

**Tigers Realm Coal Limited**  
**Appendix 4D – Half year report**  
**For the six months ended 30 June 2021**

**1. Details of the reporting period and the previous corresponding period.**

Current Period:	1 January 2021 to 30 June 2021
Previous corresponding period	1 January 2020 to 30 June 2020

**2. Results for announcement to the market**

	30 June 2021	30 June 2020	Change
	'000s	'000s	%
2.1 Revenue	14,765	7,090	108%
2.2 Net (Loss) from ordinary activities	(309)	(17,041)	(98%)
2.3 Net (Loss) attributable to owners of the Company	(292)	(17,031)	(98%)

**2.4 Dividends**

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to 30 June 2021.

**2.5 Commentary**

Revenue increased by A\$7.675 million for the six months to 30 June 2021 compared to the corresponding six-month period to 30 June 2020 due to increased coal prices and 22% increase of tonnes of coal sold achieved through the increased loading capacity. Net loss from ordinary activities decreased by A\$16.732 million (98%) for the six months to 30 June 2021 compared to the corresponding six-month period to 30 June 2020 as a result of an increase in revenue, decrease in administrative and other operating expenses by A\$0.719 million and reversal of the provision for the lower of cost and net realisable value of coal stocks by A\$2.963 million.

**3. Net consolidated tangible assets per ordinary share**

	30 June 2021	30 June 2020	Change
	Cents	Cents	%
Ordinary shares	0.62	0.55	13%

**4. Details of entities over which control has been gained or lost during the period:**

No entities were acquired or disposed of during the six months ended 30 June 2021.

**5. Details of associates and joint venture entities:**

No investments in associates or joint ventures are held by the Group.

**6. Foreign entities**

Not applicable

**7. Audit dispute or qualification**

The interim financial statements for the six-month period ended 30 June 2021 have no audit dispute nor qualification.

**8. Authorization**

This announcement has been authorized by the TIG Board of Directors.

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**Tigers Realm Coal Limited**  
(ABN 50 146 752 561)

**Interim Financial Report**  
**For the six months ended 30 June 2021**

# Tigers Realm Coal Limited

## Corporate Directory

### DIRECTORS

Craig Wiggill (Chairman)  
Owen Hegarty  
Bruce Gray  
David Swan  
Valery Doronin

### COMPANY SECRETARY

David Forsyth

### REGISTERED OFFICE

151 Wellington Parade South, East Melbourne  
Melbourne, Victoria, 3002  
Tel: +61 3 8644 1300

### PRINCIPAL OFFICE

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Tel: +7 495 646 8353

Email: [ir@tigersrealmcoal.com](mailto:ir@tigersrealmcoal.com)

### AUDITORS

Deloitte Touche Tohmatsu  
123 Eagle Street,  
Brisbane, Queensland 4000

### BANKERS

Commonwealth Bank of Australia Limited  
727 Collins Street,  
Melbourne, Victoria 3008

# Tigers Realm Coal Limited

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# Tigers Realm Coal Limited

## Directors' Report

### For the six months ended 30 June 2021

#### 1. Directors, Alternate Director and Company Secretary

The Directors, Alternate Director and Company Secretary of Tigers Realm Coal Limited are:

Name	Role
Mr Craig Wiggill (Chairman) BSc Eng	Independent Non-Executive Director
Mr Owen Hegarty BEC (Hons), FAusIMM	Independent Non-Executive Director
Mr Bruce Gray MB, BS, MS, PhD, FRACS	Non-Executive Director
Mr David Swan BC, FCA	Independent Non-Executive Director
Mr Tagir Sitdekov MBA (resigned 14 April 2021)	Non-Executive Director
Mr Nikolay Ishmetov MSc in Finance (resigned 14 April 2021)	Alternate Director to Tagir Sitdekov
Mr Valery Doronin (appointed 27 April 2021)	Non-Executive Director
Mr David Forsyth FGIA, FCIS, FCPA	Company Secretary

The Directors and the Alternate Director have all been in office since the start of the financial year to the date of this report unless otherwise stated.

#### 2. Directors' meetings

During the six-month period to 30 June 2021, 5 Directors' meetings were held for Tigers Realm Coal Limited ("TIG" or "the Company").

#### 3. Principal activities

The principal activities of the Company and its subsidiaries (together referred to as the "Group") are the identification, exploration, development, mining and sale of coal from deposits in the Far East of the Russian Federation.

#### 4. Review of Operations

##### Business Strategies and Group Objectives

The Group's objectives encompass the development of the Amaam Coking Coal Field, comprising its two, well-located, large coking coal projects in the Far East of Russia:

- Amaam North: a low-cost starter project providing a fast track to production and earnings, utilising existing infrastructure and supporting development of the entire Amaam Coking Coal Field; and
- Amaam: a large coal resource which will enable scaling TIG production up to 5 million tonnes per annum ("Mtpa") from dedicated new infrastructure.

**Tigers Realm Coal Limited**  
**Directors' Report**  
**For the six months ended 30 June 2021**

**4. Review of Operations**

**Business Strategies and Group Objectives (continued)**

**Amaam North**

Development of Amaam North started with development of the Fandyushkinsky Field licence AND 15813 TE area ("Project F"), a part of Amaam North. A Project F Feasibility Study Update was completed in April 2016, subsequent to which the Group raised funds via a non-renounceable rights issuance, the primary use of proceeds being on the development of Project F. After completing the necessary initial construction works in the second half of 2016, commercial mining commenced in January 2017.

In September 2018, TIG was granted Exploration and Mining licence No AND 01314 TE over the Zvonkoye deposit, geographically located next to an eastern extension of Project F. TIG's application for a Mining and Excavation Plan ("TPRM") for the integrated development of the Fandyushkinskoe Field and Zvonkoye license areas was approved in December 2019. Consequently, all future references to Amaam North refer to the unified development of both license areas.

