	6	(151,139)	(9,166)
Loss before tax		**(365,715)**	**(104,529)**
Income tax expense	7(a)	-	-
Loss for the year from continuing operations		**(365,715)**	**(104,529)**
Atrributable to:			
Equity holders of the parent		(365,710)	(104,528)
Non-controlling interest		(5)	(1)
		(365,715)	**(104,529)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(365,715)**	**(104,529)**
Attributable to:			
Equity holders of the parent		(365,710)	(104,528)
Non-controlling interest	22(b)	(5)	(1)
		(365,715)	**(104,529)**

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

Adani Mining Pty Ltd

Consolidated statement of financial position

As at 31 March 2023

	Notes	31 March 2023 $'000	31 March 2022 $'000
Assets			
Current assets			
Cash on hand and at bank	8	17,789	1,050
Restricted bank deposits	8	15,963	15,860
Trade and other receivables	9	112,792	67,890
Due from related parties	10	46,758	5,355
Inventories	11	106,586	121,320
Total current assets		**299,888**	**211,475**
Non-current assets			
Due from related parties	10	44,949	69,302
Other receivables	12	205,256	199,686
Property, plant and equipment	13	4,538,915	277,344
Capital work in progress	14	78,651	1,727,519
Total non-current assets		**4,867,771**	**2,273,851**
Total assets		**5,167,659**	**2,485,326**
Liabilities			
Current liabilities			
Trade and other payables	15	176,756	112,598
Non-interest bearing liabilities	16	1,700,326	2,219,146
Interest-bearing liabilities	16	22,052	14,965
Customer advances	17	447,095	294,975
Lease liability	20	175,658	1,671
Total current liabilities		**2,521,887**	**2,643,355**
Non-current liabilities			
Interest-bearing liabilities	16	982,320	172,523
Other liabilities	18	122,738	138,240
Provision for rehabilitation	19	35,789	23,884
Lease liability	20	2,373,163	9,848
Total non-current liabilities		**3,514,010**	**344,495**
Total liabilities		**6,035,897**	**2,987,849**
Net liabilities		**(868,238)**	**(502,523)**
Equity			
Contributed equity	21	8,694	8,694
Accumulated losses		(877,030)	(511,320)
Capital deficiency attributable to equity holders of the parent entity		**(868,336)**	**(502,626)**
Minority interest	22(b)	98	103
Total capital deficiency		**(868,238)**	**(502,523)**

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

Adani Mining Pty Ltd

Consolidated statement of changes in equity

For the year ended 31 March 2023

	Attributable to the equity holders of the parent				
	Contributed equity	Accumulated losses	Total	Non-controlling interest	Total equity
	$'000	$'000	$'000	$'000	$'000
	Note 21			*Note 22(b)*	
For the year ended 31 March 2023					
At 1 April 2022	8,694	(511,321)	(502,627)	103	(502,524)
Loss for the year	-	(365,710)	(365,710)	(5)	(365,715)
Total comprehensive loss for the year	**-**	**(365,710)**	**(365,710)**	**(5)**	**(365,715)**
At 31 March 2023	**8,694**	**(877,031)**	**(868,337)**	**98**	**(868,239)**
For the year ended 31 March 2022					
At 1 April 2021	8,694	(406,792)	(398,098)	104	(397,994)
Loss for the year	-	(104,529)	(104,529)	(1)	(104,530)
Total comprehensive loss for the year	**-**	**(104,529)**	**(104,529)**	**(1)**	**(104,530)**
At 31 March 2022	**8,694**	**(511,321)**	**(502,627)**	**103**	**(502,524)**

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

Adani Mining Pty Ltd

Consolidated statement of cash flows

For the year ended 31 March 2023

	Notes	Year ended 31 March 2023 $'000	Year ended 31 March 2022 $'000
Cash flows from/(used in) operating activities			
Receipts from customers, other income and cost reimbursements		1,024,556	23,350
Payments to suppliers and employees		(725,678)	(125,166)
Interest received		281	2,581
Borrowing costs		(18,849)	(11,225)
Net cash from/(used in) operating activities		**280,310**	**(110,460)**
Cash flows used in investing activities			
Payments for property, plant and equipment		-	(122,454)
Payments for capital work in progress		(259,335)	(433,254)
Movement in restricted bank account		(103)	(11,508)
Deposits and advances paid to third parties		(9,470)	(4,857)
Loans to related parties		(16,959)	(13,894)
Repayment of loans by related parties		5,151	288,897
(Advances to)/repayment of advances by related parties, net		(3,907)	2,840
Net cash used in investing activities		**(284,623)**	**(294,230)**
Cash flows from financing activities			
Proceeds from borrowings - related parties*		81,005	836,355
Repayment of borrowings - related parties*		-	(426,486)
Advances from/(repayment of advances to) other parties		12,199	118,798
Advances from/(repayment of advances to) related parties		32,960	(137,637)
Lease principal paid		(104,411)	(985)
Net cash from financing activities		**21,753**	**390,045**
Net increase/(decrease) in cash at bank and on hand		17,440	(14,645)
Foreign exchange difference		(701)	1,819
Cash at bank and on hand at beginning of the year		1,050	13,876
Cash at bank and on hand at end of the year	8	**17,789**	**1,050**

* During the year, the Group borrowed A$18.2 million from a related party. The loan was settled through a loan arrangement with another related party. The cash flow shown above is net of the two loans.

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

1 CORPORATE INFORMATION

The consolidated financial statements of Adani Mining Pty Ltd (the 'Company') and its subsidiaries (collectively, the 'Group') for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Directors on 1 May 2023.

Adani Mining Pty Ltd is a company limited by shares and is incorporated in Australia. Parent entity details are disclosed in Note 22(a). The Group's principal place of business is Level 9, 120 Edward Street, Brisbane, Queensland, Australia.

The Group is principally engaged in the construction and operation of a coal mine and associated infrastructure in Queensland, Australia. The Group's trading name is Bravus Mining and Resources.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Statement of compliance

These general purpose financial statements have been prepared in compliance with the requirements of the *Corporations Act 2001* and *Australian Accounting Standards – Simplified Disclosures*. The Group is a for-profit, private sector entity which is not publicly accountable for the purposes of preparing these consolidated financial statements.

The financial report has been prepared on a historical cost basis, except as otherwise stated, and is presented in Australian dollars. Comparative information has been reclassified where required for consistency with the current year's presentation.

All values are rounded to the nearest thousand ($000), except when otherwise indicated under the option available to the Group as provided in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Group is an entity to which this legislative instrument applies.

(ii) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity in the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year ended 31 March 2023, the Group incurred a loss of $365.7 million (2022: loss $104.5 million). Excluding the net foreign exchange movement from the Group's loss results in a loss of $132.8 million (2022: $76.3 million).

