



CONTENTS

04

2022 HIGHLIGHTS

11

NOTES TO RESERVES
AND RESOURCES

06

CHAIRMAN'S REVIEW

12

OPERATIONS REVIEW

08

CHIEF EXECUTIVE OFFICER'S
REPORT

18

HEALTH AND SAFETY

10

RESERVES AND RESOURCES

23

FINANCIAL REPORT

“In 2022 TIG completed startup at its Coal Handling & Processing Plant (CHPP) and began selling washed coal, both coking and thermal, into its traditional North Asian market”

Forward Looking Statement

This document contains certain forward-looking statements. The words 'expect', 'anticipate', 'estimate', 'intend', 'believe', 'guidance', 'should', 'could', 'may', 'will', 'predict', 'plan', 'targets', and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward looking statements, opinions and estimates provided in this document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This document contains such statements that are subject to risk factors associated with the mineral and resources

exploration, development and production industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to the following risks: dependence on commodity prices, availability of funding, impact of inflation on costs, exploration risks, including the risks of obtaining necessary licenses and diminishing quantities or grades of reserves, risks associated with remoteness, environmental regulation risk, currency and exchange rate risk, political risk, war and terrorism and global economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied)

is given that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. The forward-looking statements in this document speak only as of the date of this document. Subject to any continuing obligations under applicable law or any relevant ASX listing rules, the Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this document to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this document will under any circumstances create an implication that there has been no change in the affairs of TIG since the date of this document.

TIGERS REALM COAL LIMITED

Tigers Realm Coal Limited (Tigers Realm Coal, TIG, or the Company) is an ASX-listed company producing coking and thermal coal from its operations in the Chukotka Autonomous Okrug (District) on Russia's East Coast.

TIG's aim is to become a significant producer of coking coal supplying the seaborne markets in Asia. The Company is focused on the further exploration and development of its high-quality coking coal deposits and is committed to creating sustainable benefits for the communities and region in which it operates.

The Company is developing two coking coal projects. The Amaam North project began mining in 2017 and for its first five years of operations supplied unwashed coal products to the North Asian steel and thermal coal markets.

In 2022 TIG completed startup at its Coal Handling & Processing Plant (CHPP) and began selling washed coal, both coking and thermal, into its traditional North Asian markets.

The immediately adjacent Amaam project remains in a pre-development stage. The Amaam basin contains significant resources of quality coking

coal. TIG is still assessing how it will move forward with this project.

In 2022, the Company further increased annual run-of-mine (ROM) coal production to 1,523kt (2021: 1,025kt) and annual sales to 1,065kt (2021: 911kt).

Operational performance was supported by a strong international coal market. The improved market conditions and further increase in sales volumes contributed to a greater than 75% increase in revenue.

During 2023 TIG will be focused on transitioning to selling primarily washed coal products to our North Asian customers as well as expanding our marketing efforts to India.

The Company's registered office is located in Melbourne, Australia. Management is principally located in our offices in Moscow and on site in Chukotka.



Our Values Four core values underpin everything we do:

- **Respect** – treating our people, communities and stakeholders with respect and understanding.
- **Care** – for our people and the environment. An overriding commitment to ensuring our people finish work each day without suffering injury or harm. Minimising our impact on the environment.
- **Integrity** – being honest and open in the way we communicate and work. Doing what we say we will do.
- **Delivery** – Empowering our people to excel. Consistently delivering on our plans and goals.

2022 HIGHLIGHTS

Total Reportable Injury

2.58 to 2.24

Total Reportable Injury Frequency Rate ("TRIFR") decreased from 2.58 to 2.24.



Significant milestones

731kt

Despite facing unprecedented headwinds, we were able to achieve several significant milestones: completing the CHPP, processing 731kt and selling our first four washed coal cargos.

Mining Volumes

17%

Mining volumes increased year-on-year by 49% from 1,025kt to 1,523kt. Sales volumes increased by 17% from 911kt to 1,065kt. The significant increase in mining volumes was enabled as a result of the improved market conditions, increased production capacity and a lower stripping ratio.



EBITDA

A\$59.0m

Supported by improved market conditions and sales volumes, total revenue from the sale and shipment of coal increased from A\$103.944 million in 2021 to A\$185.781 million in 2022, with EBITDA improving from A\$46.9 million to A\$59.0 million.



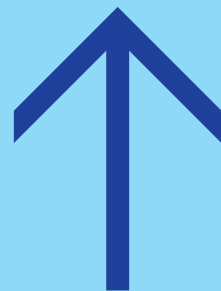
Average Cost

A\$62.09m

The average cost of coal sold per tonne increased to A\$62.09 to (US\$41.66) from A\$41.58 (US\$30.43) primarily due to the addition of washed product to the Company's sales mix.



“In 2022, the Company further increased annual run-of-mine (ROM) coal production to 1,523kt (2021: 1,025kt) and annual sales to 1,065kt (2021: 911kt). Operational performance was supported by a strong international coal market. The improved market conditions and further increase in sales volumes contributed to a greater than 75% increase in revenue.”



CHAIRMAN'S REVIEW



Craig Wiggill
Chairman

Dear Shareholders,

As an Australian registered mining company with its operations entirely based in the Chukotka Province of Russia, TIG has been exposed to unprecedented geopolitical risk and uncertainty since the war in Ukraine commenced in February 2022. As a result of the imposition of sanctions by DFAT (Australia) and OFAC (USA), TIG has been forced to rearrange its activities with many of its direct Australian and International service providers, extending also to international banking facilities, auditors, legal and insurance providers.

While TIG was able to navigate through these issues and yet enable the Company to report improved results for the year, there have been substantial negative impacts on the Company and it is the directors view that these are likely to remain for the foreseeable future. The more significant impacts that remain are the continued restrictions on sales to certain end consumers, the need for the Company to discount significantly to the typical global seaborne export prices to secure sales in certain markets, as well as the difficulty in sourcing replacement large mining equipment and spares, together with increased consumables costs, due to supply shortages in the Russian market. The degree to which these issues will continue or worsen in 2023 remains uncertain.

The Board has constantly evaluated current risks, including the potential escalation of the sanction regimes, on our business sustainability alongside our responsibility for longer term shareholder returns. We have determined that it will be necessary to restructure our company and we will be recommending to shareholders that a delisting is a necessary next step to our path to the protection of our assets and revenue.

In relation to the safety of our employees and local communities, I am particularly pleased that our safety record continues to improve at site, illustrative of ongoing emphasis by the senior team on our core values of care and respect. I am also pleased to report that we reported no lost-time injuries during the entire CHPP construction programme, notwithstanding some exceptionally challenging weather conditions experienced during this period.

In May 2022 Mr Owen Hegarty, a founding director, resigned from the TIG Board having completed over 11 years of outstanding service to the Company. Owen's roles on the board included chairing both the Nomination and Remuneration Committee and the Audit, Risk and Compliance Committee. We are immensely grateful to Owen for his contribution to TIG and wish him well for the future.

Mr. David Swan, the Chairman of the Audit & Risk and Remuneration & Nominations committees, resigned from the TIG Board in August. He has not yet been replaced although it is the intention of the board to do so during 2023. I would like to thank Mr. Mitch Jakeman for assuming the responsibility for the role of Chairman of both committees in the interim period.

I would like to thank all our employees and stakeholders, the senior management team as well as our Board, for their perseverance and resilience during 2022. TIG will clearly operate in 2023 with a backdrop of significant uncertainty. The TIG Board and senior management will continue to address all issues as they arise whilst abiding by the laws of both the countries in which we are registered as well as where we operate.

Craig Wiggill
Chairman



“I am particularly pleased that our safety record continues to improve at site, illustrative of ongoing emphasis by the senior team on our core values of care and respect. I am also pleased to report that we reported no lost-time injuries during the entire CHPP construction programme.”

CHIEF EXECUTIVE OFFICER'S REPORT



Dmitry Gavrilin
Chief Executive Officer

In 2022 TIG faced enormous external challenges. Economic restrictions, the disruption of supply chains and rouble volatility impacted TIG's costs and created challenges for the Company's operational, commercial and investment activities. In addition to issues driven by geopolitics, TIG also encountered significantly higher logistics cost as the expansion of numerous mining projects in the Russian Far East against a backdrop of a static supply of general cargo vessels drove up these costs.

On account of the geopolitical situation, the Company's CHPP contractor was unable to assist at site with plant commissioning and TIG personnel were forced to complete the build and manage plant start-up procedures with limited supplier and specialist assistance. Coal processing began in April which enabled the Company to begin supplying a washed product to some North Asian customers.

Despite facing unprecedented headwinds, TIG managed to improve its operational and financial

performance, including achieving record mining and sales volumes of 1.5Mt and 1.1Mt which translated into a record EBITDA of A\$59.0 million and Net Income of A\$53.5 million. I am also personally proud of being able to report a continued improvement in our safety performance, as evidenced by a decrease in our TRIFR to 2.24 from 2.58 in 2021.