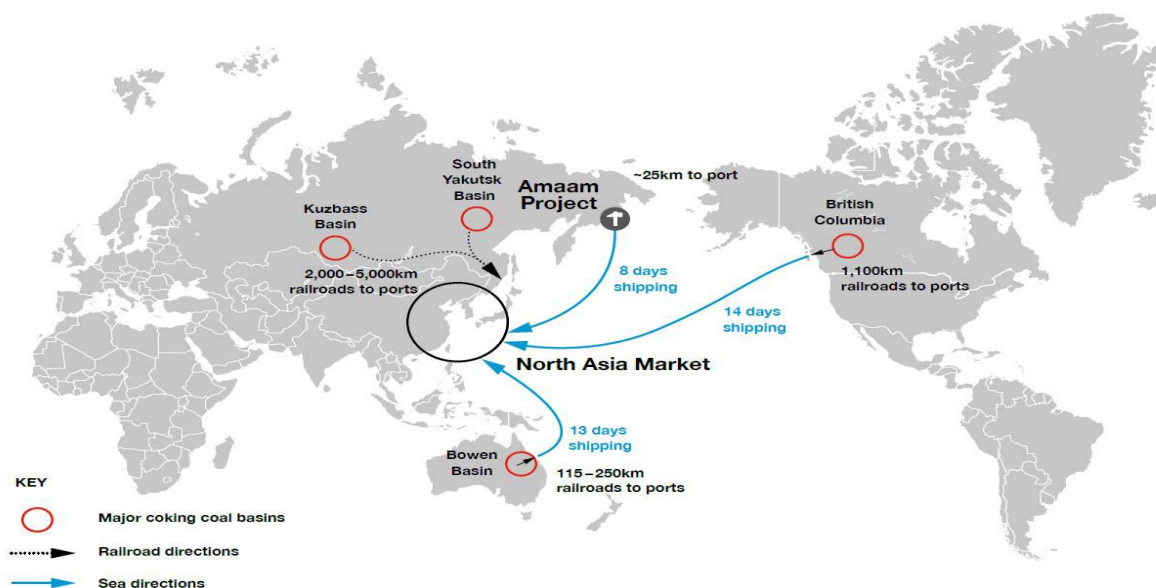
Further development of Amaam North includes an upgrade of mine site infrastructure, the Beringovsky Port and Coal Terminal and the construction of a coal handling and preparation plant ("CHPP"). Collectively, these investments will enable the Group to increase coal sales up to 1.4Mtpa. The construction of the CHPP will also enable the Company to sell a higher-value product of a consistent quality into the semi-hard coking coal ("SHCC") markets. This SHCC product should achieve significantly higher prices than those currently being achieved for the unwashed coal products being sold into thermal and semi-soft coking coal markets.

To optimise capital spend and obtain suitable financing, TIG decided to proceed with the option of a modular CHPP. In October 2020, TIG signed a contract with UK based Derek Parnaby Cyclones International Limited ("DPCI") for supply of a modular CHPP. Modular CHPP components have been successfully delivered to Beringovsky, and installation works commenced in June 2021. TIG expects to complete and commission the CHPP in the second half of 2021.

**Amaam**

Amaam is a potential long-life project of the Group with capacity to enable TIG to increase production up to 5Mtpa of high-quality coking coal product over an estimated 20-year life of mine. The Company currently holds an Exploration Licence over the Amaam deposit and two long-term (20 year) Extraction and Exploration Licences over parts of the deposit.

**Amaam Coking Coal Field– World Location Map**



**Tigers Realm Coal Limited**  
**Directors' Report**  
**For the six months ended 30 June 2021**

**4. Review of Operations**

**Operating Performance**

Key Operating and Financial Indicators for the six months ended 30 June 2021 and 2020 are as follows:

<b>Key Operating and Financial Indicators (thousand tonnes unless otherwise stated)</b>	<b>Results for the six months to 30 June 2021</b>	<b>Results for the six months to 30 June 2020</b>
Coal mined	383	298
Coal sold*	175	144
Coal loaded	197	159
Overburden removed	1,870 bcm	2,288 bcm
Stripping ratio	4.9:1	7.7:1
ROM coal stocks at period end**	661	588
Average free on board ("FOB") coal sales price, in A\$	A\$84.37 (US\$65.07)	A\$49.24 (US\$32.39)
Cost of coal mined per tonne, in A\$	A\$42.74 (US\$32.96)	A\$67.16 (US\$44.19)
EBITDA***, in A\$'000	3,547	(12,730)

\*including 8kt sold to domestic customers (30 June 2020: 7kt)

\*\*including 30kt loaded but not shipped as of 30 June 2021 (30 June 2020: 22kt)

\*\*\*Earnings before interest tax, depreciation and amortisation ("EBITDA") is calculated as the result before net finance costs and income tax expense, adjusted for depreciation of property, plant and equipment. EBITDA is not defined by AASB and is non-statutory measure. This non-financial measure has not been audited or reviewed by Deloitte.

The following table summarises the key reconciling items between the Group's EBITDA and its loss before income tax:

<b>in A\$'000</b>	<b>Results for the six months to 30 June 2021</b>	<b>Results for the six months to 30 June 2020</b>
Loss before income tax	(298)	(17,035)
Add: Net finance costs	2,154	2,073
Add: Depreciation	1,691	2,232
EBITDA	3,547	(12,730)

For the six months ended 30 June 2021 the Group incurred a net loss of A\$0.309 million compared to net loss of A\$17.041 million for six months to 30 June 2020. The key factors that contributed to the lower net loss for the six months ended 30 June 2021 include:

- A\$35.13 increase in average realised prices from A\$49.24 in the six months to 30 June 2020 to A\$84.37 in the six months to 30 June 2021;
- 22% higher sales volumes for the six months ended 30 June 2021 compared to the six months ended 30 June 2020. In the six months to 30 June 2021, the Group loaded and sold two cargos amounting to 167kt and a further 8kt were sold to domestic customers (six months to 30 June 2020: the Group loaded and sold three cargos amounting to 137kt and a further 7kt were sold to domestic customers).
- 197kt coal was loaded during the six months ended 30 June 2021 which is 38kt (+24%) greater than was achieved during the six months ended 30 June 2020 (159kt). The average loading rate increased by 23% from 8.3kt per workable weather day during the six months ended 30 June 2020 to 10.2kt during the six months ended 30 June 2021.
- As of 30 June 2021, following a significant increase in realisable prices for thermal coal, a previous write-down to net realisable value amounting to A\$2.963 million was reversed (30 June 2020: Additional write-down of A\$6.734 million).



# Tigers Realm Coal Limited

## Directors' Report

### For the six months ended 30 June 2021

#### 4. Review of operations (continued)

The key features for the six months ended 30 June 2021 include:

- The Group mined 383kt of coal, 85kt (+29%) more than during the six months ended 30 June 2020;
- Cost of coal produced per tonne decreased by A\$24.42 during the six months ended 30 June 2021 compared to the six months ended 30 June 2020. The decrease was largely the result of a lower stripping ratio of 4.9:1 in the six months to 30 June 2021 compared to 7.7:1 in the six months to 30 June 2020 due to concentrating mining activities at seams with lower stripping ratios.
- TIG continued to implement appropriate measures related to the COVID – 19 pandemic in order to minimize its impact on our employees and operations. A vaccination program at site using the Sputnik V vaccine was started and extensive testing of all employees arriving at the Chukotka operational site is conducted;
- The Group concluded its four coal sales agreements for 305kt of thermal coal;
- TIG started the shipping season on 28 May 2021 – the earliest in TIG's history. The early start was made possible by successful pre seasonal dredging procedures and the chartering of a 100kt ice-class, geared bulk vessel for the first cargo for the season;
- On 15 June 2021, TIG successfully unloaded general cargo with CHPP equipment and other equipment purchased during the first half of 2021. CHPP construction works are continuing on schedule. Specialist technicians from DPCI are on site to supervise installation.