As at 31 March 2023, the Group had current liabilities exceeding its current assets by $2,222.0 million (2022: $2,431.9 million). This is mainly due to the classification as current liabilities of the Group's related party borrowings (refer to Note 16) and the foreign exchange losses on those loans.

The ability of the Group to continue as a going concern is dependent upon the ongoing support of its shareholder. Consistent with prior years, the Group is dependent on the ongoing financial support of Adani Enterprises Ltd ('AEL') (its ultimate parent entity) and has received a letter of support as part of the finalisation of the financial report for the year ended 31 March 2023. AEL has agreed to not call on the Group to repay any loans or other amounts owing to it or entities under its control if, after payment of the loans or the other amounts, the Group would not be able to meet its debts as and when they fall due for a period not less than twelve months from the date of these financial statements. Additionally, AEL, in its own capacity or through entities under its control, has agreed to provide financial support to the Group for a period at least twelve months from the date of these consolidated financial statements.

Based on the letter of support received, the Group's Directors are satisfied funds will be available to meet the planned activities and contractual commitments for at least 12 months from the date of the authorisation of these financial statements. In making this assessment, the Directors have considered the ability of AEL to continue to provide effective financial support in light of matters detailed in Note 26 to the financial report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

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

(c) Foreign currency translation

The Group's functional currency is the Australian dollar, being the currency of the primary economic environment in which it operates. The consolidated financial statements are presented in Australian dollars.

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the appropriate exchange rates ruling at that date. Foreign exchange differences are dealt with in the profit or loss.

(d) Revenue from contracts with customers

The Group is principally engaged in the business of producing thermal coal. The Group recognises sales revenue related to the transfer of promised goods or services when control of the goods or services is transferred to the customer. The amount of revenue recognised reflects the consideration to which the Group is or expects to be entitled to in exchange for those goods or services.

Sales revenue is recognised on individual sales when control transfers to the customer. The title, risks and rewards, and fulfilment of performance obligation occurs when the product is loaded onto the vessel for delivery to the customer.

Pre-production revenue and cost of sales

In the prior year, the Group adopted AASB 2020-3 Amendments to AASB 116 *Property, Plant and Equipment: Proceeds before Intended Use* .

The amendment prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment no longer applied to the Group upon commencement of production (refer Note 3 *Production start date*).

(e) Other income recognition

(i) Interest

Interest income is recognised as the interest accrues using the effective interest rate ('EIR') method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(ii) Agistment income

Agistment income from granting a license to an external party for grazing and de-pasturing livestock in Moray Downs is recognised over the year.

(iii) Management fee

Management fee income is recognised over the year in which the service is provided.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Income taxes

(i) Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

(ii) Deferred tax

Deferred tax is provided for all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(iii) Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the Consolidated Statement of Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Cash at bank and on hand

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash at bank and on hand includes deposits at call which are readily convertible to cash on hand, which are as defined above, net of outstanding bank overdrafts.

(i) Trade and other receivables

Trade receivables are recognised when an amount of consideration that is unconditional is due from the customer, i.e. only the passage of time is required before payment of the consideration is due. Refer to accounting policies in note 2(k) *Financial Instruments* (i) *Financial assets - initial recognition and measurement*; and (ii) *Financial assets - subsequent*

Trade receivables are non-interest-bearing and are generally on terms of 30 to 90 days.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Inventories

Coal stocks are physically measured or estimated and valued at the lower of cost or net realisable value. Net realisable value is the estimated future sales price of the product the entity expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale.

If the coal stockpile is not expected to be processed in 12 months after the reporting date, it is included in non-current assets and the net realisable value is calculated on a discounted cash flow basis. Cost is determined by using the weighted-average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting materials into finished goods, based on the normal production capacity. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile. Stockpile tonnages are verified by periodic surveys.

Spares and stores are valued at the lower of cost or net realisable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

(k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets - initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ('OCI'), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

(ii) Financial assets - subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

► Financial assets at amortised cost (debt instruments)
► Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

► The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
► The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include other receivables and amounts due from related parties.

(iii) De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised when:

► The rights to receive cash flows from the asset have expired; or
► The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(iv) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECL's) for all debt instruments not held at fair value through profit or loss. ECL's are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For other receivables and contract assets, the Group applies a simplified approach in calculating ECL's. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is

(v) Financial liabilities - initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or trade and other payables as appropriate.

All financial liabilities are recognised initially at net of directly attributable transactions costs.

(vi) Financial liabilities - subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below.

Loans and borrowings and trade and other payables

This category is the most relevant to the Group. After initial recognition, interest bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Comprehensive Income.

(vii) De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in

(viii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Capital work in progress

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- ► Cost of acquiring mining and exploration tenements;
- ► Researching and analysing historical exploration data;
- ► Conducting topographical, geochemical and geophysical studies;
- ► Conducting exploratory drilling, trenching and sampling;
- ► Examining and testing extraction and treatment methods; and/or
- ► Compiling prefeasibility and feasibility studies.

Exploration expenditure relates to the initial search for mineral deposits with economic potential. Evaluation expenditure arises from detailed assessment of deposits or other projects that have been identified as having economic potential.

Exploration and evaluation expenditure is charged to the profit or loss as incurred unless the directors are confident of the project's technical and commercial feasibility and hence it is probable economic benefits will flow to the Group, in which case expenditure may be capitalised. Capitalised exploration and evaluation expenditure is treated as a tangible asset and is recorded at cost less any accumulated impairment charges. No amortisation is charged during the exploration and evaluation phase as the asset is not available for use.

Once development of a mining tenement is sanctioned, all capitalised exploration and evaluation costs in respect of the mining tenement are transferred to 'Mineral reserves and mine development'. All subsequent expenditure on construction, installation or completion of infrastructure facilities are capitalised within "Mineral reserves and mine development". Development expenditure is net of proceeds from all but the incidental sale of minerals and ore extracted as part of the development phase.

When a mine development project moves into the production phase, accumulated mineral reserves and mine development costs are capitalised to 'Property, plant and equipment'. The capitalisation of further mine development project costs ceases, and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements. These costs are capitalised as 'Capital work in progress'.