It is a testament to the strength of the team we have built over several years that during a tumultuous year we were able to achieve several significant milestones: completing the CHPP, processing 731kt and selling our first four washed coal cargos. To mitigate against new risks, TIG developed relationships with new clients, particularly in China, and alternative suppliers.

The current geopolitical situation requires us to assess serious changes to our corporate structure, including delisting from the ASX. This is truly unfortunate. All the same, the management team will take our ASX culture with us and continue to run

the Company at the same level of corporate responsibility, commitment to ethical business practices and focus on safety and empowering employees to develop their potential as would have been the case were we to remain listed on the ASX.

I would like to express my gratitude to our shareholders for your continued support, and to the TIG team for all their professionalism which enabled us to achieve excellent results in 2022 and which will enable us to address the enormous challenges we will face in 2023.

A stylized handwritten signature in black ink, consisting of a large loop followed by a few sharp strokes.

Dmitry Gavrilin
Chief Executive Officer



“It is a testament to the strength of the team we have built over several years that during a tumultuous year we were able to achieve several significant milestones: completing the CHPP, processing 731kt and selling our first four washed coal cargos. To mitigate against new risks, TIG developed relationships with new clients, particularly in China, and alternative suppliers.”

RESERVES AND RESOURCES

Coal Resources for Amaam North – Project F (100% basis)

Resource Category	Open Pit (Mt)	Underground (Mt)	Total (Mt)
Measured ^C - Coking	21,3	1,2	22,5
Indicated ^B - Coking	18,5	5,8	24,3
Inferred ^A - Coking	20,2	14,1	34,3
Indicated ^B - Thermal	1,3	-	1,3
Inferred ^A - Thermal	0,7	-	0,7
Total (Mt)	62.0	21.1	83.1

Tonnage (Mt)	Relative Density	Ash (%)	Inherent Moisture (%)	Volatile Matter (%)	Gross Calorific Value (kcal/kg)	Total Sulphur (%)
83,1	1.39	17.32	1.42	27.15	6,820	0.29

NB: Coal qualities on an air-dried basis.

The Amaam North (Project F) Coal Resources are based on a Coal Resource Estimate prepared by Measured Group in October 2020.

Coal Reserves^E for Amaam North – Project F (100% basis)

Coal Type	Recoverable Reserves (Mt)			Marketable Reserves (Mt)		
	Proved	Probable	Total	Proved	Probable	Total
Coking	11,5	8,1	19,6	6,5	5,0	11,5
Thermal	1,0	0,7	1,7	0,8	0,6	1,4
Total (Mt)	12,5	8,8	21,3	7,3	5,6	12,9

The Amaam North (Project F) Coal Reserves are based on a Coal Reserve Estimate prepared by Optimal Mining Solutions in November 2020 adjusted for depletion.

Coal Resources for Amaam (100% basis)

Resource Category	Open Pit (Mt)	Underground (Mt)	Total (Mt)
Measured ^C - Coking	3	-	3
Indicated ^B - Coking	89	2	91
Inferred ^A - Coking	336	91	427
Total (Mt)	428	93	521

Tonnage (Mt)	Relative Density	Ash (%)	Inherent Moisture (%)	Volatile Matter (%)	Fixed Carbon (%)	Gross Calorific Value (kcal/kg)	Total Sulphur (%)
521	1.62	33.6	1.69	23.3	39.1	5,114	0.84

NB: Coal qualities on an air-dried basis.

The Amaam Coal Resource Estimate was prepared by Resolve Coal in July 2015.

Exploration Targets^D for Amaam and Amaam North (100% basis)

Amaam North (Mt)	Amaam (Mt)	Total (Mt)
90 to 370	25 to 40	115 to 410

NOTES TO RESERVES AND RESOURCES

The company is not aware of any new information or data regarding the ore reserves or minerals resources of Amaam or Amaam North, other than depletion at Amaam North, that materially affects the information included in this report and at the time of this report all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed since the Amaam North JORC update released 24 November 2020 (TIG Announces Results of New Amaam North JORC Report) and the Amaam Resource Estimate released 9 July 2015 (Amaam Projects Resources and Exploration Targets Update). Coal Resources and Coal Reserves are reported in 100 percent terms (unless otherwise stated). Coal Resources are reported inclusive of the Coal Resources that have been converted to Coal Reserves (i.e. Coal Resources are not additional to Coal Reserves)

Note A – Inferred Resources

According to the commentary accompanying the JORC Code an 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Note B – Indicated Resources

According to the commentary accompanying the JORC Code an 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Resource may be converted to a Probable Ore Reserve

Note C – Measured Resources

According to the commentary accompanying the JORC Code a 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.

Note D – Exploration Target

According to the commentary accompanying the JORC Code an Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. Any such information relating to an Exploration Target must be expressed so that it cannot be misrepresented or misconstrued as an estimate of a Mineral Resource or Ore Reserve. The terms Resource or Reserve must not be used in this context.

Note E – Reserves

According to the commentary accompanying the JORC Code a 'Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

OPERATIONS REVIEW

Overview of TIG's Operations

Tigers Realm Coal Ltd's (ASX: TIG) strategy is set to become a significant supplier of coking coal to the seaborne market via the progressive development of the Amaam Coking Coal Field.

The Amaam Coking Coal Field comprises two large coal resource deposits in the Far East of the Russian Federation:

- Amaam North (TIG 100% interest): a large coal basin, of which Fandyushkinskoye Field is currently in the production expansion phase. In December 2019, Rosnedra, the Russian natural resource licencing authority, approved a Mining and Excavation Plan ("TPRM") for the integrated development of the Fandyushkinskoye and Zvonkoye licence areas. Consequently, future references to Amaam North will refer to the unified development of both license areas.
- Amaam Coal Deposit (TIG interest 80%) a potentially large-scale coking coal project, which has the potential for TIG to increase overall production to 5Mtpa. Expansion to this production level will, however, require significant investment in infrastructure.

The Amaam and Amaam North licences cover an area of about 709 sq. km in the Chukotka Autonomous Okrug (District) of Russia. Our current operations are located approximately 230km south of the regional capital of Anadyr and approximately 35km to the south east of Beringovsky township and TIG's wholly owned coal terminal and port infrastructure.

Amaam North is comprised of:

- Exploration License No. AND 01203 TP (Levoberezhny "Left Bank" License), being the broader exploration license from which the following Exploration and Extraction (Mining) Licenses have been carved out to date;

- Mining License No. AND 15813 TE (Fandyushkinskoye Field); and
- Mining License No AND 01314 TE ("Zvonkoye"), issued in 2018 Wfor a 20-year term.
- TIG operates its own infrastructure with coal haulage along its own 35km, all-season pit to port road and Beringovsky coal terminal, fully owned and operated by TIG with our five 500-tonne and two 100-tonne barges.

"TIG operates its own infrastructure with coal haulage along its own 35km, all-season pit to port road and Beringovsky coal terminal, fully owned and operated by TIG with our five 500-tonne and two 100-tonne barges."

Strategy

TIG's strategy with respect to developing the Amaam Coking Coal Field is currently envisaged in three stages:

Stage 1: Development of Amaam North up to a 1.5+Mtpa primarily coking coal operation shipped through the Beringovsky Port, split into 2 phases:

- Phase One: up to 0.75Mtpa utilizing existing infrastructure and mining and haulage fleet (completed);
- Phase Two: 1.5+Mtpa, with 225kt oxidised and 1.275Mt through CHPP to get 830kt of washed coal with 65% yield, an upgrade of mine and port infrastructure, and increasing mining and haulage fleet capacity.

Stage 2: Amaam North production increases up to 2Mtpa

Stage 3: Development of Amaam.

TIG has successfully completed Phase Two of Stage One, having achieved 1.5Mtpa in 2022 and processed more than 0.7Mt through CHPP and is implementing Stage Two. The economics of this further development is underpinned by the startup of the CHPP in April 2022. This enabled the Company to sell a higher-value product into the Semi-Hard coking coal (SHCC) markets. This SHCC product allows TIG to achieve significantly higher

average prices than was achieved for a basket of unwashed coal products.

Management is optimistic that a material increase in production is achievable. In order to obtain sufficient geological evidence of the additional mineable coal required to sustain increased production, TIG will need to perform further drilling & exploration works.

The ability to optimally integrate the Amaam project into the overall Amaam Coking Coal Field development and maximise the extent to which investment is made both in processing capacity and logistics infrastructure is currently under review.



“Management is optimistic that a material increase in production is achievable. In order to obtain sufficient geological evidence of the additional mineable coal required to sustain increased production, TIG will need to perform further drilling & exploration works.”

OPERATIONS REVIEW CONTINUED

Operations Update

Licensing & Exploration Activities

The Company is in compliance with its licence obligations.