#### Financial Position

##### *Cash balances*

The Group's cash balance decreased by A\$10.402 million to A\$8.477 million over the six-month period to 30 June 2021, from A\$18.879 million at 31 December 2020. This decrease arose primarily from the operational cash outflows and further investment in the Company's mining and logistics infrastructure, offset by proceeds from the December 2020 Entitlement Offer ("2020 Entitlement Offer").

##### *Inventory on hand*

The carrying amount of the Group's inventories on hand at 30 June 2021 was A\$41.545 million, including A\$22.442 million of coal inventories, A\$5.645 million in fuel and oils and A\$13.458 million of other consumables (31 December 2020: A\$23.129 million including A\$11.095 million of coal inventories, A\$1.370 million in fuel and oils and A\$10.664 million of other consumables).

Management performs a regular review of the recoverability of inventories, including coal stocks, to assess the Company's ability to recover the cost of coal inventories on hand. As a result of a significant increase in realisable prices for thermal coal a previous write-down to net realisable value of coal stockpiled at the interim coal stockpile amounting to A\$2.963 million was reversed.

##### *Non-current assets*

Additions to mining and port assets totalling A\$14.354 million during the six months ended 30 June 2021 included:

- Payments for CHPP equipment and construction;
- Design and engineering works for the CHPP;
- Drilling rig;
- Trucks for coal transportation;
- Lease of two haulage trucks, a crane, a front – end loader, a 40t bulldozer and a 70t bulldozer, as discussed in detail further below.

The Company performs a bi-annual review for the existence of conditions indicating either the necessity to perform an impairment review or to consider the necessity to reverse previously recognised write-downs. Refer to Note 9 to the condensed consolidated interim financial report for further details.

##### *Leases*

During the six months ended 30 June 2021, the Group concluded lease agreements for two haulage trucks, a crane, a front – end loader, a 40t bulldozer and a 70t bulldozer. The Group recognised a right-of-use asset of A\$3,815 million and a corresponding lease liability, after advance payments of A\$0.503 million, of A\$3.312 million with respect to these lease arrangements.

**Tigers Realm Coal Limited**  
**Directors' Report**  
**For the six months ended 30 June 2021**

**4. Review of operations (continued)**

*Shareholder loan*

On 4 February 2021, the outstanding loan payable to Dr Bruce Gray and interest accrued thereon of A\$1.864 million was settled in full.

*Royalty Agreement liability*

After the assessment of the provision for the obligations under the Royalty Agreement liability at 30 June 2021, the Group recognized an increase in the royalty liability of A\$1.145 million, of which A\$0.443 million relates to changes in foreign exchange rates, offset by payments of A\$0.344 million. As at 30 June 2021 the provision amounted to A\$18.864 million (At 31 December 2020: A\$18.063 million). Refer to Note 16 to the interim financial report for further details.

*Movement of Options*

During the six months ended 30 June 2021 there were no movements in the options register. The total number of options as of 30 June 2021 was 9,907,000.

*Share Capital*

The 2020 Entitlement Offer closed on 14 January 2021, as a result of which the Group raised A\$43.512 million. The Institutional entitlement offer closed on 17 December 2020 raising gross proceeds of approximately A\$17.151 million with the Company's largest shareholder Dr. Bruce Gray taking up his full entitlement. The remaining A\$26.361 million was raised in January 2021. The retail component of the offer was completed on 4 January 2021 with very good support from a number of shareholders, including Mr. Paul Little, taking up full and partial entitlements. The Bookbuild process was managed and fully underwritten by CLSA Australia Pty Ltd and sub-underwritten by Dr. Bruce Gray. Pursuant to his sub-underwriting agreement, 2.7 billion additional shares were issued to Dr. Gray, increasing his overall shareholding in the TIG to 59.95%.

*Licence Update*

The Company is in compliance with all license obligations.

**5. Events subsequent to reporting date**

On 5 July 2021 the Group entered into an agreement to construct its fifth 500 t barge. The construction is expected to be completed by the start of the 2022 shipping season.

**6. Dividends paid or recommended**

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

**7. Directors' interests**

The relevant interest of each Director in the shares or options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Tigers Realm Coal Limited	
	Ordinary shares	Options over ordinary shares
O Hegarty	66,412,029	-
C Wiggill	5,100,000	-
B Gray	7,825,877,288	-
D Swan	-	-
V Doronin	-	-

**Tigers Realm Coal Limited**  
**Directors' Report**  
**For the six months ended 30 June 2021**

**8. Auditor's Independence Declaration**

The auditor's independence declaration is set out on page 26 and forms part of the Directors' report for the six months ended 30 June 2021.

This report is made in accordance with a resolution of the Directors.

Dated this 25<sup>th</sup> day of August 2021.

Signed in accordance with a resolution of the Directors:



Craig Wiggill  
Director

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**Tigers Realm Coal Limited**  
**Condensed consolidated interim statement of financial position**  
**As at 30 June 2021**

	Note	30 June 2021 A\$'000	31 December 2020 A\$'000
<b>Current Assets</b>			
Cash and cash equivalents		8,477	18,879
Trade and other receivables		23,377	9,844
Inventories	11	32,804	20,275
Prepayments		6,536	1,356
Other assets		2	7
<b>Total current assets</b>		<b>71,196</b>	<b>50,361</b>
<b>Non-current assets</b>			
Inventories	11	8,741	2,854
Property, plant and equipment	12	45,239	32,545
<b>Total non-current assets</b>		<b>53,980</b>	<b>35,399</b>
<b>Total assets</b>		<b>125,176</b>	<b>85,760</b>
<b>Current Liabilities</b>			
Trade and other payables		9,533	3,879
Loans payable	13	-	1,830
Lease liability	14	3,117	2,407
Royalty liability	16	1,912	922
Other financial liabilities	15	643	605
Employee benefits		1,975	1,437
<b>Total current liabilities</b>		<b>17,180</b>	<b>11,080</b>
<b>Non-current liabilities</b>			
Trade and other payables		128	115
Lease liability	14	7,869	5,522
Royalty liability	16	16,952	17,141
Other financial liabilities	15	1,661	1,612
Provision for site restoration		519	496
<b>Total non-current liabilities</b>		<b>27,129</b>	<b>24,886</b>
<b>Total liabilities</b>		<b>44,309</b>	<b>35,966</b>
<b>Net assets</b>		<b>80,867</b>	<b>49,794</b>
<b>Equity</b>			
Share capital	17	272,980	246,594
Reserves		15,273	10,277
(Accumulated losses)		(187,608)	(187,316)
<b>Total equity attributable to equity holders of the Company</b>		<b>100,645</b>	<b>69,555</b>
Non-controlling interest		(19,778)	(19,761)
<b>Total equity</b>		<b>80,867</b>	<b>49,794</b>

The notes on pages 14 to 24 are an integral part of the condensed consolidated interim financial report.