(m) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Consolidated Statement of Comprehensive Income as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

► Buildings	10 to 25 years
► Plant and machinery	2 to 25 years
► Furniture, fittings and equipment	4 to 20 years
► Vehicles	5 years
► General civil	10 to 50 years
► Signal and communications	5 years
► Computer hardware, software and office equipment	2 to 15 years

Accumulated mine development costs are depreciated on a units of production ('UOP') basis over the economically recoverable reserves of the mine concerned, measured in tonnes of coal.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Property, plant and equipment (continued)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(n) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the interest rate impicit in the capital charge calculation at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(ii) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

(p) Trade and other payables

Trade and other payables are carried at amortised cost. Due to their short term nature, they are not discounted. They represent liabilities for goods and services provided to the Group prior to the reporting date that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Non-interest bearing loans

The Group's loans with related parties are carried at amortised cost using the EIR method. The loans are for a period of five years but on issuing notice to the Group, the lenders can require the Group to repay the loan on demand.

The measurement of an interest-free loan at amortised cost using the EIR method generally results in the carrying value of the loan being lower than its principal amount. Given this loan can be required to be repaid, at any time, at the unilateral demand of the lender, the loan has been classified as a current liability. Due to the ability of the loan to be called at unilateral demand of the lender, the liability has not been discounted.

(r) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for a least 12 months after the reporting date.

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction and production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur.

Deferred borrowing costs are amortised over the life of the loan based on the EIR method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Provision for rehabilitation

Mine rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of the Group's facilities and mine property. The Group assesses its mine rehabilitation provision at each reporting date. The Group recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes: dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the mining operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining asset to the extent that it was incurred as a result of the development/construction of the mine. Any rehabilitation obligation that arises through the production of inventory is recognised as part of the related inventory item. Additional disturbances that arise due to further development/construction at the mine are recognised as additions or charges to the corresponding asset and rehabilitation liability when they occur. Costs related to the restoration of site damage (subsequent to the start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognised in profit or loss as extraction progresses.

Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognised as part of an asset measured in accordance with AASB 116.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the statement of profit or loss and OCI.

If the change in estimate results in an increase in the rehabilitation liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. When the mine is mature, if the estimate for the revised mine asset net of rehabilitation provision exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the statement of profit or loss and OCI as part of finance costs.

For closed sites, changes to estimated costs are recognised immediately in the Consolidated Statement of Comprehensive Income.

The Group recognises neither the deferred tax asset in respect of the temporary difference on the decommissioning liability nor the corresponding deferred tax liability in respect of the temporary difference on a decommissioning asset.

(u) Contributed equity

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

(v) Acquisition reserve

Acquisitions of subsidiaries under common control are accounted for using the pooling of interest method, where any gain or loss on acquisition is initially recorded in the acquisition reserve and then transferred to accumulated losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) New and amended accounting standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. During the current financial year, the Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

AASB 2014-10 Amendments to AAS's - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendment to AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures clarifies that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendment is effective for annual reporting periods beginning on or after 1 January 2025, and is applied prospectively with earlier application permitted.

AASB 2022-5 Amendments to AAS's - *Lease Liability in a Sale and Leaseback*

The amendment specifies that a seller-lessee measures the lease liability arising from a leaseback in such a way that they would not recognise any gain or loss on the sale and leaseback relating to the right-of-use-asset retained. The amendment does not prescribe specific measurement requirements for the lease liability arising from a leaseback. The seller-lessee will need to establish an accounting policy that results in information that is relevant and reliable in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors.*

The amendment is effective for annual reporting periods beginning on or after 1 January 2024, and is applied retrospectively to sale and leaseback transactions entered into after the beginning of the annual reporting period in which an entity first applied AASB 16.

AASB 2020-1 Amendments to AASs – *Classification of Liabilities as Current or Non-current*

The amendments clarify:

► What is meant by a right to defer settlement
► That a right to defer must exist at the end of the reporting period
► That classification is unaffected by the likelihood that an entity will exercise its deferral right
► That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

AASB 2022-6 Amendments to AAS's - *Non-current Liabilities with Covenants*

The amendments clarify the requirements for classifying liabilities as current or non-current, specifically

► The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists
► Management intention or expectation does not affect the classification of liabilities
► In cases where an instrument with a conversion option is classified as a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current.

AASB 2022-6 provides further requirements regarding the first amendment by

► Clarifying that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current
► Adding presentation and disclosure requirements for non-current liabilities subject to compliance with future covenants within the next 12 months
► Clarifying specific situations in which an entity does not have a right to defer settlement for at least 12 months after the reporting date.

AASB 2020-1 amendments are effective for annual reporting periods beginning on or after 1 January 2024 and AASB 2022-6 amendments are effective for annual reporting periods beginning on or after 1 January 2023. These amendments are applied retrospectively, and earlier application is permitted.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) New and amended accounting standards and interpretations (continued)

AASB 2021-2 AASB 101 and AASB Practice Statement 2 - *Making Materiality Judgements – Disclosure of Accounting Policies*

The amendments to AASB 101 require disclosure of material accounting policy information, instead of significant accounting policies. Unlike 'material', 'significant' was not defined in Australian Accounting Standards. Leveraging the existing definition of material with additional guidance is expected to help preparers make more effective accounting policy disclosures. The guidance illustrates circumstances where an entity is likely to consider accounting policy information to be material. Entity-specific accounting policy information is emphasised as being more useful than generic information or summaries of the requirements of Australian Accounting Standards.

The amendments to AASB Practice Statement 2 supplement the amendments to AASB 101 by illustrating how the four-step materiality process can identify material accounting policy information. Earlier application of the amendments is permitted.

AASB 2021-6 Amendments to AAS's - *Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting*

To be consistent with the amendments made by AASB 2021-2 to accounting policy disclosures, the AASB amended specific Australian Accounting Standards to improve the usefulness of accounting policy disclosures. AASB 1060 was amended to highlight that information about the measurement bases for financial instruments is expected to be material.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

AASB 2021-2 Amendments to AASB 108 – *Definition of Accounting Estimates*

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

AASB 2021-5 Amendments to AASs – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Deferred taxes representing amounts of income tax payable or recoverable in the future must be recognised on temporary differences unless prohibited by AASB 112 in certain circumstances. One of these circumstances, known as the initial recognition exception, applies when a transaction affects neither accounting profit nor taxable profit, and is not a business combination. Views differ about applying this exception to transactions that, on initial recognition, create both an asset and liability (and could give rise to equal amounts of taxable and deductible temporary differences) such as:

► Recognising a right-of-use asset and a lease liability when commencing a lease

► Recognising decommissioning, restoration and similar liabilities with corresponding amounts included in the cost of the related asset

Some entities have previously recognised deferred tax consequences for these types of transactions, having concluded that they did not qualify for the initial recognition exception. The amendments to AASB 112 clarify that the exception would not normally apply. That is, the scope of this exception has been narrowed such that it no longer applies to transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The amendments apply from the beginning of the earliest comparative period presented to:

► All transactions occurring on or after that date

► Deferred tax balances, arising from leases and decommissioning, restoration and similar liabilities, existing at that date

The cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

The Group is currently assessing the impact of the new and amended accounting standards to determine the impact these may have on the Group's financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Capitalisation and impairment of mineral reserves and mine development, exploration and evaluation costs and related property, plant and equipment

Mineral reserves and mine development and exploration and evaluation expenditure is charged to the profit or loss as incurred unless the directors are confident of the project's technical and commercial feasibility and hence it is probable economic benefits will flow to the Group, in which case expenditure may be capitalised. Rehabilitation costs are recognised and provided as described in Note 2(t) *Provision for rehabilitation* .