As at 31 December 2022, TIG has the following licences in effect:

Licence Holder	Site	Licence No.	Licence Type	Expiry Date
Amaam North				
BPU ¹	Amaam North 'Fandyushkinskoye'	AND 15813 TE	Mining	Dec 2034
BPU	Amaam North 'Zvonkoye'	AND 01314 TE	Mining	Sep 2038
BPU	Alkatvaam – Levoberezhny	AND 01203 TP	Exploration	Dec 2025
Amaam				
NPCC ²	'Zapadny'	AND 01278 TE (formerly AND 01225 TE)	Mining	Mar 2033
NPCC	'Nadezhny'	AND 01288 TE	Mining	July 2037
NPCC	'Area 4'	AND 01379 TP (formerly AND 01277 TP)	Exploration	Jun 2027

1. LLC Beringpromugol ('BPU'), wholly owned TIG subsidiary.

2. JSC Northern Pacific Coal Company ('NPCC'), 80% beneficially owned by TIG.

Amaam North Snapshot

Mining volumes increased year-on-year by 49% from 1,025kt to 1,523kt and comprised of 1,014kt of thermal coal (69% increase from last year's 601kt) and 509kt of metallurgical coal (20% increase from 424kt in 2021).

Mining Operations

During 2022 TIG has increased its mining capacity by adding excavators, loaders, Bell in-pit dump trucks and FAW coal haulage trucks. The average stripping ratio for 2022 amounted to 3.0:1, a significant decrease from 4.0:1 in 2021. The lower stripping ratio was mainly driven by the CHPP starting up later than expected and a conscious decision to focus on thermal coal due to favourable market conditions and revenue optimisation from products.

In July TIG mined 172kt – a monthly historical maximum.



		Q1	Q2	Q3	Q4	2022 Total
ROM coal mined	kt	297	329	505	392	1,523
Coal delivered to Beringovsky Port	kt	257	219	406	259	1,141
Coal sold	kt	5	13	744	303	1,065
Total coal stocks	kt	857	1,079	719	687	687
Waste mined	kbcm	1,085	947	1,337	1,297	4,666
ROM strip ratio	bcm:t	3.7	2.9	2.7	3.3	3.0

Haulage Operations

Haulage operations are based on our fleet of 20 Scania and 5 FAW trucks. Six new coal haulage trucks were acquired in 2022 and two were scrapped. Our total fleet capacity increased by four trucks in 2022. Coal haulage to port increased to 1,141kt in 2022, a 23%

increase over 2021. Maximum truck haulage per day reached 6kt. The Company continued to improve the condition of the road and its fleet management practices, the emphasis being on road safety culture and driving conditions to minimise safety-related

incidents. TIG carried out construction works to improve safety and haulage efficiency and reduce the environmental impact of our operations. Construction of road culverts continued, both to increase road safety and to increase throughput capacity.



Sales and Marketing

During 2022, TIG loaded 19 cargoes with a total of 1.1MT of coal of which 109kt was washed coking coal and 44kt was thermal coal for the local Chukotka villages and townships. The balance was thermal coal.

TIG's sales in 2022 were supported by demand from China. Many of our usual markets were not open to TIG as a result of broader geopolitical issues and trade sanctions. As a result of uncertainty around trade and payment flows, sales were concentrated in China over the shipping season, particularly in the first few months. As the year progressed a "Russian discount" became apparent – due to risks and uncertainties involved in the Russian coal trade, and to strong competition among Russian suppliers for the limited available markets for Russian coal.

Despite the above, thermal coal prices were relatively high during 2022 as the Ukraine conflict spurred a global energy crisis, with European gas fired power

prices rising from c.75 euros/MWh at the start of the year to peak at c.350 euros/MWh in August, and coal prices peaking at USD438/t for Newcastle thermal coal (6000kcal/kg NAR) during September. For the most part, only non-Russian producers realized the full impact of the exceptionally strong market because it was primarily caused by the forced withdrawal of Russian supply from Europe and many other consuming countries due to sanctions..

Accordingly, despite having just commissioned the CHPP, TIG revised its strategy of focusing on washed coking coal and took the opportunity to sell unwashed coal cargoes at attractive prices into the thermal market. This resulted in a better net price outcome after considering washing costs and yield losses.

TIG set a new annual record for sales and loading at our port of Beringovsky. However, poor weather in October and November meant that our last two

vessels were not completed, which led to loss of anticipated revenue, as well as significant demurrage and dead freight costs as the vessels were forced to sail to China only partially loaded.

The positive impact of the market conditions was partially offset by the above, and by a dramatic rise in bulk cargo shipping costs created by restrictions on available vessels due to sanctions. The shipping market was extremely tight during the year due to a lack of vessels capable of loading at Beringovsky (geared, polar code compliant vessels with owners willing to take the risk of sending vessels to Beringovsky in an environment of quickly-changing sanctions). The net result was a significant increase in seaborne coal transportation costs (from c. US\$40/t in 2021 to as high as US\$53/t in June 2023), which directly affected the net prices for TIG even when selling on FOB terms.

OPERATIONS REVIEW CONTINUED

2022 Beringovsky Port Operations

With loading volumes of 1,049kt (2021: 885kt) – a 19% increase over the previous year and the maximum annual volume achieved in the port's history – TIG's port performance continued to

improve remarkably during the third full year during which TIG operated the port itself. Trans-shipment costs per tonne increased insignificantly from A\$6.52 to A\$7.44 (US\$4.77 to US\$4.99).

Preparations for the 2022 shipping season included maintenance of the conveyor and loading system in the port, as well as the necessary minor repairs on the fleet and cranes.

Key figures for TIG port operations are set out in the table below:

		May	June	July	Aug	Sept	Oct	Nov	Total
Coal trans-shipped	kt	-	147	250	253	174	167	58	1,049
Barges in use	units	-	4	4	4	4	4	4	
Weather working days per month	days	-	24.5	29.3	44.1	25.3	23.3	10.5	157

During 2022 TIG's average loading rate increased to 10.6kt per weather working day ("pwwd") compared to 8.2kt pwwd in 2021. A record loading rate of 16.8ktpwwd was achieved on 10 July 2022.

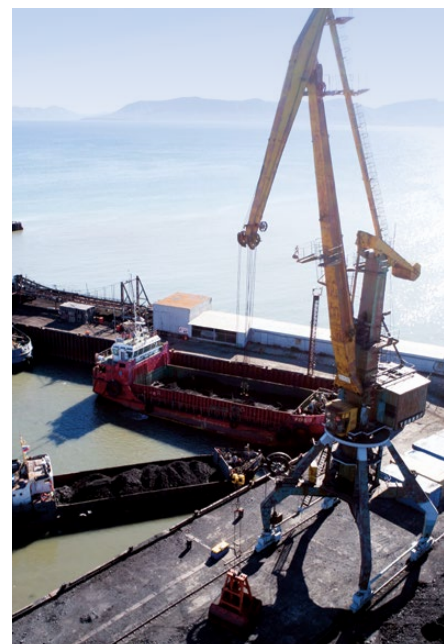
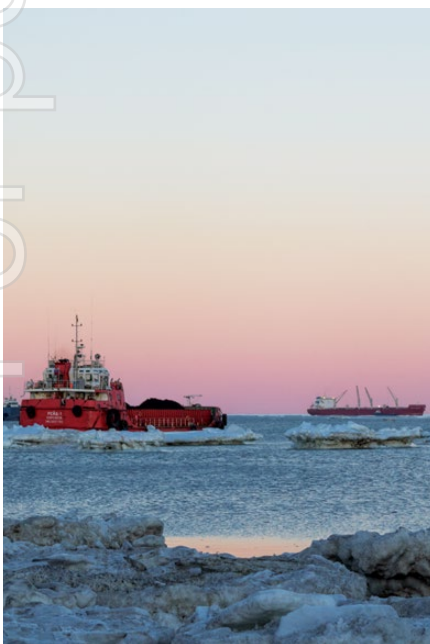
As TIG's port has a limited navigational season with weather conditions, particularly toward the end of the season, which can be unpredictable, it is critical to maximize loading when weather allows. Multiple factors impact average loading rates, among these are effective scheduling of bulker arrivals,

pre-season & intra-season dredging so that barges are able to work with maximum loads and proper planning of inter-season maintenance.

Capital investments in the port infrastructure during 2022 included:

- CHPP-related civil works;
- Additional mining equipment both to replace aging equipment and to increase capacity;
- Construction of fuel farm;
- Waste treatment plant in the port;
- Acquisition of additional 500t barge

Construction of TIG's fifth 500t barge was completed in 2022. TIG took delivery of the barge in Nakhodka, Russia in September 2022 and will bring it to site at the start of the 2023 shipping season. This additional barge will further increase TIG's annual loading capacity. Additionally, it is configured with a front-access ramp to enable better handling of incoming heavy and/or bulky equipment.





Coal Handling and Process Plant (CHPP) Project

Due to the geopolitical situation, TIG's CHPP equipment supplier was not able to come to site to carry out commissioning procedures. Nevertheless, with limited remote assistance from the supplier, TIG personnel achieved CHPP startup in April 2022 and during the remainder of the year processed 731kt of ROM coal for 396kt of clean coal.