**Tigers Realm Coal Limited**  
**Condensed consolidated interim statement of comprehensive income**  
**For the six months ended 30 June 2021**

	Note	30 June 2021 A\$'000	30 June 2020 A\$'000
Revenue from coal sales		14,765	7,090
Mining and related costs of coal sold		(9,316)	(7,346)
Transshipment and other port costs		(2,948)	(3,091)
<b>Gross margin on coal sold</b>		<b>2,501</b>	<b>(3,347)</b>
Administrative and other operating expenses	8	(2,894)	(3,613)
Share based payments		-	(58)
Exploration and evaluation expenses		(60)	(18)
Change in provisions for inventories	11	2,963	(6,734)
Write off of property, plant and equipment	12	-	(254)
Royalty expense	16	(702)	(1,007)
Other income		48	69
<b>Results from operating activities</b>		<b>1,856</b>	<b>(14,962)</b>
Net foreign exchange loss		(1,213)	(358)
Finance costs		(941)	(1,715)
<b>Net finance costs</b>		<b>(2,154)</b>	<b>(2,073)</b>
<b>Loss before income tax</b>		<b>(298)</b>	<b>(17,035)</b>
Income tax expense		(11)	(6)
<b>Net Loss</b>		<b>(309)</b>	<b>(17,041)</b>
<b>Other comprehensive income/(loss)</b>			
<b>Items that may subsequently be reclassified to profit or loss</b>			
Foreign currency translation differences for foreign operations		4,996	(6,419)
<b>Total comprehensive income/(loss) for the period</b>		<b>4,687</b>	<b>(23,460)</b>
<b>Net Loss is attributable to:</b>			
Owners of the Company		(292)	(17,031)
Non-controlling interest		(17)	(10)
<b>Net Loss for the period</b>		<b>(309)</b>	<b>(17,041)</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		4,704	(23,410)
Non-controlling interest		(17)	(50)
<b>Total comprehensive income/(loss) for the period</b>		<b>4,687</b>	<b>(23,460)</b>
<b>Loss per share (cents per share)</b>			
basic loss per share (cents)	10	(0.002)	(0.27)
diluted loss per share (cents)	10	(0.002)	(0.27)

The notes on pages 14 to 24 are an integral part of the condensed consolidated interim financial report.

**Tigers Realm Coal Limited**  
**Condensed consolidated interim statement of changes in equity**  
**For the six month period ended 30 June 2021**

Note	Share Capital AS'000	(Accumulated Losses) AS'000	Share based Payments Reserve AS'000	Foreign Currency Translation Reserve AS'000	Other Reserve AS'000	Total AS'000	Non-controlling Interest AS'000	Total AS'000
<b>Balance as at 1 January 2021</b>	<b>246,594</b>	<b>(187,316)</b>	<b>7,353</b>	<b>(3,385)</b>	<b>6,309</b>	<b>69,555</b>	<b>(19,761)</b>	<b>49,794</b>
Net loss	-	(292)	-	-	-	(292)	(17)	(309)
Other comprehensive income	-	-	-	4,996	-	4,996	-	4,996
Total comprehensive income/(loss) for the period	-	(292)	-	4,996	-	4,704	(17)	4,687
Issue of ordinary shares	26,492	-	-	-	-	26,492	-	26,492
Costs of raising equity	(106)	-	-	-	-	(106)	-	(106)
<b>Balance at 30 June 2021</b>	<b>272,980</b>	<b>(187,608)</b>	<b>7,353</b>	<b>1,611</b>	<b>6,309</b>	<b>100,645</b>	<b>(19,778)</b>	<b>80,867</b>
<b>Balance as at 1 January 2020</b>	<b>173,108</b>	<b>(171,700)</b>	<b>7,301</b>	<b>12,050</b>	<b>6,309</b>	<b>27,068</b>	<b>(19,735)</b>	<b>7,333</b>
Net loss	-	(17,031)	-	-	-	(17,031)	(10)	(17,041)
Other comprehensive loss	-	-	-	(6,379)	-	(6,379)	(40)	(6,419)
Total comprehensive loss for the period	-	(17,031)	-	(6,379)	-	(23,410)	(50)	(23,460)
Issue of ordinary shares	58,229	-	-	-	-	58,229	-	58,229
Costs of raising equity	(491)	-	-	-	-	(491)	-	(491)
Share based payments	-	-	58	-	-	58	-	58
<b>Balance at 30 June 2020</b>	<b>230,846</b>	<b>(188,731)</b>	<b>7,359</b>	<b>5,671</b>	<b>6,309</b>	<b>61,454</b>	<b>(19,785)</b>	<b>41,669</b>

The notes on pages 14 to 24 are an integral part of the condensed consolidated interim financial report.

**Tigers Realm Coal Limited**  
**Condensed consolidated interim statement of cash flows**  
**For the six months period ended 30 June 2021**

	30 June 2021 A\$'000	30 June 2020 A\$'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers (including cash received in advance)	5,992	10,489
Cash paid to suppliers and employees	(25,262)	(22,915)
Exploration and evaluation expenditure	(89)	(45)
Interest and financing costs paid	(1,246)	(1,340)
Income taxes paid	(96)	(176)
<b>Net cash used in operating activities</b>	<b>(20,701)</b>	<b>(13,987)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(12,356)	(1,879)
<b>Net cash used in investing activities</b>	<b>(12,356)</b>	<b>(1,879)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	25,513	25,875
Repayment of shareholder loan	(1,864)	-
Repayment of lease liabilities	(1,004)	(780)
<b>Net cash generated by financing activities</b>	<b>22,645</b>	<b>25,095</b>
<b>Net movement in cash and cash equivalents</b>	<b>(10,412)</b>	<b>9,229</b>
Cash and cash equivalents at beginning of the period	18,879	4,716
Effects of exchange rate changes on cash and cash equivalents	10	(602)
<b>Cash and cash equivalents at the end of the period</b>	<b>8,477</b>	<b>13,343</b>

***Non-cash operating/financing activities for the six months ended 30 June 2021: Short-term incentive (“STI”) bonuses***

In March 2021, a portion of 2020 STI bonuses amounting to A\$0.131 million was paid in TIG’s shares.

