Tigers Realm Coal Limited
Appendix 4D – Half year report
For the six months ended 30 June 2022

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

Current Period:	1 January 2022 to 30 June 2022
Previous corresponding period	1 January 2021 to 30 June 2021

2. Results for announcement to the market

	30 June 2022 '000s	30 June 2021 '000s	Change %
2.1 Revenue	1,840	14,765	(88%)
2.2 Net (Loss) from ordinary activities	(7,232)	(309)	2,240%
2.3 Net (Loss) attributable to owners of the Company	(7,198)	(292)	2,365%

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 2022.

2.5 Commentary

Revenue decreased by A$12.925 million for the six month to 30 June 2022 compared to the corresponding six-month period to 30 June 2021 due to the late start of the shipping season in 2022. As a result, TIG finished loading its first export cargo in early July 2022. Consequently, no revenue from export sales was recognized during the six months ended 30 June 2022. Net loss from ordinary activities increased by A$6.923 million (2,240%) for the six months to 30 June 2022 compared to the corresponding six-month period to 30 June 2021 as a result of a decrease in revenue and increase in administrative and other operating expenses.

3. Net consolidated tangible assets per ordinary share

	30 June 2022 Cents	30 June 2021 Cents	Change %
Ordinary shares	1.37	0.62	121%

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

Three subsidiaries were incorporated during the six months ended 30 June 2022: TIG Trading DMCC, Beringugolinvest Trading Limited Liability Company and Beringpromtrading Limited Liability Company.

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 2022 have no audit dispute nor qualification.

8. Authorization

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

Tigers Realm Coal Limited

(ABN 50 146 752 561)

Interim Financial Report

For the six months ended 30 June 2022

Tigers Realm Coal Limited

Corporate Directory

DIRECTORS
Craig Wiggill (Chairman)
Bruce Gray
Mitch Jakeman

COMPANY SECRETARY
David Forsyth

REGISTERED OFFICE
151 Wellington Parade South, East Melbourne
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PRINCIPAL OFFICE
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AUDITORS
Deloitte Touche Tohmatsu
123 Eagle Street,
Brisbane, Queensland 4000

Contents

1. Directors and Company Secretary

The Directors 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 (resigned 23 May 2022)	Independent Non-Executive Director
Mr Bruce Gray MB, BS, MS, PhD, FRACS	Non-Executive Director
Mr David Swan BC, FCA (resigned 15 August 2022)	Independent Non-Executive Director
Mr Mitch Jakeman BE, ME (appointed 17 January 2022)	Independent Non-Executive Director
Mr Valery Doronin (resigned 3 February 2022)	Non-Executive Director
Mr David Forsyth FGIA, FCIS, FCPA	Company Secretary

The Directors 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 2022, 4 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.

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, which includes an upgrade of mine site infrastructure, the Beringovsky Port and Coal Terminal and to be supplemented by a coal handling and preparation plant ("CHPP"), which was commissioned in April 2022, will enable the Group to produce and sell higher-value coal into the semi–hard coking coal ("SHCC") markets and is expected to increase coal sales up to 1.4Mtpa.

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

4. Review of Operations

Economic restrictions

Australia, the United States of America, the European Union, and some other counties have imposed restrictive measures on certain Russian individuals and companies, on some sectors of the Russian economy and on the export and import of certain goods and services into or out of the Russian Federation. The Directors' and management's assessment of the effect of those restrictions is detailed in Note 3 to the condensed consolidated interim financial report.

Operating Performance

Key Operating and Financial Indicators for the six months ended 30 June 2022 and 2021 are as follows:

Key Operating and Financial Indicators (thousand tonnes unless otherwise stated)	Results for the six months to 30 June 2022	Results for the six months to 30 June 2021
Coal mined	626	383
Overburden removed	2,032 bcm	1,870 bcm
Stripping ratio	3.2:1	4.9:1
Coal processed at CHPP	189	n/a
CHPP yield	50%	n/a
ROM coal stocks at period end**	1,079	661
Coal sold*	18	175
Coal loaded	147	197
Cost of coal mined per tonne	A$42.03 US$30.31 RUR 2,320	A$42.74 US$32.96 RUR 2,448
EBITDA***, in A$'000	(6,107)	3,547