The CHPP achieved full capacity in the third quarter, positioning the Company to sell a higher-value product of a consistent quality into the semi-hard coking coal ("SHCC") markets, enabling the Company to achieve significantly higher prices than those available for unwashed coal products.

As TIG implements drill & blast (D&B) operations in 2023, mining will deepen to lower horizons where coal quality is expected to be more even, and mining should result in fewer fines being produced from the mining process. As a result, the Company expects CHPP processing yield to improve during the year.

Amaam Overview

TIG holds an 80% interest in the Amaam tenement with its licences covering an area of 231km², located 30km from the Bering Sea coast.

The Amaam Project is a multi-seam, moderate dipping deposit within a synclinal basin. Coal is in the Middle Chukchi coal formation and is divided into four main areas by north-west trending faults. With the company's primary focus on Amaam North, there was no operational activity during 2022 at Amaam other than preparatory geological and project work being performed as part of future drilling activities.

- A Project Feasibility Study completed on 5.0 Mtpa open pit operation producing a high vitrinite content (>90%) coking coal with excellent coking properties
- The total Resource is 521 Mt comprising 3 Mt Measured, 91 Mt Indicated, and 427 Mt Inferred

Corporate Activities

TIG's Non-Executive Director Valery Doronin resigned from the Board, effective 3 February 2022.

TIG's Non-Executive Director Owen Hegarty resigned from the Board, effective 23 May 2022.

TIG's Non-Executive Director David Swan resigned from the Board, effective 15 August 2022.

On 17 January 2022 Tigers Realm Coal appointed Mr. Mitch Jakeman as a non-executive Director to the Board. Mitch is a well credentialed and highly experienced mining executive having held senior operational and management roles with various mining companies including Shell Coal Australia, Anglo Coal Australia and Stanmore Coal. He serves as Chairman of the Nominations & Remuneration and Audit & Risk Committees.

HEALTH AND SAFETY

Safety

Care for our people is one of our core values, with the health and safety of all employees and contractors at site being at the forefront of our considerations.

As a result of TIG's HSE-related activities cumulative Total Reportable Injury Frequency Rate ("TRIFR") decreased for the second year in a row to 2.24 per million hours worked in 2022. There was 1 Lost Time Injury case ("LTI") in 2022.

Since the start of its operations TIG has developed a solid system of Health & Safety management, including continuous improvement and support

of workplace safety culture, HSE risk assessments and incident follow-up procedures. Main measures to ensure safe working conditions throughout our operations, include but are not limited to:

- HSE inductions for all new employees in addition to supplementary HSE reviews for existing employees. In 2022, 72 HSE inductions and 63 HSE reviews for existing employees were conducted;
- Road safety culture and traffic management measures taking into account the effect of weather and road conditions, driver health and

well-being, equipment condition and incident follow-up actions: continuous driver training programs, road signage upgrade, improvement of traffic management controls;

- Workplace organisation and regular safety inspections; 37 inspections of workplace organization conducted in 2022;
- Independent government sponsored mine rescue team which receives additional training every six months and conducts an emergency drill annually.

TRIFR (per million hours worked)



"Since the start of its operations TIG has developed a solid system of Health & Safety management, including continuous improvement and support of workplace safety culture, HSE risk assessments and incident follow-up procedures."

Human Capital

People are core to realizing TIG's strategy and achieving its plans and targets. Being at the active operations growth stage each year TIG significantly increases its headcount creating new work places in the region. The number of employees increased by 24% from 340 in 2021 to 423 in 2022. Female employee representation decreased from 19% in 2021 to 17% in 2022.

Number of Employees



Environmental Stewardship

Consistent with Russian legislation TIG prepares environmental assessments prior to beginning any significant construction project, such as the CHPP.

Apart from fulfilling a broad range of obligatory requirements of Russian environmental authorities, such as conducting ecological studies of development projects or regular monitoring of air and water quality, TIG expands its environmental stewardship with a number of eco-initiatives involving the local community:

- Since 2019 TIG's Beringovsky office staff during 'Eco-patrol' initiatives helps monitoring the seacoast from waste and disposals and is cleaning the Lakhtin lagoon together with the eco-activists of Beringovsky («K'orgav» project);
- In 2020 the Company created a hotline for enquiries regarding mining and environment issues in Beringovsky;

Taking into account increasing volumes of ferrous scrap from TIG's operations

on top of legacy scrap, TIG decided to launch its own recycling operation. Hence, in 2022 ferrous scrap was stored at the Company's sites for further recycling when appropriate facilities are ready. The in-house processing of scrap will start in 2023. While this activity will provide a net positive revenue, the primary motivation is to expedite removal of old scrap from Beringovsky as part of our activities related to improving environment in which we operate.

“Taking into account increasing volumes of ferrous scrap from TIG's operations on top of legacy scrap, TIG decided to launch its own recycling operation. Hence, in 2022 ferrous scrap was stored at the Company's sites for further recycling when appropriate facilities are ready.”

Water Management

TIG continued developing water management programs covering the camp, pit and haulage road to make sure any discharges into local rivers and sea are within regulatory norms. TIG's operational sites are equipped with the following wastewater treatment facilities:

- Waste water settling pond with 6,000 m³ capacity was built on the dock-side coal stockpiles to clean waste water from coal storage area with cartridge-filter technology;

- At the mine-site: facilities for pit waters treatment by storage for further discharge has been reconstructed and CHPP technology without sediment ponds has been chosen to minimize impact on natural water systems;

The Company monitors water usage from natural sources. Total fresh well-water intake in 2022 was 6.1k m³. After taking a full control over the port operations TIG secured all necessary documentation and works

to commission a fresh water well in the Beringovsky port in the third quarter of 2021. The well-water intake in the port in 2022 amounted to 0.6 thousand m³.

According to the plans of water management and protection measures approved by the regulatory authorities in 2020 total annual water discharge at the mine-site (Fandyushkin Stream) and at the port (the Bering Sea) is limited to 31,500m³ and 29,000m³, respectively.

HEALTH AND SAFETY CONTINUED

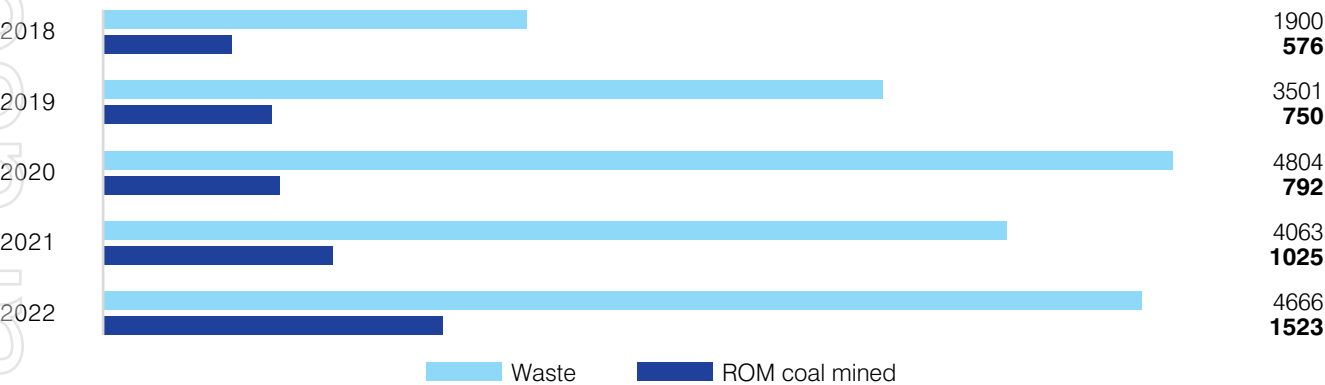
Waste Management

TIG's goal is to reduce the volume of waste produced and to manage it in a safe and efficient way. We aim to minimise waste generation by improving technological processes and increasing the share of reused and recycled waste.

We regularly assess waste products to identify recycling opportunities. For waste that cannot be recycled, we either organize environmentally safe decontamination and disposal, or transfer it to specialist companies.

On a monthly basis, soils under and around the coal stockpiles are tested in order to monitor environmental regulation compliance. All production waste was recycled in accordance with regulatory requirements.

Waste and ROM coal mined growth (thousand tonnes)



Air Management and Dust Control

TIG's activity in the area of air management is targeted at minimizing emission of pollutants into the atmosphere. Throughout 2022 regular laboratory studies of atmospheric air in coal mine and camp were carried out. According to the test reports, the concentration of pollutants in the air does not exceed the maximum permissible values.

The Company uses a set of measure to control dust at its operation sites:

- Dust covers are deployed to control coal dust at the stockpiles;
- Mobile dust control unit for coal terminal was acquired;
- Reactive chemicals are used to cover stockpiles with crust to lay coal dust;
- Belt conveyer cover is used to prevent blowing coal dust in process of transportation coal from the coal store to vessel;
- Coal stock cover is used to minimize dusting during high wind loading.