Assessment of a project's technical and commercial feasibility requires significant judgements and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as conditions impacting mineral prices and costs change. The Group assesses whether there are any indicators of impairment for capitalised mineral reserves and mine development (and exploration and evaluation expenditure) and related property, plant and equipment at the end of each reporting period. When an impairment test is undertaken, management judgement and estimates are required in determining suitable valuation factors as mentioned in the impairment test above.

In accordance with its accounting policies and processes, each asset or CGU is evaluated annually to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

In assessing whether an impairment is required, the carrying value of the asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal ('FVLCD') and value in use ('VIU'). Consequently, the FVLCD for each CGU is estimated based on discounted future estimated cash flows (expressed in real terms) expected to be generated from the continued use of the CGU's using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, including any expansion projects, and its eventual disposal, based on the CGU five-year plans and latest life of mine ('LOM') plans. These cash flows are discounted using a real post-tax discount rate that reflect current market assessments of the time value of money and the risks specific to the CGU.

Estimates included in assessing the CGU's recoverable amount including quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the planning process including LOM plans, five-year plans, one-year budgets and CGU-specific studies. The determinations of FVLCD for each CGU are considered to be Level 3 fair value measurements in both years, as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

Impairment assessments require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, reserves and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGU's. In such circumstances, some or all of the carrying amount of the assets/CGU's may be further impaired or the impairment charge reduced with the impact recognised in the Consolidated Statement of Comprehensive Income.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Inventories

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product the entity expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile. Stockpile tonnages are verified by periodic surveys.

Deferred tax asset

A deferred tax asset is recognised for all temporary differences (including unused tax losses) to the extent it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Functional currency

The functional currency for the Group is the currency of the primary economic environment in which the Group operates. The functional currency of the Group is the Australian dollar. Determination of functional currency may involve certain judgements to identify the primary economic environment. The Group reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Production start date

The Group assesses the stage of the mine under development to determine when it moves into the production phase, this being when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of the mine development and construction project, such as the complexity of the project and its location. The Group considers various relevant criteria to assess when the production phase is considered to have commenced. At this point, all related amounts are reclassified from 'Capital work in progress' to 'Property, plant and equipment'. Some of the criteria used to identify the production start date include, but are not limited to:

- ► level of capital expenditure incurred compared with the original construction cost estimate
- ► majority of the assets making up the mining project are substantially complete and ready for use
- ► completion of a reasonable period of testing of the mine plant and equipment
- ► a specified percentage of design capacity for the mine has been achieved over a continuous period
- ► the quality of coal being minded is sufficiently economic and consistent with the overall mine plan
- ► ability to sustain ongoing production of coal

When a mine development project moves into the production phase, the capitalisation of certain mine development costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements. It is also at this point that depreciation/amortisation commences.

During the year, the Group assessed that it had met the criteria above and therefore the mine production phase had commenced.

Leases - Group as lessee

The Group has entered into lease agreements with various parties. The Group has determined, based on an evaluation of terms and conditions of the arrangements, that the significant rights and rewards of the ownership of these assets have been transferred to the Group. The Group accounts for the arrangements as right of use assets. The initial lease period is based on management's assessment of the life of the mine.

Identification of non-lease components

In addition to containing a lease, the Group's rail haulage and rail access services arrangements involve the provision of additional services, including maintenance and operational related activities. These are considered to be non-lease components and the Group has elected to separate these from the lease components. Judgement is required to identify each of the lease and non-lease components. The consideration in the contract is then allocated between the lease and non-lease components on a relative stand-alone price basis. This requires the Group to estimate stand-alone prices for each lease and non-lease component.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Stripping costs

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase, before the production phase commences (development stripping), are capitalised as part of the cost of constructing the mine and subsequently amortised over its useful life using a units of production method. The capitalisation of development stripping costs ceases when the mine is commissioned and ready for use.

After the commencement of production, further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The cost of such stripping is accounted for in the same way as development stripping.

Production stripping is carried out to produce inventory or to improve access to coal to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realised in the form of improved access to a coal body to be mined in the future, the costs are recognised as a non-current asset if:

► Future economic benefits (being improved access to the coal body) are probable
►The coal body for which access will be improved can be accurately identified
► The costs associated with the improved access can be reliably measured

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the coal body, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of Mine Development in the statement of financial position. This forms part of the total investment in the project CGU, which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the units of production method over the life of the identified component of the body of coal that became more accessible because of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the coal body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

Mine rehabilitation

Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions at balance date represent management's best estimate of the present value of the future rehabilitation costs required.

Significant estimates and assumptions

Estimated economically recoverable reserves are used in determining the depreciation and/or amortisation of mine-specific assets. This results in a depreciation charge proportional to the depletion of the anticipated remaining life-of-mine production. The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation could be impacted to the extent that actual production in the future is different from current forecast production based on economically recoverable reserves, or if future capital expenditure estimates change. Changes to economically recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

► The effect on economically recoverable reserves of differences between actual commodity prices and commodity price assumptions
► Unforeseen operational issues

Changes in estimates are accounted for prospectively.