***Non-cash investing activities for the six months ended 30 June 2021: Leasing transactions***

During the six months ended 30 June 2021, the Group concluded lease agreements in relation to various equipment. The Group recognised a right-of-use asset of A\$3,815 million and a corresponding lease liability, after advance payments of A\$0.503 million, of A\$3.312 million with respect to these lease arrangements.

***Non-cash financing activities for the six months ended 30 June 2020: Shareholder loans***

On 2 January 2020, the loans payable to BV Holding Limited and Dr B Gray, substantial shareholders of the Company, in the amount of A\$14.776 million and A\$13.138 million, respectively, were settled against the shares issued to them as part of the Entitlement Offer.

The notes on pages 14 to 24 are an integral part of the condensed consolidated interim financial report.

## Tigers Realm Coal Limited

### Notes to the condensed consolidated interim financial report

#### For the six month period ended 30 June 2021

#### 1. Reporting entity

Tigers Realm Coal Limited (the “Company” or “TIG”) is a company domiciled in Australia. During the six months to 30 June 2021 the Company’s registered office was 151 Wellington Parade South, East Melbourne, 3002 and its principal office during the period to 31 March 2021 was 12A Aviakonstruktora Mikoyana Street, Moscow, 125167, Russian Federation and starting from 1 April 2021: 37 Leningradski Avenue, Moscow, 125167, Russian Federation. The condensed consolidated interim financial report as at and for the six months ended 30 June 2021 comprises the Company and its subsidiaries (together referred to as the “Group”). The Group is a for-profit entity and primarily is involved in coal exploration and evaluation, mining and sales activities.

The consolidated annual financial report for the year ended 31 December 2020 is available on request at the Company’s registered office at 151 Wellington Parade South, East Melbourne, 3002, Victoria, Australia or from the Company’s website at [www.tigersrealmcoal.com](http://www.tigersrealmcoal.com).

#### 2. Statement of compliance

The condensed consolidated interim financial report has been prepared on a going concern basis in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001 and in compliance with IAS 34 *Interim Financial Reporting*.

The condensed consolidated interim financial report does not include all of the information and disclosures required for a full annual financial report and should be read in conjunction with the consolidated annual financial report as at and for the year ended 31 December 2020.

The condensed consolidated interim financial report was authorised for issue by the Board of Directors on 25 August 2021.

#### 3. Basis of preparation

The condensed consolidated interim financial report has been prepared on the historical cost basis except for share based payment expenses which are recognised at fair value. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors’ Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report have been presented in Australian dollars and rounded to the nearest thousand dollars, unless otherwise indicated.

#### Going concern basis of accounting

The condensed consolidated interim financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the six months ended 30 June 2021, the Group incurred a net loss of A\$0.309 million (For the six months ended 30 June 2020: net loss of A\$17.041 million) and had net cash outflows from operating activities of A\$20.701 million (For the six months ended 30 June 2020: net cash outflows from operating activities of A\$13.987 million).

As at 30 June 2021, the Group had cash and cash equivalents of A\$8.477 million (31 December 2020: A\$18.879 million) and net current assets of A\$54.016 million (31 December 2020 net current assets of A\$39.281 million).

Based on the Group’s cash flows forecasts, the Group will have a surplus of liquidity throughout the twelve-month period from the date of signing this condensed consolidated interim financial report. The cash flows forecasts are dependent, inter alia, upon the successful implementation of the forecast coal production and subsequent processing, pit to port haulage, shipping and coal loading, sales and other key assumptions applied in determining the Group’s expected future cashflows, which include but are not limited to the following:

- Actual quality of coal mined and processed being consistent with that indicative quality identified in mine planning and testing performed to date and incorporated into the sales budget and commensurately actual coal prices achieved are at or in excess of those prices utilised in management forecasting;
- Actual mining, production and processing levels being achieved and implemented within the expected cost levels, structure and timing;



## Tigers Realm Coal Limited

### Notes to the condensed consolidated interim financial report

#### For the six month period ended 30 June 2021

### 3. Basis of preparation (continued)

#### Going concern basis of accounting (continued)

- Coal shipments being realised within the forecast scheduling parameters, which are subject to a number of factors including but not limited to barge availability, transshipment efficiency and weather conditions;
- Compliance with ongoing drilling obligations in accordance with the terms of the Amaam and Amaam North licences; and
- Macroeconomic factors including commodity (specifically coal) prices and exchange rates.

After making enquiries, and considering the uncertainties described above, the Directors are of the view that the continued application of the going concern basis of accounting is appropriate due to the following factors:

- The quality of coal required to realise the volume of production and sales contemplated in the Group's forecasts is sufficiently verified for its reasonableness by coal mining activities conducted to date. This, in conjunction with contracted to date and forecast thermal and coking coal prices, provides management with a reasonable basis to conclude that receipts from sales of coal will meet those expectations reflected in the cash flow forecast;
- Commercial mining operations continue in line with expectations. There have been no indicators in the coal production process to date, which would suggest coal qualities and volumes and the cost of production would be materially different from those assumptions utilised in the cash flow forecast;
- Coal shipments have been forecasted after consideration of actual historic port operating performance and those climactic and other conditions which would be reasonably expected to occur and influence the Group's shipping capabilities; and
- Licence Compliance obligations for both the Amaam and Amaam North tenements have been planned for and are expected to be achieved with minimal risk of non-compliance with licence terms and conditions. There is, therefore, a reasonable expectation that the Group will continue to be compliant with licence drilling obligations.

Accordingly, the Directors have determined that it is appropriate for the Group to continue to adopt the going concern basis in preparing this condensed consolidated interim financial report.

### 4. Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are consistent with those applied by the Group in its consolidated annual financial report as at and for the year ended 31 December 2020, except for the adoption of the new standards and interpretations as of 1 January 2021 noted below.

The Group has adopted all the following new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2021:

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AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2

The application of these amendments has had no impact on the Group's condensed consolidated interim financial report.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

### 5. Use of estimates and judgements

In preparing this condensed consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report as and for the year ended 31 December 2020.

### 6. Financial risk management framework

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 December 2020.

## Tigers Realm Coal Limited

### Notes to the condensed consolidated interim financial report

#### For the six month period ended 30 June 2021

#### 7. Segment reporting

The Group has two reportable segments, as described below, which are the Group's main mineral mining and exploration projects. The Group has identified these segments based on the internal reports used and reviewed by the Group's Chief Executive Officer (the Chief Operating Decision Maker), in assessing performance and determining the allocation of resources.