“We are committed to make a positive and sustainable contribution to the economic and social aspects of people’s lives in the region.”

Energy Consumption and Efficiency

TIG receives electrical supply from diesel generators. Heating is provided by coal-fired boilers.

TIG will be undertaking a series of studies around energy and types for our future development and possible trials around reducing carbon emissions from our equipment fleet into the future.

Community Relationships

Our operations are located in a remote part of the Russian Federation, and our activities need to complement the requirements of local communities and their future plans and aspirations. We are committed to make a positive and sustainable contribution to the economic and social aspects of people’s lives in the region.

Local Community

We place a priority on attracting employees from the local community whenever possible and providing them with training opportunities. We have currently 13 as employees across our operations and five trainees.

Apart from creating work places, TIG plays a leading role in a number of events and initiatives aimed at supporting the local community. In 2022 TIG financed purchase of showcases for the Alkatvaam school’s ethnography

museum. TIG built a soccer field in the township. In 2022 the Company sponsored participation of Berengovsky schoolchildren in a local volleyball tournament.

One more way of TIG’s contribution to local community is providing support to local small businesses through outsourcing and charitable assistance. TIG regularly has feedback sessions with the local community on its activity and development plans.



Indigenous People

Since signing the first cooperation agreement with the Association of Indigenous People of Chukotka (the Association) in 2018, TIG takes an active part in the life of local indigenous community:

- Conducting regular meetings with the representatives of the Association and indigenous communities;
- Supporting the local administration of the Association;
- Financing local projects in cooperation with the Association;
- Organising site-visits to the Company’s operations;
- Taking part in the regional and municipal initiatives;
- Responding to community requests.

Projects receiving TIG’s continuous support since 2019:

- “K’ergav” children and adult folk groups;
- Annual local festival “Einev”;
- Voluntary eco-project “K’orgav”.

In 2022 TIG organized and funded the festival "Einev 2022".



FINANCIAL REPORT

Directors' Report	24
Corporate Governance Statement	46
Consolidated Statement of Comprehensive Income	53
Consolidated Statement of Financial Position	54
Consolidated Statement of Changes in Equity	55
Consolidated Statement of Cash Flows	56
Notes to the Consolidated Financial Statements	57
Directors' Declaration	96
Auditor's Independence Declaration	97
Independent Auditor's Report	98
Shareholder Information	103
Corporate Directory	105

Tigers Realm Coal Limited

Directors' report

For the year ended 31 December 2022

The Directors present their report together with the financial report of the Group, being Tigers Realm Coal Limited (the "Company" or "TIG") and its subsidiaries, for the year ended 31 December 2022.

1. Directors, Alternate Director and Company Secretary

The Directors of the Company at any time during or since the end of the financial year are:

Name qualifications and independence status	Experience, special responsibilities and other directorships
Mr Craig Wiggill Independent Chairman BSc Eng.	Mr Wiggill was appointed Independent Chairman on 1 October 2015. Mr Wiggill has served as a Non-Executive Director of the Company since being appointed 20 November 2012. Mr Wiggill joined the Nomination and Remuneration Committee commencing 10 December 2015. Mr Wiggill has extensive experience in the global mining industry including over 30 years in the coal sector, the majority of his experience being within the Anglo-American Plc group. In addition, he is the Chairman (non-executive) of globalCOAL, a company registered in London, the principal activities of which are the development of standardised contracts for the international coal market and the provision and management of screen based brokerage services for the trading of physical and financial coal contracts. His most recent executive role was as Chief Executive Officer ("CEO") – Coal Americas at Anglo Coal, where he established and developed the Peace River operation in Canada and co-managed joint venture projects at Cerrejón and Guasare. He has also held leadership roles covering commercial, trading and marketing responsibilities, corporate strategy and business development for Anglo American. He holds no other directorships with ASX listed entities.
Dr Bruce Gray Non-executive Director MB, BS, MS, PhD, FRACS	Dr Gray was appointed as a Non-Executive Director of the Company on 1 October 2015. Prior to this, Dr Gray had been appointed as a Non-Executive Director of the Company on 25 October 2013, resigning on 28 March 2014. Dr Gray established and operated two highly successful start-up businesses in the medical sector. Prior to that he was Professor at the University Western Australia and has held numerous administrative positions with regional, national and international organisations. He has published more than 200 articles in the global scientific press and has received numerous awards for contributions in the medical field and for Australian entrepreneurship. Dr Gray currently manages a private investment fund. Dr Gray has been a member of the Nomination and Remuneration Committee since 8 September 2016. He holds no other directorships with ASX listed entities.
Mr Owen Hegarty Independent Non-executive Director BEc(Hons), FAusIMM (resigned 23 May 2022)	Mr Hegarty was appointed a Non-Executive Director of the Company on 8 October 2010. Mr Hegarty has more than 40 years' experience in the mining industry. He had 24 years with the Rio Tinto Group, then founded and led Oxiana Ltd, now OZ Minerals Limited, for 12 years. He is a founder of Tigers Realm Coal Ltd. He also founded and is currently Executive Chairman of EMR Capital, a mining private equity firm. Through to the end of 2016, he was Vice Chairman and Non-Executive Director of Fortescue Metals Group Ltd. Mr Hegarty has received a number of awards recognising his service to the mining industry and presently serves on a number of Government and industry advisory groups. He is the Chairman of 29Metals Limited (ASX: 29M).

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

1. Directors, Alternate Director and Company Secretary

Name,
 qualifications and
 independence
 status

Experience, special responsibilities and other directorships

Mr David Swan
Independent
Non-executive
Director
 BComm, FCA
 (ICAANZ &
 ICAEW)
 (resigned 15
 August 2022)

David Swan was appointed as an Independent Non-Executive Director on 26 August 2020. David has extensive experience across the natural resources sector and held a number of senior finance, management and consulting roles, mostly with resource companies in both United Kingdom and Australia with projects in Central Asia, Africa, and USA. David holds a Bachelor of Commerce from the University of WA and is a Fellow of both the Institute of Chartered Accountants in Australia and New Zealand ('ICAANZ') and the Institute of Chartered Accountants in England and Wales ('ICAEW'). David is a non-executive director and audit committee chairman of London AIM Listed company Central Asia Metals plc. He holds no other directorships with ASX listed entities.

Mr Valery
Doronin
Non-executive
Director
 (appointed 27
 April 2021,
 resigned 3
 February 2022)

Mr Valery Doronin was appointed a Non-Executive Director on 27 April 2021 and resigned on 3 February 2022. Mr Doronin was a Director of RDIF and has held a number of senior management and Board positions in Russian companies over the past 20 years. During that time he has gained considerable experience in investment, portfolio management and private equity. This experience includes numerous transactions across a number of industries including financial services, construction materials, resources and energy. Mr Doronin was a member of the Audit, Risk and Compliance Committee.

Mr Mitch
Jakeman
Independent
Non-executive
Director
 BE, ME
 (appointed 17
 January 2022)

Mr Mitch Jakeman was appointed as an Independent Non-Executive Director on 17 January 2022. He is the Chairman of the Audit, Risk and Compliance Committee and of the Nomination and Remuneration Committee. He is a well credentialed and highly experienced mining executive having held a number of operational and management roles with various mining companies including Shell Coal Australia, Anglo Coal Australia and Stanmore Coal. More recently Mitch has been involved in a number of start – up businesses in addition to operating his own consulting practice. Mr Mitch Jakeman holds a BE Mining Degree from the University of New South Wales, a Diploma in Mineral Economics from Macquarie University and ME (Hons) Mining under Stored Waters and Dams from the University of Wollongong. He holds no other directorships with ASX listed entities.

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

Company Secretary

Mr David
Forsyth
Company
Secretary
 FGIA, FCIS,
 FCPA

Mr Forsyth was appointed Company Secretary on 8 October 2010. Mr Forsyth has over 40 years' experience in engineering, project development and mining. His most recent position was with Oxiana Ltd, now OZ Minerals Limited, where he was Company Secretary and Manager Administration from 1996 to 2008.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

2. Directors' meetings

The number of Directors' meetings (including meeting of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

	Directors' meetings		Meetings of committees of Directors			
			Nomination and Remuneration		Audit, Risk & Compliance	
	A	B	A	B	A	B
Mr Craig Wiggill	11	11	4	4	5	5
Dr Bruce Gray	11	11	4	4	-	-
Mr Owen Hegarty	3	2	3	1	2	-
Mr David Swan	5	5	4	4	3	3
Mr Mitch Jakeman	11	11	3	2	3	3

A = Number of meetings held

B = Number of meetings attended

3. Principal activities

The principal activities of 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 Deposits, comprising its two, well-located, large coking coal projects in the Far East of the Russian Federation.

- 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.