		Year ended 31 March 2023 $'000	Year ended 31 March 2022 $'000
4	**REVENUE AND OTHER INCOME**		
(a)	**Revenue from contracts with customers**		
	Related party	122,874	-
	Third party	762,860	32,545
	Coal sold	**885,734**	**32,545**
(b)	**Other income**		
	Management fee from related parties	478	967
	Deferred reimbursement of costs recognised as income (refer Note 18)	15,529	-
	Miscellaneous income	2,234	1,071
		18,241	**2,038**
5	**EXPENSES**		
(a)	**General and administration expenses**		
	Employee costs	1,922	14,340
	Legal fees	6,733	5,828
	Insurance	17,262	12,602
	Consultancy and professional fees	3,935	7,004
	Other	14,721	12,543
		44,573	**52,317**
(b)	**Cost of sales**		
	Variable lease charges - related parties	88,926	15,734
	Logistic expenses - related parties	60,324	2,972
	Logistic expenses - other parties	22,514	-
	Production costs - other parties	468,992	25,439
	Royalty (Government)	65,192	1,792
	Royalty (Private) - related party (refer Note 27(b))	20,176	-
		726,124	**45,937**
6	**FINANCE COSTS**		
	Interest on loans and lease with third party	14,046	4,232
	Finance costs - leases with related parties	131,822	-
	Bank charges	164	129
	Other finance costs	5,106	4,805
		151,139	**9,166**
7	**INCOME TAX**		
(a)	**Numerical reconciliation of income tax expense to prima facie tax payable**		
	Accounting (loss)/profit before income tax	**(365,715)**	**(104,529)**
	At Australia's statutory income tax rate of 30% (2022: 30%)	(109,714)	(31,359)
	Non-deductible expenditure	12	14
	Prior year adjustment	4,052	(1,257)
	Non-recognition of the tax benefit of temporary differences	79,559	19,775
	Tax losses not recognised	26,091	12,827
		-	**-**
(b)	**Tax losses**		
	Unused tax losses	**1,459,880**	**1,359,455**
	Potential tax benefit @ 30%	**437,964**	**407,837**

The Group has unrecognised deferred tax assets in relation to the tax losses amounting to $212 million (2022: $119 million).

		31 March 2023	31 March 2022
		$'000	$'000
8	**CASH AT BANK AND RESTRICTED BANK DEPOSITS**		
	Cash at bank and on hand	17,789	1,050
	Restricted bank deposits*	15,963	15,860
		33,752	**16,910**

* Restricted cash at bank represents bank deposits towards issue of bank guarantees (refer note 27(c)).

9	**TRADE AND OTHER RECEIVABLES - Current**		
	Trade receivables	3,743	18,335
	Port charges paid in advance - related party	33,292	-
	Advances paid and deposits	24,017	7,941
	Interest accrued - related parties	20,929	18,828
	Interest accrued - third party	106	-
	Other receivables	1,518	8
	GST receivables	9,197	7,763
	Prepaid expenses	19,990	15,015
		112,792	**67,890**

10	**DUE FROM RELATED PARTIES**		
	Current		
	Other related party receivables - repayable on demand	**46,758**	**5,355**
	Non-current		
	Non-interest bearing amounts due from related parties	**44,949**	**69,302**

Non-interest bearing loans include $44.9 million (US$30.2 million) (2022: $25.2 million (US$18.3 million)) denominated in US dollars.

11	**INVENTORIES**		
	Coal stocks	88,971	116,872
	Spares, stores and consumables	17,615	4,448
		106,586	**121,320**

12	**OTHER RECEIVABLES - non-current**		
	Security deposit paid to a related party (Refer to Note 18)	138,000	138,000
	Other security deposits	67,256	57,786
	Deferred borrowing costs	-	1,407
	Prepaid expenses	-	2,493
		205,256	**199,686**

13 PROPERTY, PLANT AND EQUIPMENT	31 March 2023 $'000	31 March 2022 $'000
Land		
At cost	**68,641**	**68,641**
Buildings		
At cost	28,517	18,039
Accumulated depreciation	(16,886)	(15,029)
Net carrying amount	**11,631**	**3,010**
Plant and machinery		
At cost	649,876	215,929
Accumulated depreciation	(56,809)	(22,040)
Net carrying amount	**593,067**	**193,889**
Furniture, fittings and equipment		
At cost	730	730
Accumulated depreciation	(620)	(582)
Net carrying amount	**111**	**148**
Vehicles		
At cost	56	56
Accumulated depreciation	(56)	(56)
Net carrying amount	**-**	**-**
Right of use assets		
At cost	2,522,935	12,505
Accumulated depreciation	(61,996)	(856)
Net carrying amount	**2,460,939**	**11,649**
Mine development		
At cost	1,296,735	-
Accumulated depreciation	(13,863)	-
Net carrying amount	**1,282,872**	**-**
General civil		
At cost	268,502	-
Accumulated depreciation	(6,845)	-
Net carrying amount	**261,657**	**-**
Signal and communications		
At cost	6,313	-
Accumulated depreciation	(948)	-
Net carrying amount	**5,365**	**-**
Computer hardware		
At cost	762	15
Accumulated depreciation	(164)	(10)
Net carrying amount	**598**	**5**
Computer software		
At cost	205	205
Accumulated depreciation	(205)	(205)
Net carrying amount	**-**	**-**
Office equipment		
At cost	23	23
Accumulated depreciation	(21)	(20)
Net carrying amount	**2**	**3**

		31 March 2023	31 March 2022
13	**PROPERTY, PLANT AND EQUIPMENT (continued)**	**$'000**	**$'000**
	Total property, plant and equipment		
	At cost	4,843,295	316,143
	Accumulated depreciation	(158,413)	(38,800)
	Net carrying amount before impairment	**4,684,882**	**277,344**
	Accumulated impairment provision*	(145,967)	-
	Net carrying amount	**4,538,915**	**277,344**
	* Transferred from capital work in progress - refer Note 14)		
	Reconciliation of carrying amounts at the beginning and end of the year		
	Land		
	Balance at the beginning and end of the year	**68,641**	**68,641**
	Buildings		
	Balance at the beginning of the year	3,009	4,775
	Capitalised from capital work in progress during the year	10,478	-
	Depreciation charge for the year	(1,857)	(1,766)
	Balance at the end of the year - Net carrying amount	**11,631**	**3,009**
	Plant and machinery		
	Balance at the beginning of the year	193,889	88,344
	Capitalised from capital work in progress during the year	433,947	122,450
	Depreciation charge for the year	(34,769)	(16,905)
	Balance at the end of the year - Net carrying amount	**593,067**	**193,889**
	Furniture, fittings and equipment		
	Balance at the beginning of the year	148	187
	Asset retirement	-	(1)
	Depreciation charge for the year	(38)	(38)
	Balance at the end of the year - Net carrying amount	**111**	**148**
	Right of use asset		
	Balance at the beginning of the year	11,648	-
	Capitalised from capital work in progress during the year	2,510,430	12,505
	Depreciation charge for the year	(61,139)	(857)
	Balance at the end of the year - Net carrying amount	**2,460,939**	**11,648**
	Mine development		
	Capitalised from capital work in progress during the year*	1,296,735	-
	Depreciation charged for the year	(13,863)	-
	At the end of the period	**1,282,872**	**-**
	General civil		
	Capitalised from capital work in progress during the year*	268,502	-
	Depreciation charged for the year	(6,845)	-
	At the end of the period	**261,657**	**-**
	Signal and communications		
	Capitalised from capital work in progress during the year*	6,313	-
	Depreciation charged for the year	(948)	-
	At the end of the period	**5,365**	**-**
	Computer hardware		
	Balance at the beginning of the year	6	-
	Capitalised from capital work in progress during the year*	746	6
	Depreciation charged for the year	(154)	-
	At the end of the period	**598**	**6**