*including 18kt sold to domestic customers (30 June 2021: 8kt)
**including 147kt loaded but not shipped as of 30 June 2022 (30 June 2021: 30kt)
***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:

in A$'000	Results for the six months to 30 June 2022	Results for the six months to 30 June 2021
Loss before income tax	(7,214)	(298)
Add: Net finance costs	619	2,154
Add: Depreciation	488	1,691
EBITDA	(6,107)	3,547

For the six months ended 30 June 2022 the Group incurred a net loss of A$7.232 million compared to net loss of A$0.309 million for six months to 30 June 2021. The key reason for the higher net loss for the six months ended 30 June 2022 compared to the six months ended 30 June 2021 is late start of the shipping season in 2022. The shipping season started on 12 June in 2022 as opposed to 28 May in 2021. As a result, TIG finished loading its first export cargo in early July 2022. Consequently, no revenue from export sales was recognized during the six months ended 30 June 2022. The only revenue recognised for the period was in relation to 18kt sold to domestic customers (six months ended 30 June 2021: the Group loaded and sold two cargos amounting to 167kt and a further 8kt were sold to domestic customers).

4. Review of operations (continued)

The key features for the six months ended 30 June 2022 include:

- The Group mined 626kt of coal, 243kt (+63%) more than during the six months ended 30 June 2021;
- The CHPP began operating in April 2022 and received its first 95kt of washed coal product; During six months ended 30 June 2022, TIG achieved the historically highest loading rate of 16kt per workable weather day ("pwwd"). The average loading rate for six months ended 30 June 2022 was 10.0kt pwwd, in line with average of 10.2kt pwwd during six months ended 30 June 2021;
- As at 30 June 2022, the Group has contracted four cargoes to sell coal to international customers;
- TIG has attracted new customers, primarily in China; and
- Excluding the impact of fluctuations in the exchange rates, cost of coal produced per tonne decreased by 5.2% during the six months ended 30 June 2022 compared to the six months ended 30 June 2021. The decrease was largely the result of a lower stripping ratio of 3.2:1 in the six months to 30 June 2022 compared to 4.9:1 in the six months to 30 June 2021 due to concentrating mining activities at seams with lower stripping ratios.

Financial Position

Cash balances

The Group's cash balance decreased by A$26.597 million to A$6.914 million over the six-month period to 30 June 2022, from A$33.511 million at 31 December 2021. This decrease arose primarily from the operational cash outflows and further investment in the Company's mining, processing and logistics infrastructure, offset by advances from customers and VAT refund.

Inventory on hand

The carrying amount of the Group's inventories on hand at 30 June 2022 was A$110.272 million, including A$68.820 million of coal inventories, A$6.576 million in fuel and oils and A$34.876 million of other consumables (31 December 2021: A$48.235 million including A$18.902 million of coal inventories, A$8.159 million in fuel and oils and A$21.174 million of other consumables).

Increase in coal inventory is due to the following reasons:

- increase in mining volumes and absence of export sales during the six months ended 30 June 2022 as loading of TIG's two first vessels was only completed in early July;
- significant appreciation Russian Rouble against Australian dollar;
- increase in other consumables due to significant delivery of products and other consumables prior to start of the shipping season.

Management performs a regular review of the recoverability of inventories, including coal stocks, to assess the Group's ability to recover the cost of coal inventories on hand. As of 30 June 2022, all inventories are stated at cost.

Non-current assets

Additions to mining and port assets totalling A$7.332 million during the six months ended 30 June 2022 included:

- Payments for CHPP equipment and construction;
- Payment for 500t barge;
- Loader;
- Bulldozer; and
- Truck for coal transportation.

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.

Royalty Agreement liability

After the assessment of the provision for the obligations under the Royalty Agreement liability at 30 June 2022, the Group recognized an increase in the royalty liability of A$1.521 million, of which A$0.960 million relates to changes in foreign exchange rates. As at 30 June 2022 the provision amounted to A$19.939 million (At 31 December 2021: A$18.418 million). Refer to Note 16 to the condensed consolidated interim financial report for further details.

4. Review of operations (continued)

Options

During the six months ended 30 June 2022 there were no movements in the options register. The total number of options as of 30 June 2022 was 8,002,000.

Licence Update

The Company is in compliance with all license obligations.