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. In 2019 TIG applied for a Mining and Excavation Plan ("TPRM") for the integrated development of the Fandyushkinskoe Field and Zvonkoye license areas, which was approved in December 2019. Consequently, future references to Amaam North will 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 supplemented by a coal handling and preparation plant ("CHPP"), which began processing coal in April 2022, will enable the Group to produce and sell higher-value coal into the semi-hard coking coal ("SHCC") markets. These developments are expected to enable an increase in coal sales up to 2.0Mtpa.

Amaam

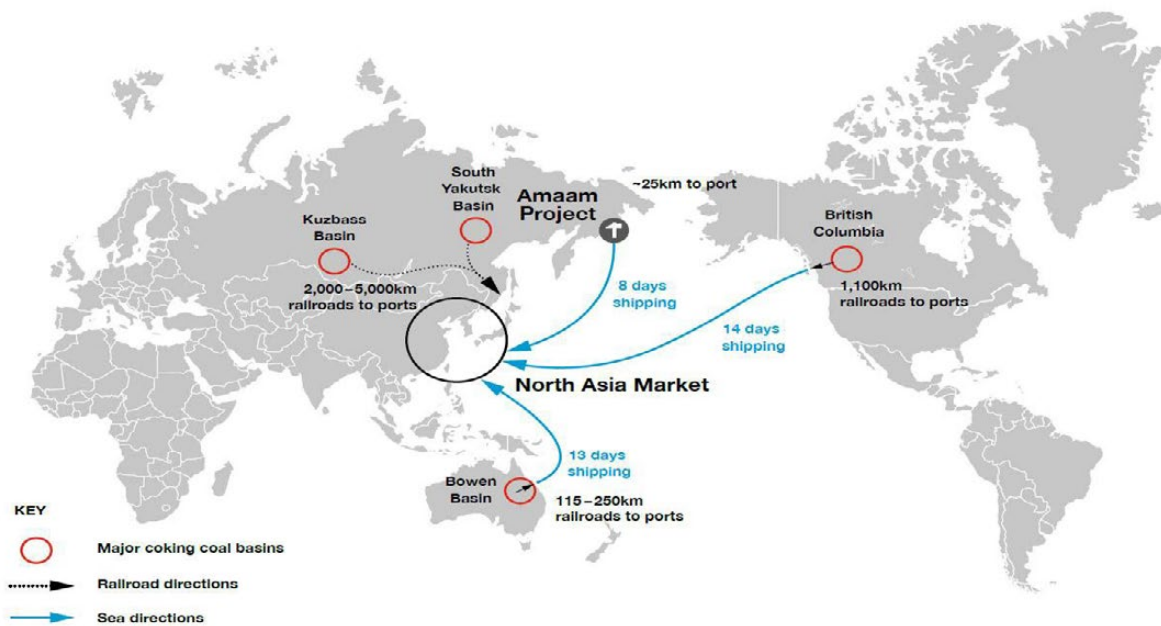
Amaam is a potential long-life project of the Group with capacity to enable TIG to increase production up to 5Mtpa of high-quality coking coal product over an estimated 20-year life of mine. The Company currently holds an Exploration Licence over the Amaam deposit and two long-term (20 year) Extraction and Exploration Licences over parts of the deposit. Further details on the current status of the Group's licences are disclosed below in *Significant Business Risks: Licences, Permits and Titles*

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

4. Review of operations

Business Strategies and Group Objectives (continued)

Amaam Coking Coal Field– World Location Map



Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

Operating Performance

Key Operating and Financial Indicators for the year ended 31 December 2022 ("2022") and 2021 ("2021"):

Operating Indicators (rounded to the nearest thousand tonnes, unless otherwise stated)	Results for 2022	Results for 2021
Coal mined	1,523	1,025
Overburden removed	4,666 kbcm	4,063 kbcm
Stripping ratio	3:1 bcm/t	4:1 bcm/t
Total saleable coal stocks at 31 December	687	567
Total coal sales*, of which:	1,065	911
- Thermal coal sales	798	791
- Semi soft coal sales	267	120
Employees as at 31 December**	423	340

*Including 71kt thermal coal sold domestically without shipment (Year ended 31 December 2021: 13kt).

**Full time equivalent staff.

Key Financial Indicators (in A\$'000 unless otherwise stated)	Results for 2022	Results for 2021
Revenue from coal sales	185,781	103,944
Cost of coal sold	(121,687)	(59,398)
Gross margin on coal sold	64,094	44,546
EBITDA*	59,015	46,852
Adjusted EBITDA**	59,557	44,313
Net profit / (loss) before tax	53,546	37,956
Average free on board ("FOB") coal sales price per tonne	A\$148.57 (US\$99.68)	A\$105.79(US\$77.41)
Average cost of coal mined and sold per tonne	A\$62.09 (US\$41.66)	A\$41.58 (US\$30.43)
Average cost of port handling and stevedoring costs per tonne sold	A\$7.44 (US\$4.99)	A\$6.52 (US\$4.77)
Total FOB cost of coal sold***	A\$83.84 (US\$56.25)	A\$54.75 (US\$40.06)

*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.

**Adjusted EBITDA is EBITDA excluding non-cash expenses such as royalty expense, write-off of property, plant and equipment, change in provisions for inventories and share based payments.

***Includes other costs of coal sold of A\$14.3 per tonne in 2022 (A\$6.65 per tonne in 2021). Does not include freight which is part of cost of coal sold.

EBITDA and adjusted EBITDA are not defined by AASB and are non-statutory measures. These non-financial measures have not been audited

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

The following table summarises the key reconciling items between the Group's EBITDA, adjusted EBITDA and its profit/(loss) before income tax:

in A\$'000	Results for 2022	Results for 2021
Profit/(loss) before income tax	53,546	37,956
Add: Net finance costs	(2,068)	2,596
Add: Depreciation	7,537	6,300
EBITDA	59,015	46,852
Add: Royalty expense	308	189
Add: Write-off of property, plant and equipment	234	235
Add: Change in provisions for inventories	-	(2,963)
Add: Share based payments	-	-
Adjusted EBITDA	59,557	44,313

The primary challenge faced by the Group in 2022 related in one way or another to the dramatic deterioration of the geopolitical situation related to the conflict in Ukraine. As discussed in detail in Note 4 to the Consolidated Financial Statements, the various economic restrictions enacted with respect to Russia by Australia, the United States, the United Kingdom, and the European Union as well as certain other countries and the various counter-sanctions enacted by the Russian Federation have created a number of marketing and operational (primarily supply chain) challenges. During the year, the Group succeeded in establishing new client relationships as well as alternative supply sources. The challenges are, nevertheless, ongoing, and in particular, the Group is not able to assess the potential impact of any additional restrictions which may be enacted in the future as the nature of any future restrictions is not knowable.

During the year ended 31 December 2022, the Company achieved a production level of 1,523 thousand tonnes ("kt"), of which 796 kt were delivered to Beringovsky Port and Coal Terminal (1,025kt and 804kt, respectively in 2021). During the year ended 31 December 2022, the Group sold 1,065kt (911kt in 2021) and generated A\$185.781 million in total revenue from the sale and shipment of coal (2021: A\$103.944 million).

The Group had A\$4.876 million net cash inflow from operations for the year ended 31 December 2022 (2021: A\$23.204 million net cash inflow). Cash outflows of A\$17.572 million on investing activities were incurred for the year ended 31 December 2022 (A\$26.242 million was incurred for the year ended 31 December 2021). The Group's net profit for the year ended 31 December 2022 was A\$52.704 million (2021: net profit of A\$37.902 million). The Company agreed to a request from a client to defer to January - March 2023 receipt of payments amounting to A\$24 million, net of demurrage and dead freight charges.

The international coal market experienced disruption during 2022. The global post - Covid economic recovery continued, but normal trade flows were significantly disrupted by sanctions resulting from the military action in Ukraine. Restrictions were imposed on Russian coal supply to Europe and elsewhere, as well as shipping companies, insurance companies and other service providers involved in exports of Russian coal. These restrictions and changes to trade flows created improved market conditions for other supply regions, but created the difficult conditions for Russian coal companies, who were forced to compete very hard for sales into severely restricted markets under conditions of dramatic cost escalation arising from a limited number of service providers, particularly for sea-freight.

During 2022 TIG built on the previous year's operational improvements to drive increased mining volumes and significant improvements in port operations. Our pre-season dredging efforts and intra-season maintenance program, especially with respect to the main conveyor, combined with the increased experience of our barge crews enabled a 9% increase in trans-shipment volumes to 1,049 kt, a record for the Beringovsky port.

The combined effect of above factors resulted in a positive gross margin of A\$64.094 million for the year ended 31 December 2022 (2021: A\$44.546 million).