The accounting policies used by the Group in reporting segments internally are the same as the Group accounting policies. In the six months ended 30 June 2021, the activities of the Group are managed in two reportable operating segments outlined below, consistent with how they were managed in the 2020 financial year:

<b><i>Amaam North Project</i></b>	The Amaam North Project is located in the Bering Basin in the Chukotka province, Russia and consists of the Amaam North tenement. The Project also includes infrastructure assets associated with the Beringovsky Port and Coal Terminal.
<b><i>Amaam Project</i></b>	The Amaam Project is located in the Bering Basin in the Chukotka province, Russia and consists of the Amaam tenement.
<b><i>Other</i></b>	Consists of corporate and office expenses primarily incurred at the Group's Moscow and Melbourne offices. This is not a reportable segment.

Management monitors the expenditure outlays of each segment for the purpose of cost control and making decisions about resource allocation. The Group's administration and financing functions are managed on a group basis and are included in "Other", which is not a reportable segment.

	<b>Amaam North Project</b>	<b>Amaam Project</b>	<b>Total Reportable Segments</b>	<b>Other</b>	<b>Total</b>
	<b>AS'000</b>	<b>AS'000</b>	<b>AS'000</b>	<b>AS'000</b>	<b>AS'000</b>
<b>30 June 2021</b>					
Revenue from the shipment and sale of coal	14,765	-	14,765	-	14,765
Cost of coal sold	(12,264)	-	(12,264)	-	(12,264)
Change in provision for inventories	2,963	-	2,963	-	2,963
Exploration and evaluation expenses	(54)	(6)	(60)	-	(60)
Royalty expense	(702)	-	(702)	-	(702)
Finance costs	(941)	-	(941)	-	(941)
Other segment expenses	(1,943)	(78)	(2,021)	(2,038)	(4,059)
<b>Segment result</b>	<b>1,824</b>	<b>(84)</b>	<b>1,740</b>	<b>(2,038)</b>	<b>(298)</b>
<b>Segment assets</b>	<b>125,039</b>	<b>20</b>	<b>125,059</b>	<b>117</b>	<b>125,176</b>
<b>Segment liabilities</b>	<b>(44,176)</b>	<b>(133)</b>	<b>(44,309)</b>	<b>-</b>	<b>(44,309)</b>
<b>30 June 2020</b>					
Revenue from the shipment and sale of coal	7,090	-	7,090	-	7,090
Cost of coal sold	(10,437)	-	(10,437)	-	(10,437)
Change in provision for inventories	(6,734)	-	(6,734)	-	(6,734)
Depreciation	(27)	-	(27)	-	(27)
Exploration and evaluation expenses	(18)	-	(18)	-	(18)
Royalty expense	(1,007)	-	(1,007)	-	(1,007)
Finance costs	(1,715)	-	(1,715)	-	(1,715)
Other segment expenses	(2,662)	(48)	(2,710)	(1,477)	(4,187)
<b>Segment result</b>	<b>(15,510)</b>	<b>(48)</b>	<b>(15,558)</b>	<b>(1,477)</b>	<b>(17,035)</b>
<b>Segment assets</b>	<b>88,678</b>	<b>630</b>	<b>89,308</b>	<b>40</b>	<b>89,348</b>
<b>Segment liabilities</b>	<b>(47,553)</b>	<b>(126)</b>	<b>(47,679)</b>	<b>-</b>	<b>(47,679)</b>

## Tigers Realm Coal Limited

### Notes to the condensed consolidated interim financial report

#### For the six month period ended 30 June 2021

#### 8. Administrative and other operating expenses

	For six months ended 30 June	
	2021 A\$'000	2020 A\$'000
Wages, salaries and other personnel costs	(1,142)	(1,780)
Legal fees and compliance costs	(326)	(308)
Accounting and audit fees	(316)	(252)
Contractors and consultants' fees	(296)	(252)
Taxes and charges	(189)	(225)
Insurance	(92)	(100)
Office accommodation costs	(85)	(171)
Other	(448)	(525)
	<b>(2,894)</b>	<b>(3,613)</b>

#### 9. Carrying value of non-current assets

As at 30 June 2021, management performed an assessment of the carrying value of non-current assets in order to determine whether there is any indication that non-current assets may be impaired, or an impairment loss recognised in prior periods may no longer exist or may have decreased.

##### ***Amaam North Project Cash Generating Unit ("CGU")***

As at 30 June 2021, the carrying value of non-current assets of Amaam North Project CGU, net of accumulated depreciation, amounted to A\$45.239 (A\$32.545 million at 31 December 2020).

As at 30 June 2021, the Group concluded that due to:

- Production and sales volumes achieved to date;
- Progress in the construction of the CHPP during the six months ended 30 June 2021; and
- Improvement in global coal market in general

there are no impairment indicators for the Amaam North Project CGU.

Management also believes that at this early stage of Amaam North's development, until both production and sales levels and related financial performance assumptions currently included in deriving the Amaam North CGU's positive recoverable amount, are verified by sufficient observable indications of the ability to achieve these assumptions on an ongoing basis, there is no necessity for the reversal of impairment losses recognised in prior periods.

##### ***Amaam Project CGU***

During the period ended 30 June 2021, there were minimal activities undertaken at the Amaam Project CGU, there being no additions to the carrying value of non-current assets, their carrying value remaining at \$Nil (as at 31 December 2020 A\$Nil). As the development of the Amaam Project is not expected in the foreseeable future, as at 30 June 2021, the Group concluded that there are no indications that asset write-downs recognised in prior periods for the Amaam Project CGU require reversal.

## Tigers Realm Coal Limited

### Notes to the condensed consolidated interim financial report

#### For the six month period ended 30 June 2021

#### 10. Loss per share

##### Loss per share

Basic loss per share – cents  
Diluted loss per share – cents

For the six months ended 30 June	
2021 in cents	2020 in cents
(0.002)	(0.27)
(0.002)	(0.27)

##### *Basic and diluted loss per share*

The calculation of basic and diluted loss per share at 30 June 2021 was based on the loss attributable to ordinary equity holders of the Company of A\$0.292 million (six months to 30 June 2020: loss of A\$17.031 million) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2021 of 12,825,620,096 (six months to 30 June 2020: 6,214,834,648). The Company had 9,907,000 options over ordinary shares outstanding as at 30 June 2021 (30 June 2020: 14,142,000), which have been excluded from the calculation of diluted earnings per share because they are anti-dilutive for the reporting period.

#### 11. Inventories

Coal inventories (At 31 December 2020: net of provision of A\$2.963 million for recognition of inventories at the lower of cost and their net realisable value)

Fuel

Other consumables, net of provisions of A\$0.312 million (At 31 December 2020 A\$0.298 million)

Current

Non-current

30 June 2021 A\$'000	31 December 2020 A\$'000
22,442	11,095
5,645	1,370
13,458	10,664
41,545	23,129
32,804	20,275
8,741	2,854
41,545	23,129

Management performs a regular review of the recoverability of inventories, including coal stocks, to assess the Company's ability to recover the cost of inventories on hand. As of 30 June 2021, following a significant increase in realisable prices for coal, a previous write-down to net realisable value of coal stockpiled at the interim coal stockpile amounting to A\$2.963 million was reversed.