		31 March 2023	31 March 2022
13	**PROPERTY, PLANT AND EQUIPMENT (continued)**	**$'000**	**$'000**
	Reconciliation of carrying amounts at the beginning and end of the year (continued)		
	Office equipment		
	Balance at the beginning and end of the year	**2**	**2**
	Total Property, plant and equipment		
	Balance at the beginning of the year - Net carrying amount	277,344	161,950
	Capitalised from capital work in progress during the year	4,527,153	134,960
	Asset retirement	-	(1)
	Depreciation charged for the year to the consolidated statement of comprehensive income	(113,713)	(856)
	Depreciation capitalised during the year to capital work in progress	(5,902)	(18,709)
	Balance at the end of the year before impairment	**4,684,882**	**277,344**
	Accumulated impairment provision (refer Note 14)	(145,967)	-
		4,538,915	**277,344**

14 CAPITAL WORK IN PROGRESS

(a) This balance relates to capitalised exploration and evaluation and mineral reserves and mine development of ML70441 (formerly EPC1690), ML505 and ML506 (formerly EPC 1080). Consistent with Note 2(l), no amortisation is charged during these phases as the asset is not available for use.

(b)	**Reconciliation of carrying amounts from the beginning and end of the year:**		
	At the beginning of the year	1,873,486	1,509,288
	Additions during the year	2,806,371	460,858
	Capitalised interest	1,920	931
	Capitalised depreciation	5,902	18,709
	Rehabilitation costs (refer note 19)	11,905	6,153
	Transferred to inventories	(93,780)	-
	Transferred to property, plant and equipment	(4,527,153)	(122,453)
	At the end of the year before impairment*	**78,651**	**1,873,486**
	Accumulated impairment provision	-	(145,967)
	At the end of the year	**78,651**	**1,727,519**

*The balance capitalised to property, plant and equipment includes an accumulated impairment provision of $146.0 million that was included in the capital work in progress balance at 31 March 2022 (refer Note 13).

14 CAPITAL WORK IN PROGRESS (continued)

The Carmichael project is a very large scale project which is unique in nature and involves developing a frontier basin (the Galilee Basin).

The recoverable amount of the project CGU is based on an independent valuation management's estimate of fair value less cost to disposal (FVLCD) as at 31 March 2023. Given the unique nature of the project CGU, its recoverable amount is highly sensitive variations in key valuation inputs. FVLCD is most sensitive to the following key assumptions:

- ► Long term coal prices
- ► Discount rates
- ► Foreign currency exchange rates

In calculating FVLCD:

- ► The long term coal prices forecast used by the independent valuer is based on external third party forward curves (broker consensus estimates). The coal prices were adjusted, based on the forecast coal quality, to arrive at appropriate coal price assumptions for the Group's product quality
- ► The independent valuer applied a post-tax discount rate range of 11.5% to 13% to the post tax cash flows. The discount rate is derived by taking into consideration the industry risk and the expected return on investment by a market participant.
- ► The Carmichael project is developed in accordance to management's current ramp-up projection.

The valuation undertaken by the independent valuer concluded the carrying amount the assets of the project CGU were within a range of outcomes supported by their valuation. The valuation is highly sensitivity to reasonably possible changes in key valuation inputs and such changes could lead to further impairment. At 31 March 2023, management concluded the carrying amount of the project CGU (net of impairment losses recognised in previous years) approximated its FVLCD and no further impairment or impairment reversal was required at that time.

Sensitivity analysis performed by the independent valuer indicated:

- ► A reduction in the coal price of 10% would decrease the FVLCD by approximately $1.7 billion.
- ► An increase in the discount rate of 1% would decrease the FVLCD by approximately $0.4 billion.
- ► An appreciation of the Australian dollar against the US dollar of 15% would decrease the FVLDC by approximately $2.2 billion.

		31 March 2023 $'000	31 March 2022 $'000
15	**TRADE AND OTHER PAYABLES**		
	Trade creditors and accruals	110,212	12,827
	Amounts due to related parties (non-interest bearing and repayable on demand)	38,778	3,857
	Accrued interest due to related party	17,388	10,723
	Accrued interest due to third parties	1,511	913
	Other payables and accruals	8,867	84,278
		176,756	**112,598**
16	**BORROWINGS**		
(a)	**Non-interest bearing liabilities - current**		
	Loans due to related parties (repayable on demand)	**1,700,326**	**2,219,146**
(b)	**Interest-bearing liabilities**		
(i)	**Current**		
	Equipment financing (iv)	22,758	15,671
	Less deferred borrowing costs	(706)	(706)
	Total current interest-bearing liabilities	22,052	14,965
(ii)	**Non-current**		
	Loan due to a related party (i)	31,128	53,456
	Loan due to a related party (ii)	813,737	-
	Loans due to third parties (iii)	25,865	29,768
	Equipment financing (iv)	112,898	91,313
	Less deferred borrowing costs	(1,308)	(2,014)
	Total non-current interest-bearing liabilities	982,320	172,523
	Total interest-bearing liabilities	**1,004,372**	**187,488**

(i) Represents a loan from a related party of US$20.9 million (31 March 2022: US$31.5 million) carrying interest at benchmark rate plus a margin of 6.5% per annum. The loan is repayable within 6 years from the last drawdown under the Agreement.

(ii) Represents a loan from a related party of US$546.2 million carrying interest at benchmark rate plus a margin of 4.25% per annum. The loan tenure ends on 31 October 2030.

(iii) Represents facilities to finance excavators used in the construction and operations of Carmichael Mine. The facilities carry interest at commercial rates. These are secured against the respective equipment.

(iv) Represents a Lease-Purchase Agreement denominated in US dollars for US$135.6 million (31 March 2022: US$86.7 million) to finance the plant and equipment used in the construction and operations of Carmichael Mine. The facility carries interest at commercial rates, with repayments over 60 months, and is secured against the respective equipment and a corporate guarantee from the parent entity. The arrangement is recognised as the acquisition and financing of equipment (rather than a sale and leaseback) since the financier has no control over the assets in order to support a sale having occurred.