The average margin per tonne of coal sold during the year ended 31 December 2022 was A\$60.18/t (US\$40.37/t) (2021: A\$48.90/t (US\$35.78/t)), the weighted average FOB sales price per tonne ("FOB/t") being A\$148.57/t (US\$99.68/t) (2021: A\$105.79/t (US\$77.41/t)). The increase in sales price per tonne and FOB cost per tonne is due to sales of washed product.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

4. Review of operations (continued)

Operating Performance (continued)

Significant investments in coal processing, mining and port assets totalling A\$17.572 million during the year ended 31 December 2022 included:

- CHPP-related civil works;
- Additional mining equipment both to replace aging equipment and to increase capacity;
- Construction of fuel farm;
- Waste treatment plant in the port;
- Acquisition of additional 500t barge

Financial Position

Cash balances

The Group's cash balance decreased by A\$26.341 million over the year to A\$7.170 million at 31 December 2022. This decrease is due to deferral of receipt of payments amounting to A\$24 million, net of demurrage and dead freight charges.

Inventory on hand

The carrying amount of the Group's inventories on hand at 31 December 2022 is A\$85.640 million (31 December 2021: A\$48.235 million), including A\$33.553 million of coal stocks, A\$10.968 million in fuel and oils and A\$41.119 million of other consumables.

Coal inventories increased by A\$14.650 million primarily due to increase in coal stocks by 120kt and CHPP processing cost.

Other consumables increased by A\$19.945 million primarily due to increase of spare parts stock because of the current geopolitical situation and logistic problems: freight prices increased significantly compared to 2021 and those costs are included in cost of other consumables. Spare parts prices increased due to decreased supply as many companies curtailed operations in Russia in 2022. Part of the increase is due to CHPP spares, magnetite and flocculants.

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.

Non-current assets

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 consolidated financial statements for further details.

Two Scania and other items with a carrying value of A\$0.234 million were written off during the year ended 31 December 2022 as a result of damage for which repairs to restore it to its previous operational condition were assessed as not economically justifiable (For the year ended 31 December 2021: a CAT 740B dump trucks, two scanias, a crusher, an excavator, a snow removal machine, and telecommunications equipment with the carrying value of A\$0.235 million was written off).

Leases

During the year ended 31 December 2022, the Group did not conclude new lease agreements for additional mining and haulage equipment.

Royalty Agreement liability

After the assessment of the provision for the obligations under the royalty agreements at 31 December 2022, the Group recognized an increase in the royalty liability of A\$1.618 million, of which A\$308 million relates to changes arising from the passage of time and changes in the assumptions, A\$1.310 million relates to changes in foreign exchange rates. As at 31 December 2022 the provision amounted to A\$20.036 million (At 31 December 2021: A\$18.418 million). Refer to Note 21 to the consolidated financial statements for further details.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

4. Review of operations (continued)

Financial Position (continued)

Options

During the year ended 31 December 2022, no options were granted, and 8,002,000 options lapsed or were forfeited and have been removed from the Company's option register. Total number of options as at 31 December 2022 is Nil.

Significant Business Risks

The Group's operations and annual budget are subject to a range of business risks, assumptions and expectations all of which contain various levels of uncertainty and outcome. TIG has adopted a Risk Policy through which a risk management framework identifies, analyses, mitigates and monitors the risks applicable to the Group. Identified risks are entered into a risk register which is maintained by a committee of senior management and staff. Significant risks are presented at least twice annually to the Audit, Risk and Compliance Committee and, following each review, are formally reported and discussed by the Board.

Detailed below are risk areas identified as at the date of the Directors' Report which may affect TIG's future operating and financial performance.

Country Risk

TIG's projects are located in Russia. Operating in this jurisdiction exposes TIG to a range of significant country specific risks including general economic, regulatory, legal, social and political conditions. These and other country specific risks may affect TIG's ability wholly or in part to operate its business in the Russian Federation.

As noted above, with the start of the conflict in Ukraine relations between Australia, the United States, the United Kingdom and the European Union along with several other countries, on the one hand, and the Russian Federation on the other deteriorated dramatically. The Group's assessment of the potential impact of the economic restrictions enacted by all parties is set out in Note 4 to the Consolidated Financial Statements.

COVID-19 Pandemic

The only notable impact on the Group's operations in 2022 related to the COVID-19 Pandemic was the delayed delivery of the fifth barge. Primarily as a result of Covid-related restrictions in China, the barge was delivered to Nakhodka in October instead of June. Consequently, the Group was not able to utilize this barge for loading during the 2022 navigational season.

Uncertainty in estimation of Mineral Resources and Reserves

Estimating the quantity and quality of Mineral Resources is an inherently uncertain process and the Mineral Resources and Reserves stated, as well as any Mineral Resources or Reserves TIG states in the future, are and will be estimates, and may not prove to be an accurate indication of the quantity of coal that TIG has identified or that it will be able to extract.

In November 2020 TIG announced the results of a new JORC report with respect to Amaam North – Project F. Compared to the previously reported coal reserves TIG's Recoverable Reserves increased by 2.8 million tonnes ("Mt") to 23.8Mt (15.0Mt proved and 8.8Mt probable) while Marketable Reserves decreased by 0.34Mt to 15.4Mt (9.8mt proved and 5.6mt probable). TIG's Amaam North Resources decreased by 23.4Mt to 85.6Mt.

Project Assessment and Development Risk

The process of further developing and constructing Amaam North (including the CHPP enhancement) will be subject to many uncertainties, including the timing and cost of construction, the receipt of required government permits and the availability of financing for the projects. There is a risk that unexpected challenges or delays will arise, or that coal quality and quantity results will differ from the estimates on which TIG's cost estimates are based, increasing the costs of production and/or resulting in lower sales.

Mining and development operations can be affected by force majeure circumstances, environmental considerations and cost overruns for unforeseen events. Any event that impacts on the production rates potentially may reduce the quantity of coal mined and thereby reduce the amount of coal available for sale.

Events that could adversely impact on production rates include, but are not limited to geotechnical and geological conditions; equipment availability, utilisation rates and failure; development rates at which relevant coal seams are exposed; weather (including flooding) and natural disasters; unexpected maintenance or technical problems; depletion of TIG's reserves; increased or unexpected reclamation costs; and interruptions due to transportation delays; interruptions to supplies of required materials and services; and the actions of potential contractors engaged by TIG to operate its projects (including any breach of contract or other action outside TIG's control).

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

4. Review of operations (continued)

TIG is at the preliminary stage of determining the economic and technical viability of the Amaam Licence. To date TIG has completed a Preliminary Feasibility Study (PFS) and subsequent resource updates on the Amaam project. There is a risk that the more detailed studies in relation to the Amaam project may disprove assumptions or conclusions reached in the PFS, may reveal additional challenges or complexities and may indicate the cost estimates are incorrect. In addition, TIG must proceed through a number of steps before making a final investment decision with respect to the projects, conducting definitive feasibility studies, converting Resources to Reserves, obtaining government approvals and permits and obtaining adequate financing.

Operational Risks

The Group's projects may be subject to operational, technical or other difficulties, including those arising as a result of unforeseen events outside the control of the Company, any or all of which may negatively impact the amount of coal produced, delay coal deliveries or increase the estimated cost of production, which may have an adverse impact on the Company's business and financial condition. These risks include:

- **Political Risks:** As discussed above, the relationship between the United States, the United Kingdom and various European countries, on the one hand, and the Russian Federation, on the other, have deteriorated dramatically. Please refer to Note 3 of the Consolidated Financial Statements for detail on the Group's assessment of the potential impact on the Group's prospects.
- **General Economic Risks:** TIG's ability to obtain funding for the projects, financial performance and ability to execute its business strategy will be impacted by a variety of global economic, political, social, stock market and business conditions. Deterioration or an extended period of adversity in any of these conditions could have an adverse impact on TIG's financial position and/or financial performance.
- **Coal Market and Demand:** TIG intends to earn future profits from the production and sale of coal and a decline in prices or lower demand for coal than expected by TIG may adversely impact the feasibility of the Company's development and mine plans, and the economic viability of the projects. The Company faces commodity price risk when valuing its projects, having adopted long-term sales price estimates in accordance with independent third-party external forecasts, validated against long-term market expectations.
- **Exchange Rate Variations:** Significant changes in the Australian / US Dollar, US Dollar / Russian Rouble and the Australian Dollar / Russian Rouble exchange rates may have a significant impact on TIG's ability to fund the capital expenditure required to construct these projects.
- **Climate-related risks:** The introduction of new and/or more stringent carbon pricing mechanisms in Russia, and/or the Group's key coal importing countries such as China and Japan may reduce the cost competitiveness of coal as an energy source. Further, changes in government policy relating to either coal consumption or energy generation in large Asian economies could impact the longer-term outlook for global coal demand. Changes in the longer-term global coal demand outlook could have an impact on the Group's future coal revenues and the recoverability of undeveloped coal reserves. Refer below for further details.

Climate-related risks

TIG identifies the need to address climate-related risks as integral to the achieving the Group's key objectives and continues to develop its assessment of the potential impact of climate change and the transition to a low carbon economy on its operations over the short, medium, and long-term perspectives.