Non-current inventories represented by coal inventories which are not expected to be realized within the next twelve-month period from the reporting date.

## Tigers Realm Coal Limited

### Notes to the condensed consolidated interim financial report

#### For the six month period ended 30 June 2021

#### 12. Property, plant and equipment

	30 June 2021 A\$'000	31 December 2020 A\$'000
Property, plant and equipment	45,239	32,545
	<b>45,239</b>	<b>32,545</b>

During the six months to 30 June 2021, the property, plant and equipment held by the Group increased primarily due to additions of A\$14.354 million, of which the most significant addition (A\$6.958 million) was in respect of CHPP equipment, construction, project and design works.

#### 13. Loans payable

	30 June 2021 A\$'000	31 December 2020 A\$'000
Shareholders' loans payable	-	1,830
	-	1,830

On 18 December 2019, the Group launched an entitlement offer. Both Dr Bruce Gray and BV Holding Limited agreed to take part in this entitlement offer, and in accordance with the terms of their respective loan agreements, elected to set-off outstanding principal and interest amounts against their obligations to pay for the shares received by fully taking up their Entitlements. On 2 January 2020, following the issue of shares to BV Mining Holdings Limited, the loan payable to BV Mining Holdings Limited in the amount of A\$14.776 million was settled in full. On 2 January 2020, A\$13.138 million out of A\$14.641 million loan payable to Dr Bruce Gray was settled, following the issuance of shares to Dr. Gray. On 4 February 2021, the balance of the outstanding loan payable and interest accrued thereon was settled in full.

#### 14. Lease Liability

	30 June 2021 A\$'000	31 December 2020 A\$'000
<i>Maturity analysis:</i>		
Payable not later than one year	4,390	3,601
Payable later than one year, not later than five years	8,705	6,396
Payable later than five years	2,796	2,762
	<b>15,891</b>	<b>12,759</b>
Less: future interest	(4,905)	(4,830)
Total lease liabilities	<b>10,986</b>	<b>7,929</b>
Current	3,117	2,407
Non-current	7,869	5,522
	<b>10,986</b>	<b>7,929</b>

## Tigers Realm Coal Limited

### Notes to the condensed consolidated interim financial report

#### For the six month period ended 30 June 2021

#### 14. Lease Liability (continued)

*Movements in lease liabilities are as follows:*

	For the six months ended 30 June	
	2021 A\$'000	2020 A\$'000
Balance at the beginning of the period	7,929	14,431
New lease agreements entered during the period	3,815	-
Lease payments	(1,004)	(837)
Net effect of movement in exchange rates	246	(1,270)
<b>Balance at the end of the period</b>	<b>10,986</b>	<b>12,324</b>

The Group leases various mining and port equipment directly from vendors, Russian banking institutions and Russian financing companies. The carrying amount of right-of-use assets under these lease arrangements was A\$11.910 million at 30 June 2021 (31 December 2020: A\$11.076 million).

During the six months ended 30 June 2021, the Group concluded lease agreements with equipment vendors for the lease of two haulage trucks, a crane, a front – end loader, a 40t bulldozer and a 70t bulldozer. The Group recognised a right-of-use asset of A\$3,815 million and a corresponding lease liability, after advance payments of A\$0.503 million, of A\$3.312 million with respect to these lease arrangements.

#### 15. Other financial liabilities

	30 June 2021 A\$'000	31 December 2020 A\$'000
	Current	643
Non-current	1,661	1,612
	<b>2,304</b>	<b>2,217</b>

In 2019, the Group entered into a sale and lease-back agreement with Universal Leasing Company for its two 500 tonne barges. As the Group has a substantive repurchase option with respect to the underlying asset under these agreements, the Group concluded these transactions represent, in substance, a financing arrangement. Accordingly, all amounts received from Universal Leasing Company were included in other financial liabilities.

**Tigers Realm Coal Limited**  
**Notes to the condensed consolidated interim financial report**  
**For the six month period ended 30 June 2021**

**16. Royalty Agreement Liability**

	<b>30 June 2021 AS'000</b>	<b>31 December 2020 AS'000</b>
Current	1,912	922
Non-current	16,952	17,141
	<b>18,864</b>	<b>18,063</b>

*Movements in royalty agreement liability are as follows:*

	<b>For the six months ended 30 June</b>	
	<b>2021 AS'000</b>	<b>2020 AS'000</b>
Balance at the beginning of the period	18,063	13,986
Royalty expense	702	1,007
Payments made during the period	(344)	-
Effect of movement in exchange rates	443	269
<b>Balance at the end of the period</b>	<b>18,864</b>	<b>15,262</b>

The Group entered into a number of royalty agreements as part of obtaining interests in the Amaam North and Amaam projects. These royalty agreements are dependent upon the performance of a number of conditions precedent, the realisation of which may result in royalty payments of between 1.5 and 3% of the coal sales revenue by the Amaam North and Amaam projects, respectively. Total royalty payments in relation to the Amaam North Project is capped to US\$25 million.

***Amaam North Royalty Liability***

Following the raising of funds and commencement of coal production on Project F, Amaam North, the Group concluded it is probable that an outflow of resources embodying economic benefits will be required to settle royalty obligations and accordingly a provision was required for the obligations under existing royalty agreements.

While the amount of provision recognised represents the best estimate of the expenditure required to settle the obligations under existing royalty agreements, this estimate is based on estimates of possible outcomes and financial effect, which were determined by the application of management's judgement on a number of key assumptions used in determining the amount of provision, including:

- the discount rate used;
- the probability of revenue cash flows;
- timing of coal sales and
- the likelihood of achieving forecast coal sales prices.

***Amaam Royalty Liability***

No liability was recognised at 30 June 2021 (31 December 2020: Nil) in relation to Amaam Project royalty arrangements as the development of the Amaam Project is not expected in the foreseeable future.