17	**CUSTOMER ADVANCES**		
	Amounts due to related party	364,109	267,308
	Amounts due to external parties	82,986	27,667
		447,095	**294,975**

		31 March 2023	31 March 2022
		$'000	$'000
18	**OTHER LIABILITIES**		
	Deferred reimbursement of costs*	122,471	138,000
	Provision for long service leave	267	240
		122,738	**138,240**

*On 31 October 2016, the Company entered into a Deed of Novation (Deed) with North Queensland Export Terminal Pty Ltd ('NQXT') (previously Adani Abbot Point Terminal Pty Ltd) and Queensland Coal Pty Ltd ('QCPL'),whereby QCPL agreed to assign its port capacity under a user agreement with NQXT to the Company for a consideration of $138 million (plus GST). Total consideration received from QCPL in exchange for the Company assuming QCPL's obligation to NQXT under its user agreement has been recorded as a non-current liability, under deferred reimbursement of costs.

Amortisation of the deferred reimbursement of costs is based on sales tonnes (refer Note 4(b)).

In a separate arrangement with NQXT, the Company agreed to make a payment of $138 million as a security deposit towards the performance of its obligation under the user agreement. The security deposit is included in Other receivables - non-current (refer to Note 12).

19	**PROVISION FOR REHABILITATION**		
	Balance at the beginning of the year	23,884	17,731
	Increase for the year	11,905	6,153
	Balance at end of the year	**35,789**	**23,884**

The Group makes full provision for the future cost of rehabilitating the mine site and related production facilities on a discounted basis at the time of developing the mine and installing and using those facilities.

The rehabilitation provision represents the present value of rehabilitation costs relating to the mine site, which are expected to be incurred up to 2046, which is when the current producing mine property is expected to cease operations. The provision has 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.

The discount rate used in the calculation of the provision as at 31 March 2023 is 3.4% (2022: 2.74%).

		31 March 2023	31 March 2022
20	**LEASES**	**$'000**	**$'000**
	Group as a lessee		
(i)	The Group has a lease contract for excavators with a 5 year term. The Group's obligations under the lease are secured by the lessor's title to the leased asset.		
(ii)	The Group has a lease arrangement with Carmichael Rail Operations Trust, a related party, which grants the Group access to the rail corridor. The lease has an effective life of 40 years.		
(iii)	The Group has a lease arrangement with Bowen Rail Company Pty Ltd ('BRC'), a related party, which grants the Group rail haulage services using BRC's rolling stock. The lease has an effective life of 10 years.		
	The leases carry interest at rates ranging from 5.85% to 9.67% per annum.		
(a)	**Carrying amount of right of use assets recognised and the movement:**		
	Balance at the beginning of the year	11,649	-
	Additions during the year	-	12,505
	Initial recognition of right of use assets	2,510,430	-
	Depreciation expense	(61,139)	(856)
	Balance at the end of the year	**2,460,939**	**11,649**
(b)	**Carrying amount of lease liabilities and the movements during the year:**		
	At the beginning of the year	11,519	-
	Additions during the year	2,510,430	12,504
	Accretion of interest	133,509	142
	Payments	(104,411)	(577)
	Foreign currency exchange rate adjustment	(2,226)	(550)
	Balance at the end of the year	**2,548,821**	**11,519**
	Current	**175,658**	**1,671**
	Non-current	**2,373,163**	**9,848**
(c)	**The following are the amounts recognised in profit or loss during the year:**		
	Depreciation expense of right of use assets	61,139	856
	Interest expense on lease liability (included in Finance costs)	133,509	142
	Total amount recognised in profit or loss	**194,648**	**998**
	Total cash outflows for the lease during the year	**104,411**	**985**
(d)	**Maturity analysis of future lease payments - contractual undiscounted cash flows**		
	Not later than one year	172,594	2,218
	Later than one year and not later than five years	1,032,195	11,897
	Later than five years	6,060,563	-
		7,265,351	**14,115**
21	**CONTRIBUTED EQUITY**		
	Issued and paid up capital		
	8,693,556 ordinary shares of $1 each fully paid	**8,694**	**8,694**

There were no movements in ordinary shares on issue during the year (2022: nil).

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

22 RELATED PARTY DISCLOSURES

(a) Parent entities

The Group is controlled by the following entities:

Name and place of incorporation	Type	Ownership interest 31 March 2022	Ownership interest 31 March 2021
Adani Global Pte Ltd, Singapore	Immediate parent entity	100%	100%
Adani Enterprises Ltd, India	Ultimate parent entity and controlling party	100%	100%

	Year ended 31 March 2023	Year ended 31 March 2022
	$'000	$'000
Transactions between the Group and parent entities		
On-charge of financing costs by the ultimate parent entity	**4,772**	**1,407**

Loans from Adani Global Pte Ltd (refer Note 22 (f)(iii)).

(b) Subsidiaries

The Group's subsidiaries at 31 March 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business / country of incorporation	Principal activities	Ownership interest held by the Group 31 March 2023	Ownership interest held by the Group 31 March 2022
Galilee Transmission Holdings Pty Ltd	Australia	To act as a holding company	100%	100%
Galilee Transmission Pty Ltd	Australia	To act as a trustee entity	100%	100%
Galilee Transmission Holdings Trust	Australia	To develop transmission infrastructure	100%	100%
Galilee Biodiversity Company Pty Ltd	Australia	To act as a trustee entity	100%	100%
The Galilee Basin Conservation & Research Fund	Australia	To fund conservation and research activities	100%	100%
Adani Minerals Pty Ltd	Australia	To provide services for resource projects in Australia	90%	90%

Non-controlling interest - Adani Minerals Ltd

On 18 June 2020, the Group acquired 1,350,000 shares of $1 each in Adani Minerals Pty Ltd, representing a 90% controlling interest in the company.

	Year ended 31 March 2023	Year ended 31 March 2022
Movements in non-controlling interest	$'000	$'000
Balance at the beginning of the year	103	104
Total comprehensive loss for the year attributable to non-controlling interest	(5)	(1)
Balance at the end of the year	**98**	**103**

	31 March 2023 $'000	31 March 2022 $'000
22 RELATED PARTY DISCLOSURES (continued)		
(c) Key management personnel compensation		
Total compensation*	**6,968**	**6,303**

* Represents key management personnel compensation amounts recognised as an expense or included in capital work in progress during the year.

(d) Transactions with other related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Sale of coal (refer Note 4(a))	**122,874**	**-**
Interest income	**119**	**378**
Finance costs	**(3,452)**	**(598)**
Recharge of expenses - expensed or capitalised	**11,617**	**14,936**
Recovery of costs and management fees	**478**	**967**
Private royalties (refer Note 5(c))	**(20,176)**	**-**
Port charges	**(60,324)**	**(15,734)**

Lease transactions with related parties are disclosed in Note 20, including the following amounts:

Right of use assets recognised	**2,477,179**	**-**
Lease liability as at balance date	**(2,507,376)**	**-**
Finance costs on leases with related parties	**(131,822)**	**-**

Terms and conditions of transactions with related parties

► Recharges are based on agreements between parties.