5. Events subsequent to reporting date

There has not been any matter or circumstance occurring subsequent to the end of the reporting period that has significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

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**
C Wiggill	5,100,000	-
B Gray	7,825,877,288	-
M Jakeman	-	-

8. Auditor's Independence Declaration

The auditor's independence declaration is set out on page 25 and forms part of the Directors' report for the six months ended 30 June 2022.

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

Dated this 18th day of August 2022.

Signed in accordance with a resolution of the Directors:

Craig Wiggill
Director

Tigers Realm Coal Limited
Condensed consolidated interim statement of financial position
As at 30 June 2022

	Note	30 June 2022 A$'000	31 December 2021 A$'000
Current Assets			
Cash and cash equivalents		**6,914**	33,511
Trade and other receivables	13	**15,505**	17,072
Inventories	11	**108,404**	46,055
Prepayments		**5,266**	2,421
Total current assets		**136,089**	99,059
Non-current assets			
Inventories	11	**1,868**	2,180
Property, plant and equipment	12	**103,846**	64,470
Total non-current assets		**105,714**	66,650
Total assets		**241,803**	165,709
Current Liabilities			
Trade and other payables		**7,268**	7,483
Advances received	14	**7,760**	-
Lease liability	15	**9,234**	5,206
Royalty liability	16	**5,008**	1,439
Other financial liabilities		**1,050**	667
Employee benefits		**3,958**	3,678
Total current liabilities		**34,278**	18,473
Non-current liabilities			
Trade and other payables		**223**	137
Lease liability	15	**9,848**	9,842
Royalty liability	16	**14,931**	16,979
Other financial liabilities		**1,517**	1,022
Employee benefits		**1,164**	-
Provision for site restoration		**859**	562
Total non-current liabilities		**28,542**	28,542
Total liabilities		**62,820**	47,015
Net assets		**178,983**	118,694
Equity			
Share capital		**272,980**	272,980
Reserves		**82,410**	14,889
(Accumulated losses)		**(156,591)**	(149,393)
Total equity attributable to equity holders of the Company		**198,799**	138,476
Non-controlling interest		**(19,816)**	(19,782)
Total equity		**178,983**	118,694

The notes on pages 13 to 23 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 2022

	Note	30 June 2022 A$'000	30 June 2021 A$'000
Revenue from coal sales		**1,840**	14,765
Mining and related costs of coal sold		**(1,030)**	(9,316)
Transhipment and other port costs		**(2,505)**	(2,948)
Gross margin on coal sold		**(1,695)**	2,501
Administrative and other operating expenses	8	**(3,950)**	(2,894)
Exploration and evaluation expenses		**(260)**	(60)
Change in provisions for inventories	11	**-**	2,963
Change in provisions for bad debt		**(345)**	-
Write off of property, plant and equipment		**(86)**	-
Royalty expense	16	**(561)**	(702)
Other income		**302**	48
Results from operating activities		**(6,595)**	1,856
Net foreign exchange gain/(loss)		**435**	(1,213)
Finance costs		**(1,054)**	(941)
Net finance costs		**(619)**	(2,154)
Loss before income tax		**(7,214)**	(298)
Income tax expense		**(18)**	(11)
Net Loss		**(7,232)**	(309)
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		**67,521**	4,996
Total comprehensive income for the period		**60,289**	4,687
Net Loss is attributable to:			
Owners of the Company		**(7,198)**	(292)
Non-controlling interest		**(34)**	(17)
Net Loss for the period		**(7,232)**	(309)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**60,323**	4,704
Non-controlling interest		**(34)**	(17)
Total comprehensive income for the period		**60,289**	4,687
Loss per share (cents per share)			
basic loss per share (cents)	10	**(0.055)**	(0.002)
diluted loss per share (cents)	10	**(0.055)**	(0.002)

The notes on pages 13 to 23 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 A$'000	(Accumulated Losses) A$'000	Share based Payments Reserve A$'000	Foreign Currency Translation Reserve A$'000	Other Reserve A$'000	Total A$'000	Non-controlling Interest A$'000	Total A$'000
Balance as at 1 January 2022		**272,980**	**(149,393)**	**7,353**	**1,227**	**6,309**	**138,476**	**(19,782)**	**118,694**
Net loss		**-**	**(7,198)**	**-**	**-**	**-**	**(7,198)**	**(34)**	**(7,232)**
Other comprehensive income		-	-	-	**67,521**	-	**67,521**	-	**67,521**
Total comprehensive income/(loss) for the period		-	**(7,198)**	-	**67,521**	-	**60,323**	**(34)**	**60,289**
Balance at 30 June 2022		**272,980**	**(156,591)**	**7,353**	**68,748**	**6,309**	**198,799**	**(19,816)**	**178,983**
Balance as at 1 January 2021		246,594	(187,316)	7,353	(3,385)	6,309	69,555	(19,761)	49,794
Net loss		-	(292)	-	-	-	(292)	(17)	(309)
Other comprehensive loss		-	-	-	4,996	-	4,996	-	4,996
Total comprehensive 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)
Balance at 30 June 2021		272,980	(187,608)	7,353	1,611	6,309	100,645	(19,778)	80,867