## Tigers Realm Coal Limited

### Notes to the condensed consolidated interim financial report

#### For the six month period ended 30 June 2021

#### 17. Share capital

	30 June 2021 A\$'000	31 December 2020 A\$'000
Share Capital	290,069	263,577
Costs of raising equity	(17,089)	(16,983)
	<b>272,980</b>	<b>246,594</b>

#### (i) Movements in shares on issue:

	No of shares	Issue price A\$	A\$'000
<b>Balance at 1 January 2020</b>	<b>1,791,669,870</b>		<b>188,197</b>
<i>Movements during the six months ended 30 June 2020</i>			
Issue of ordinary shares – Entitlement Offer 2019	5,822,927,078	0.01	58,229
<b>Balance at 30 June 2020</b>	<b>7,614,596,948</b>		<b>246,426</b>
<b>Balance at 1 January 2021</b>	<b>9,758,492,642</b>		<b>263,577</b>
<i>Movements during the six months ended 30 June 2021</i>			
Issue of ordinary shares – Entitlement Offer 2020	3,295,102,126	0.008	26,361
Issue of ordinary shares – STI bonuses paid	13,107,600	0.01	131
<b>Balance at 30 June 2021</b>	<b>13,066,702,368</b>		<b>290,069</b>

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### (ii) Movements in options on issue

During the six months ended 30 June 2021 there were no movements in the option register. Total number of options as of 30 June 2021 is 9,907,000.

#### (iii) Entitlement offer

On 16 December 2020, the Group launched a fully underwritten 1 for 1.4 pro-rata accelerated renounceable entitlement offer at a price of A\$0.008 per share to raise up to A\$43.512 million. The institutional entitlement offer closed on 17 December 2020 raising gross proceeds of A\$17.151 million with the Company's largest shareholder Dr. Bruce Gray taking up his full entitlement. The retail component of the offer opened on 21 December 2020 and was completed on 4 January 2021. The retail offer raised A\$3.684 million. On 11 January 2021 the arising Shortfall Bookbuild was completed. The Bookbuild process was managed and fully underwritten by CLSA Australia Pty Ltd and sub-underwritten by Dr. Bruce Gray. Pursuant to his sub-underwriting agreement, 2.7 billion shares were issued to Dr. Gray, increasing his overall shareholding in the Company to 59.95%. In total the Group raised A\$43.512 million.



## Tigers Realm Coal Limited

### Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2021

#### 18. Financial instruments

##### Exposure to liquidity risk

Management monitors the exposure to liquidity risk on an on-going basis. Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the on-going operational requirements of the business. It is the Group's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the Group monitors its cash requirements and raises appropriate funding as and when required to meet such planned expenditure.

The following are the contractual maturities of financial liabilities.

	Contractual cashflows						More than 5 years
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	
	AS'000	AS'000	AS'000	AS'000	AS'000	AS'000	AS'000
<b>30 June 2021</b>							
Trade and other payables	9,661	9,661	9,533	-	-	128	-
Lease liability	10,986	15,891	3,225	1,165	5,127	3,578	2,796
Other financial liabilities	2,304	2,945	816	160	893	1,076	-
	<b>22,951</b>	<b>28,497</b>	<b>13,574</b>	<b>1,325</b>	<b>6,020</b>	<b>4,782</b>	<b>2,796</b>
<b>31 December 2020</b>							
Trade and other payables	3,994	3,994	3,879	-	-	115	-
Loans payable	1,830	1,864	1,864	-	-	-	-
Lease liabilities	7,929	12,760	1,229	2,372	3,425	2,971	2,763
Other financial liabilities	2,217	3,011	193	781	894	1,143	-
	<b>15,970</b>	<b>21,629</b>	<b>7,165</b>	<b>3,153</b>	<b>4,319</b>	<b>4,229</b>	<b>2,763</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

#### 19. Commitments and contingencies

##### Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet its licence obligations. In the Russian Federation, this minimum exploration work is defined by the performance of a minimum number of drilling metres over the life of each exploration licence. These obligations are expected to be fulfilled in the normal course of operations. Mining interests may be relinquished or joint ventured to reduce this amount.

The various country and state governments have the authority to defer, waive or amend the minimum expenditure requirements. As of and for the six months ended 30 June 2021, the Group is in compliance with those exploration obligations defined in the respective licences.

##### Other commitments

Other commitments of A\$4.959 million (At 31 December 2020: A\$9.050 million) are comprised of A\$2.166 million commitments for CHPP equipment, construction and project design works, A\$0.977 million commitments for port infrastructure upgrade works and A\$1.816 million commitments for spare parts, equipment and other construction and project works at Amaam North.

##### Tax contingencies in the Russian Federation

Russian tax legislation is subject to varying interpretations and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activities of the Group may be challenged by the relevant regional and federal authorities. Management believes that the Group has adequately provided for tax liabilities based on its interpretation of the applicable tax legislation. However, the relevant authorities may have differing interpretations, and the effect on the financial report could be significant if such interpretations are realised.

**Tigers Realm Coal Limited**  
**Notes to the condensed consolidated interim financial report**  
**For the six month period ended 30 June 2021**

**19. Commitments and contingencies (continued)**

**Legal issues**

The Group has been and continues to be the subject of legal proceedings and adjudications from time to time, none of which have had, individually or in aggregate, a material adverse impact on the Group. No liability has been recognised in relation to these matters in the condensed consolidated interim statement of financial position as at 30 June 2021.

**20. Deed of Cross Guarantee**

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and directors' reports.

It is a condition of a Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The entities subject to the Deed of Cross Guarantee are:

- Tigers Realm Coal Limited; and
- TR Coal International Limited.

The Deed of Cross Guarantee was established on 22 November 2012.

The Directors are of the opinion that no other material contingent obligations exist.

**21. Events after the reporting period**

On 5 July 2021 the Group entered into an agreement to construct its fifth 500 t barge. The construction is expected to be completed by the start of 2022 shipping season.

**Tigers Realm Coal Limited**  
**Directors' declaration**  
**For the six months ended 30 June 2021**

In the opinion of the Directors of Tigers Realm Coal Limited ('the Company'):

- a) the condensed consolidated interim financial report and notes set out on pages 10 to 24 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dated this 25th day of August 2021.

  
\_\_\_\_\_  
Craig Wiggill  
Director

25 August 2021

Tel: +61 7 3308 7000  
www.deloitte.com.au

The Board of Directors  
Tigers Realm Coal Limited  
151 Wellington Parade South,  
East Melbourne  
VIC 3002

Dear Board Members,

### **Tigers Realm Coal Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Tigers Realm Coal Limited.

As lead audit partner for the review of the condensed consolidated interim financial report of Tigers Realm Coal Limited for the half-year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely,

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*J. Strydom*

**Jacques Strydom**

Partner

Chartered Accountants

## Independent Auditor's Review Report to the Members of Tigers Realm Coal Limited

### **Conclusion**

We have reviewed the half-year financial report of Tigers Realm Coal Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated interim statement of financial position as at 30 June 2021, and the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of cash flows and the condensed consolidated interim statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 4 to 9.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

### **Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Directors' Responsibilities for the Half-year Financial Report**

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

### **Auditor's Responsibilities for the Review of the Half-year Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*J. Strydom*

**Jacques Strydom**

Partner

Chartered Accountants

Brisbane, 25 August 2021

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