(e) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Current receivables		
Other related parties - refer to Notes 9 and 10 for terms and conditions	**27,983**	**24,183**
Current payables		
Other related parties - refer to Note 15 for terms and conditions	**56,166**	**14,580**
Customer advances		
Other related parties - refer to Note 17 for terms and conditions	**364,109**	**267,308**

	31 March 2023 $'000	31 March 2022 $'000
22 RELATED PARTY DISCLOSURES (continued)		
(f) Loans to/from related parties		
(i) Loans to other related parties		
Beginning of the year	69,302	342,868
Loans advanced	16,959	13,894
Amounts settled	(5,175)	(286,793)
Reclassified as current related party receivables (repayable on demand)	(39,704)	-
Movements in foreign exchange rates	3,567	(667)
Closing balance	**44,949**	**69,302**
(ii) Loans from other related parties		
Beginning of the year	1,503,400	721,166
Loans advanced*	42,925	836,355
Amounts settled**	(48,286)	(61,276)
Movements in foreign exchange rates	99,553	7,155
Closing balance	**1,597,592**	**1,503,400**
* includes $37.8 million non-cash transactions		
** includes $48.3 million non-cash transactions		
(iii) Loans from Adani Global Pte Ltd (immediate parent entity)		
Beginning of the year	769,202	1,120,122
Loans advanced*	91,753	-
Amounts settled	-	(397,564)
Movements in foreign exchange rates	86,644	46,644
Closing balance	**947,600**	**769,202**
* includes $86.1 million non-cash transaction		
(g) Security Deposit paid		
Beginning and end of the year	**138,000**	**138,000**
23 PARENT ENTITY FINANCIAL INFORMATION		
The individual financial statements for the parent entity show the following aggregate amounts:		
Statement of Financial Position		
Current assets	259,964	211,328
Total assets	5,169,191	2,486,832
Current liabilities	2,522,682	2,644,264
Total liabilities	6,036,691	2,988,759
Owner's equity		
Contributed equity	8,694	8,694
Accumulated losses	(876,194)	(510,621)
Loss for the year	(365,573)	(104,924)
Total comprehensive loss	**(365,573)**	**(104,924)**
24 AUDITOR'S REMUNERATION		
The auditor of Adani Mining Pty Ltd is Ernst & Young Australia.		
Amounts received or due and receivable by Ernst & Young Australia for an audit or review of the financial report of the entity and any other entity in the consolidated group	**175**	**132**
25 CAPITAL EXPENDITURE COMMITMENTS		
Estimated capital expenditure contracted for at balance date but not provided for:	**134,384**	**205,072**

26 OTHER MATTER

During the year ended 31 March 2023, a short seller issued a report alleging certain issues against the ultimate parent company Adani Enterprises Limited (‘AEL') and its related entities. These allegations have been refuted by AEL and its related entities in its detailed response submitted to Bombay Stock Exchange and National Stock Exchange on 29 January 2023. The Group has assessed that no material financial adjustment arises to the Group’s financial information for the year ended 31 March 2023 or any prior period with respect to the allegations (including matters detailed in Note 2(a)(ii) to the financial report).

To uphold the principles of good governance, AEL has undertaken a review of transactions referred to in the short seller's report through an independent law firm. The report confirms AEL’s compliance with applicable laws and regulations. Further, in the context of the short seller's report, a petition was filed with the Honourable Supreme Court of India, and the Securities and Exchange Board of India ('SEBI') is examining compliance with laws and regulations by conducting enquiries regarding related party transactions and other allegations against AEL and its related entities.

27 CONTINGENT LIABILITIES

(a) EPC 1080 Royalty

On 29 November 2011, the Company entered into a Royalty Deed ('the Deed') with Mineralogy Pty Ltd ('MPL') pursuant to entry of EPC 1080 Eastern Area deed. Inter alia, the Deed requires the Company to pay MPL royalty for coal mined from the eastern area of EPC 1080 (as defined in the Deed).

(b) EPC 1690 Royalty

On 10 August 2010, as part of the Company’s acquisition of EPC 1690 (the 'burdened tenement'), the Company entered into an Overriding Royalty Deed ('the Deed') with Linc Energy Limited ('Linc'). Inter alia, the Deed requires the Company to pay Linc royalty for coal extracted from the burdened tenement, with the exception of the first 400,000 tonnes mined in any one production year. Under the Deed, there is no minimum royalty payable to Linc and the royalty only becomes payable as and when coal is despatched from the burdened tenement. The Royalty is payable for a period of 20 years from the production date. During the year ended 31 March 2016, the Deed was assigned by Linc to Carmichael Rail Network Pty Ltd as trustee for Carmichael Rail Network Trust ('CRNT'). In May 2019, CRNT entered into a Royalty Income Purchase Agreement ('Agreement') with Queensland RIPA Pty Ltd as trustee for Queensland RIPA Trust ('QRIPA') wherein CRNT has agreed to pay royalty income payments to QRIPA. During the year, the Group was charged a royalty of $20.18 million (refer Note 5(c)).

	31 March 2023	31 March 2022
	$'000	$'000
(c) Bank Guarantees		
Guarantees issued by the banks on behalf of Adani Mining Pty Ltd	**15,619**	**14,605**

28 SUBSEQUENT EVENTS

There have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect the Group’s operations, the results of those operations or the Group’s state of affairs in financial years after the year ended 31 March 2023.

Adani Mining Pty Ltd
Directors' declaration

In the directors' opinion:

(a) The financial statements and notes of Adani Mining Pty Ltd and its subsidiaries (collectively the Group) for the financial year ended 31 March 2023 are in accordance with the C*orporations Act 2001* , including:

(i) giving a true and fair view of the Group's financial position as at 31 March 2023 and of its performance for the year then ended on that date; and

(ii) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001* .

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Board of Directors



Samir Vora
Director

Brisbane, 1 May 2023

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Building a better working world

Independent auditor's report to the member of Adani Mining Pty Ltd

Opinion

We have audited the financial report of Adani Mining Pty Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 March 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 March 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

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Other Matter

We draw attention to Note 26 Other Matters in the financial report which describes allegations made by a short seller on Adani Enterprises Limited as ultimate parent of the company and its related entities which has been refuted by Adani Enterprises Limited and its related entities. Our opinion is not modified in respect of this matter.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

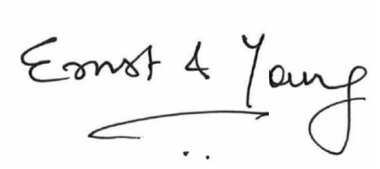
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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Madhu Nair
Partner
Brisbane
1 May 2023

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