The notes on pages 13 to 23 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 2022

	30 June 2022 A$'000	30 June 2021 A$'000
Cash flows from operating activities		
Cash receipts from customers (including cash received in advance)	**13,727**	5,992
Cash paid to suppliers and employees	**(30,129)**	(25,262)
Exploration and evaluation expenditure	**(110)**	(89)
Interest and financing costs paid	**(1,093)**	(1,246)
Income taxes paid	**(22)**	(96)
Net cash used in operating activities	**(17,627)**	(20,701)
Cash flows from investing activities		
Payments for property, plant and equipment	**(5,733)**	(12,356)
Net cash used in investing activities	**(5,733)**	(12,356)
Cash flows from financing activities		
Proceeds from issue of shares	**-**	25,513
Repayment of shareholder loan	**-**	(1,864)
Repayment of lease liabilities	**(682)**	(1,004)
Net cash generated by financing activities	**(682)**	22,645
Net movement in cash and cash equivalents	**(24,042)**	(10,412)
Cash and cash equivalents at beginning of the period	**33,511**	18,879
Effects of exchange rate changes on cash and cash equivalents	**(2,555)**	10
Cash and cash equivalents at the end of the period	**6,914**	8,477

Non-cash investing activities for the six months ended 30 June 2022 and 2021: Leasing transactions

During the six months ended 30 June 2022, the Group concluded a lease agreement in relation to office building (30 June 2021: Lease agreements in relation to various equipment). The Group recognised a right-of-use asset and a corresponding lease liability of A$1,129 million with respect to this lease arrangement (30 June 2021: 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).

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.

The notes on pages 13 to 23 are an integral part of the condensed consolidated interim financial report.

1. Reporting entity

Tigers Realm Coal Limited (the “Company” or “TIG”) is a company domiciled in Australia. During the six months to 30 June 2022 the Company’s registered office was 151 Wellington Parade South, East Melbourne, 3002 and its principal office was 37 Leningradski Avenue, Moscow, 125167, Russian Federation. The condensed consolidated interim financial report as at and for the six months ended 30 June 2022 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 2021 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.

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 2021.

The condensed consolidated interim financial report was authorised for issue by the Board of Directors on 19 August 2022.

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.

These condensed interim consolidated financial statements are presented in Australian dollars, which is the Company’s functional currency. There was a significant depreciation of Australian dollar against Russian Rouble, which is the functional currency of the Group’s operations in Russia which is the primary reason for the significant increase in the foreign currency translation reserve in the period.

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.

In performing the going concern assessment, the Group has taken into consideration general business risks and the impact of the economic restrictions which have been imposed or may be imposed at a future date by Australia, the United States, the United Kingdom and the European Union as well as some other countries.

The impact of the economic restrictions

The economic restrictions and deteriorating geopolitical situation have created certain sales challenges against a backdrop of a favourable market for coal. Whilst certain of the Group’s traditional customers are no longer purchasing Russian coal, the Group has, nevertheless, been able to continue to sell coal in Asian markets at prices which are strong by historical standards.

The Group is currently not experiencing a deficit of customerss prepared to purchase its coal or ships ready to load coal out of the Group’s port in Russia. However, the Group’s ability to continue as a going concern is premised upon the assumption that customers will continue to purchase the Group’s coal and that ships will be able to continue calling at its port in Russia in the future.

3. Basis of preparation (continued)

Going concern basis of accounting (continued)

The potential of new economic restrictions impacting the Group's business aside, the economic restrictions already imposed have created numerous supply chain challenges for the Group. Furthermore, debt financing, including lease financing for new equipment, has become substantially more expensive. The increase in the cost of lease financing combined with significant exchange rate volatility has led the Group to conclude that, for the time being, it is not advisable to utilize lease financing for the acquisition of new equipment. These factors, combined, may restrict the Group's ability to expand production in line with previously announced plans.

In response to the above-mentioned economic restrictions, the Government of the Russian Federation has enacted various retaliatory restrictions. Such restrictions include limitations on capital flows both in the form of intra-group loans and payment of dividends. Such restrictions may restrict the Group's ability to pay non-Russia-based suppliers and directors. Most such payments must be approved in advance by a government commission specifically established for this purpose. Since the approval mechanism has been established only recently, it is not yet clear to what extent the Group's ability to transfer funds within the Group or to pay dividends will be limited.

The Group's performance
For the six months ended 30 June 2022, the Group incurred a net loss of A$7.232 million (Six months ended 30 June 2021: net loss of A$0.309 million) and had net cash outflows from operating activities of A$17.627 million (Six months ended 30 June 2021: net cash outflows from operating activities of A$20.701 million).

As at 30 June 2022, the Group had cash and cash equivalents of A$6.914 million (31 December 2021: A$33.511 million) and net current assets of A$101.811 million (31 December 2021 net current assets of A$80.586 million).

Going concern assessment
Based on the Group's cash flow 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 flow 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;
- Coal shipments being realised within the forecast scheduling parameters, which are subject to a number of factors including but not limited to barge and vessel (including marine insurance) availability, transhipment efficiency and weather conditions;
- Compliance with ongoing drilling obligations in accordance with the terms of the Amaam and Amaam North licences;
- Macroeconomic factors utilised in the management forecasting including the commodity (specifically coal) prices;
- New economic restrictions if imposed, will not have a direct material adverse impact on the Group's business; and
- Funds can be moved between the jurisdictions in which the Group operates to settle obligations as they fall due.

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 forecasts;
- 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 forecasts;

3. Basis of preparation (continued)

Going concern basis of accounting (continued)

- Coal shipments for the remainder of 2022 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;
- 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;
- The various economic restrictions currently in place have not directly targeted the Group's business activities, and
- Precautionary measures taken by the Group to establish entities in different jurisdictions to manage Group liquidity and provide optionality for the future.

Accordingly, the Directors have determined that it is appropriate for the Group to continue to adopt the going concern basis in preparing this financial report. However, the relations between the Russian Federation and countries or groups of countries that have imposed economic restrictions remain volatile, and potential additional economic restrictions and counter-restrictions that may be imposed may target the Group, Russian coal exports or marine insurance, amongst others. In the event that the Group is unable to implement measures to mitigate the impact of potential additional economic restrictions, material uncertainty would exist that may cast significant doubt as to the ability of the Group to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business. The condensed consolidated interim financial report does not include adjustments relating to the carrying value and classification of assets and the amount and classification of liabilities that may be required if the Group does not continue as a going concern.

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 2021, except for the adoption of the new standards and interpretations as of 1 January 2022 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 2022:

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

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 2021.

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 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 2022, the activities of the Group are managed in two reportable operating segments outlined below, consistent with how they were managed in the 2021 financial year:

Amaam North Project	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.
Amaam Project	The Amaam Project is located in the Bering Basin in the Chukotka province, Russia and consists of the Amaam tenement.
Other	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.

30 June 2022	**Amaam North Project A$'000**	**Amaam Project A$'000**	**Total Reportable Segments A$'000**	**Other A$'000**	**Total A$'000**
Revenue from the shipment and sale of coal	**1,840**	**-**	**1,840**	**-**	**1,840**
Cost of coal sold	**(3,535)**	**-**	**(3,535)**	**-**	**(3,535)**
Change in provisions for bad debt	**(345)**	**-**	**(345)**	**-**	**(345)**
Exploration and evaluation expenses	**(151)**	**(109)**	**(260)**	**-**	**(260)**
Royalty expense	**(561)**	**-**	**(561)**	**-**	**(561)**
Finance costs	**(1,054)**	**-**	**(1,054)**	**-**	**(1,054)**
Other segment expenses, net	**(633)**	**(63)**	**(696)**	**(2,603)**	**(3,299)**
Segment result	**(4,439)**	**(172)**	**(4,611)**	**(2,603)**	**(7,214)**
Segment assets	**241,346**	**91**	**241,437**	**366**	**241,803**
Segment liabilities	**(62,807)**	**(13)**	**(62,820)**	**-**	**(62,820)**
30 June 2021					
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, net	(941)	-	(941)	-	(941)
Other segment expenses, net	(1,943)	(78)	(2,021)	(2,038)	(4,059)
Segment result	1,824	(84)	1,740	(2,038)	(298)
Segment assets	125,039	20	125,059	117	125,176
Segment liabilities	(44,176)	(133)	(44,309)	-	(44,309)

8. Administrative and other operating expenses

	For six months ended 30 June 2022 A$'000	For six months ended 30 June 2021 A$'000
Wages, salaries and other personnel costs	**(2,050)**	(1,142)
Contractors and consultants' fees	**(311)**	(296)
Insurance	**(243)**	(92)
Legal fees and compliance costs	**(242)**	(326)
Accounting and audit fees	**(171)**	(316)
Taxes and charges	**(102)**	(189)
Office accommodation costs	**(53)**	(85)
Other	**(778)**	(448)
	(3,950)	(2,894)

9. Carrying value of non-current assets

Amaam North Project Cash Generating Unit ("CGU")

As at 30 June 2022, the carrying value of non-current assets of Amaam North Project CGU, net of accumulated depreciation, amounted to A$103.846 (A$64.470 million at 31 December 2021).

As at 30 June 2022, the Group concluded that due to:

- Production and sales volumes achieved to date;
- CHPP launched and washed product received during the six months ended 30 June 2022

there is no necessity to recognise further impairment losses for the Amaam North Project CGU. Impairment recognised in prior periods primarily relates to the mining equipment which is either written-off or fully depreciated, therefore there is no necessity for the reversal of impairment losses recognised in prior periods.

Amaam Project CGU

During the six months ended 30 June 2022, 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 $Nil (as at 31 December 2021 A$Nil). As the development of the Amaam Project is not expected in the foreseeable future, as at 30 June 2022, the Group concluded that there are no indications that asset write-downs recognised in prior periods for the Amaam Project CGU require reversal.

10. Loss per share

	For the six months ended 30 June	
	2022 in cents	**2021 in cents**
Loss per share		
Basic loss per share – cents	**(0.055)**	(0.002)
Diluted loss per share – cents	**(0.055)**	(0.002)

Basic and diluted loss per share

The calculation of basic and diluted loss per share at 30 June 2022 was based on the loss attributable to ordinary equity holders of the Company of A$7.198 million (six months to 30 June 2021: loss of A$0.292 million) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2022 of 13,066,702,368 (six months to 30 June 2021: 12,825,620,096). The Company had 8,002,000 options over ordinary shares outstanding as at 30 June 2022 (30 June 2021: 9,907,000), which have been excluded from the calculation of diluted earnings per share because they are anti-dilutive for the reporting period.

11. Inventories

	30 June 2022 A$'000	**31 December 2021 A$'000**
Coal inventories at cost	**68,820**	18,902
Fuel at cost	**6,576**	8,159
Other consumables, net of provisions of A$0.480 million (At 31 December 2021 A$0.314 million)	**34,876**	21,174
	110,272	48,235
Current	**108,404**	46,055
Non-current	**1,868**	2,180
	110,272	48,235

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 at 30 June 2022 and 2021 all inventories are stated at cost.

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

12. Property, plant and equipment

	30 June 2022 A$'000	31 December 2021 A$'000
Property, plant and equipment	**103,846**	64,470
	103,846	64,470

The majority of the Group's property plant and equipment is denominated in Russian Rouble. During the six months ended 30 June 2022, property, plant and equipment increased primarily due the strengthening of the Russian Rouble against the Australian dollar and also due to additions of A$7.332 million, of which the most significant additions were in respect of CHPP equipment, construction, project and design works and acquisition of 500t barge, loader, truck for coal transportation.

13. Trade and other receivables

	30 June 2022 A$'000	31 December 2021 A$'000
VAT and GST receivable	**12,473**	10,795
Trade and other receivables	**4,050**	6,583
Provision for expected credit losses	**(1,018)**	(306)
	15,505	17,072

14. Advances received

	30 June 2022 A$'000	31 December 2021 A$'000
Advances received	7,760	-
	7,760	**-**

Advances received are represented by advances for coal received from customers.

15. Lease Liability

	30 June 2022 A$'000	31 December 2021 A$'000
Maturity analysis:		
Payable not later than one year	**10,156**	6,640
Payable later than one year, not later than five years	**11,292**	10,724
Payable later than five years	**8,194**	5,430
	29,642	22,794
Less: future interest	**(10,560)**	(7,746)
Total lease liabilities	**19,082**	15,048
Current	**9,234**	5,206
Non-current	**9,848**	9,842
	19,082	15,048

15. Lease Liability (continued)

Movements in lease liabilities are as follows:

	For the six months ended 30 June	
	2022 A$'000	2021 A$'000
Opening balance of lease liability	**15,048**	7,929
New lease agreements entered during the period	**1,129**	3,815
Lease payments	**(682)**	(1,004)
Effect of movement in exchange rates	**3,587**	246
Lease liability at the end of the period	**19,082**	10,986

The Group leases office and 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$27.653 million at 30 June 2022 (31 December 2021: A$19.611 million).

16. Royalty Agreement Liability

	30 June 2022 A$'000	31 December 2021 A$'000
Gross royalty liability, in US$ dollars	23,457	23,457
Gross royalty liability, in A$ dollars	34,006	32,329
Effect of discounting	(14,067)	(13,911)
	19,939	18,418
Current	**5,008**	1,439
Non-current	**14,931**	16,979
	19,939	18,418

	For six months ended 30 June 2022 A$'000	For six months ended 30 June 2021 A$'000
Opening balance of royalty liability	18,418	18,063
Royalty expense arising from:		
- the passage of time	561	702
- the change in discount rate	-	-
- the change in other assumptions	-	-
Payments made during the year	-	(344)
Effect of movement in exchange rates	960	443
Closing balance of royalty liability	**19,939**	18,864

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. The provision was estimated based on total royalty payments of US$25 million, less payments made to date, discounted using a post-tax real discount rate of 9% at 30 June 2022 (31 December 2021: 9%)

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 2022 (31 December 2021: Nil) in relation to Amaam Project royalty arrangements as the development of the Amaam Project is not expected in the foreseeable future

.17. 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					
30 June 2022	**Carrying amount A$'000**	**Total A$'000**	**6 months or less A$'000**	**6-12 months A$'000**	**1-2 years A$'000**	**2-5 years A$'000**	**More than 5 years A$'000**
Trade and other payables	**7,491**	**7,491**	**7,268**	**-**	**-**	**223**	**-**
Lease liability	**19,082**	**29,643**	**6,502**	**3,654**	**6,163**	**5,130**	**8,194**
Other financial liabilities	**2,567**	**3,037**	**1,194**	**183**	**1,261**	**399**	**-**
	29,140	**40,171**	**14,964**	**3,837**	**7,424**	**5,752**	**8,194**
31 December 2021							
Trade and other payables	7,620	7,620	7,483	-	-	137	-
Lease liabilities	15,048	22,795	2,029	4,611	5,725	5,000	5,430
Other financial liabilities	1,689	2,150	163	781	862	344	-
	24,357	32,565	9,675	5,392	6,587	5,481	5,430

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

18. 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 federal and regional governments have the authority to defer, waive or amend the minimum expenditure requirements. As of and for the six months ended 30 June 2022, the Group is in compliance with those exploration obligations defined in the respective licences.

Other commitments

Other commitments of A$3.836 million (At 31 December 2021: A$3.886 million) are comprised of A$1.507 million commitments for port infrastructure upgrade works and A$2.329 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.

18. 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 2022.

19. 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.

20. Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the reporting period that has significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Tigers Realm Coal Limited
Directors' declaration
For the six months ended 30 June 2022

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 9 to 23 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 2022 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 18th day of August 2022.

Craig Wiggill
Director

Deloitte.

Deloitte Touche Tohmatsu
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18 August 2022

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 half-year financial report of Tigers Realm Coal Limited for the half-year ended 30 June 2022, 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

JStrydom

Jacques Strydom
Partner
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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 2022, 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 8.

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 2022 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the half-year financial report, which indicates that for the six months ended 30 June 2022, the Group incurred a net loss of A$7.232 million and had net cash outflows from operating activities of A$17.627 million. These conditions, along with other matters as set forth in Note 3 indicate that a material uncertainty exists which may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect to this matter.

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 2022 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

JStrydom

Jacques Strydom
Partner
Chartered Accountants

Brisbane, 18 August 2022