TIG's current climate change approach focuses on supporting emissions reductions, assessing the impact on our business of evolving global regulatory frameworks and managing climate-related risks and opportunities.

TIG divides climate-related risks into two major categories: risks related to the transition to a lower-carbon economy and risks related to the physical impacts of climate change.

Transition risks arise from policy, regulatory, legal, technological, market and other responses to the challenges posed by climate change and the transition to a low carbon economy. Below are the examples of the key identified transitional risks:

- Legislative and policy changes focusing on climate change may impact TIG's ability to operate and/or extend the life of existing mining assets as well as develop new mines;
- Changes in government policy relating to either coal consumption or energy generation, such as introduction of new and/or more stringent carbon pricing mechanisms in Russia, and/or the Company's key export markets may reduce the cost competitiveness of coal as an energy source;
- Changes in the longer-term global coal demand outlook driven by the transition to a lower carbon economy and substitution of thermal coal as an energy source could have an impact on the Company's future coal revenues and the recoverability of undeveloped coal reserves.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

4. Review of operations (continued)

- Climate related considerations of capital providers could limit access to capital and insurance markets significantly increasing the cost of capital;
- Failure to achieve and maintain acceptance on climate related issues may lead to impaired business reputation and stakeholder exclusion.

Physical risks refer to acute risks that are event-driven, including increased severity of extreme weather events, and chronic risks resulting from longer-term changes in climate patterns that potentially could have material impact on the Company's operations. As an example, a sharp drop in overall temperatures could shorten TIG's port's navigational season and affect loading rates, while global warming of the ocean waters could on the contrary prolong the shipping season creating additional opportunity to maximize loading in Beringovsky Port. There is not enough data currently to determine and assess the impact of physical risks on TIG's operations.

TIG's Board of Directors and management take into account climate risks when discussing strategic initiatives and believe that there is also opportunity for TIG to play a positive and effective role during transition to a low carbon economy.

Initiatives to reduce TIG's carbon footprint include optimisation of fuel use and electricity consumption, investigating technologies that would improve energy efficiency of TIG's operations, including renewable energy sources, and commissioning CHPP that will significantly decrease the share of thermal coal in TIG's product mix.

Capital Management

The nature of the Group's mining operations is such that coal production continues throughout the winter season, whilst sales are only realised during the Beringovsky Port shipping season. The shipping season historically commences in June and port operations may continue as late as November. The length of the shipping season is limited, resulting in the necessity of engaging vendors in the first half of the calendar year prior to the generation of operating cashflows from coal sales. This seasonality significantly impacts both on the nature, level and timing of required funding.

The Group, therefore, must ensure that its liquidity levels are managed during the period between shipping seasons. Consideration is also required of the extent and timing of capital expenditures and the related forward funding commitments necessary to achieve the Group's expected development levels.

The Group had cash balances of A\$7.170 million at 31 December 2022. Directors have concluded that cash balances at year end provide TIG with sufficient liquidity, given cash receipts to be received by March 2023, projected expenditures during the first six months of 2023 and anticipated sales arrangements. The Company agreed to a request from a client to defer to January - March 2023 receipt of payments amounting to A\$24 million, net of demurrage and dead freight charges.

TIG's Amaam project is at the pre-development stage and will require additional drilling, evaluation and feasibility study work prior to a development decision. Should TIG proceed to develop the Amaam project upon completion of further definitive studies, significant capital expenditure will be required.

Licenses, Permits and Titles

TIG requires certain licenses, permits and approvals to develop the Amaam North and Amaam projects. There are three main approvals required to commence the construction and operation of a mining project in Russia. These are a) an Exploration and Extraction Licence (Mining Licence); b) a Construction Permit; and c) a Commissioning Permit. Due to the current stage of the Amaam project, the Company has not yet applied for the majority of the required licences, permits and approvals to construct and operate the mine. Amaam exploration license AND 01379 TP (former AND 01277 TP) renewal was completed in June 2020.

For Project F Amaam North, the Mining Licence was granted in December 2014 and work has been completed in obtaining all relevant Construction and Commissioning Permits. In 2019 Rosnedra, the Russian natural resource licensing authority, approved a Mining and Excavation Plan ("TPRM") for the integrated development of the Fandyushkinskoe and Zvonkoye license areas.

In addition to specific mining-related approvals, other approvals are required for the development of Amaam North. Such approvals relate to the CHPP, road development from the Amaam North mine site to Beringovsky Port and Coal Terminal and for the capital upgrades to be completed at the Beringovsky Port and Coal Terminal.

There are also a number of conditions and regulatory requirements that TIG must satisfy with respect to its tenements to maintain its interests in those tenements in good standing, including meeting specified drilling and reporting commitments. There is a risk that TIG may not be able to complete all drilling requirements due to equipment availability, delays caused by suppliers or contractors or weather.

There is a risk that TIG may fail to obtain or be delayed in obtaining the licences, permits and approval, or meet the conditions required to maintain its interests in the tenements. In the event that TIG fails to obtain, or delays in obtaining such licenses,

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

4. Review of operations (continued)

permits and approvals occur, and there arises a failure to meet tenement licence commitments, such events may adversely affect TIG's ability to proceed with the projects as currently planned.

Feasibility Studies of the Amaam deposit development for licence areas АНД 01278 (Zapadny) and АНД 01288 (Nadezhny) were completed and approved in 2019. Following this approval, TIG will develop and have approved a Mining and Excavation Plan ("TPRM") for Zapadny licence area, outlining the expected mining approach and volumes from the licence area.

5. Significant changes in the state of affairs

In the opinion of the Directors, except as disclosed in the review of operations, there were no further significant changes in the Group's state of affairs during the year ended 31 December 2022 not otherwise reflected in the accompanying consolidated financial statements.

6. 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.

7. 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.

8. Likely developments

Ongoing enhancements of port, road and other mine infrastructure will continue during 2023. The Group will place an emphasis on progressing exploration and appraisal activities at both Amaam and Amaam North.

9. Environmental regulation

The Group's exploration, development and mining activity in Russia is subject to Federal and Regional Environmental regulation. The Group is committed to meeting or exceeding its regulatory requirements and has systems in place to ensure compliance with the relevant Environmental regulation. The Directors are not aware of any breach of these regulations during the period covered by this report.

10. Directors' interests

The relevant interest of each Director and Alternate 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	-	-

11. Share Options

Options granted to directors, executives and employees of the Company

The option plan offers individuals the opportunity to acquire fully paid ordinary shares in the Company. Share options granted under the plan carry no dividend or voting rights. When exercised, each option is convertible into one ordinary share subject to satisfying vesting conditions and performance criteria. The shares when issued rank pari passu in all respects with previously issued fully paid ordinary shares. Option holders cannot participate in new issues of capital which may be offered to shareholders prior to exercise.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

During the year ended 31 December 2022, no options were granted, and 8,002,000 options lapsed or were forfeited and have been removed from the Company's option register (For the year ended 31 December 2021: no options issued and 1,905,000 options lapsed, bringing options issued over ordinary shares in the Company to 8,002,000).

Unissued shares under options

Unissued shares under options as of the date of this report are detailed in Note 23 to the consolidated financial statements.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

12. Remuneration report – audited

This remuneration report, which forms part of the directors' report, sets out the remuneration information for Tigers Realm Coal Limited's non-executive directors and other key management personnel ("KMP") for the financial year ended 31 December 2022.

(a) Details of key management personnel

Name	Position	Commencement Date
Directors		
Craig Wiggill	Chairman (Non-Executive)	20 November 2012
Bruce Gray	Director (Non-executive)	1 October 2015
Owen Hegarty	Director (Non-executive)	8 October 2010
Valery Doronin	Director (Non-executive)	27 April 2021
Mitch Jakeman	Director (Non-executive)	17 January 2022
David Swan	Director (Non-executive)	26 August 2020
Senior Executives		
Dmitry Gavrillin	Chief Executive Officer	1 June 2018
Dale Bender	Chief Financial Officer	1 October 2018
Scott Southwood	General Manager Marketing	13 October 2013
Sergey Efanov	General Manager Operations	15 November 2017
David Forsyth	Company Secretary	8 October 2010

(b) Changes to key management personnel

Directors

TIG's Non-Executive Director David Swan has resigned from the Board, effective 15 August 2022
TIG's Non-Executive Director Valery Doronin has resigned from the Board, effective 3 February 2022
TIG's Non-Executive Director Owen Hegarty has resigned from the Board, effective 23 May 2022
TIG's Non-Executive Director Mr Mitch Jakeman was appointed 17 January 2022

Executives

There were no changes to Executives during 2022 and 2021.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

12. Remuneration report – audited (continued)

(c) Principles used to determine the nature and amount of remuneration

KMP are those persons having authority and responsibility for planning, directing and controlling the Group's activities and include the Company's Directors and Senior executives.

The Board is committed to clear and transparent disclosure of the Company's remuneration arrangements. The Company's remuneration policy is designed to ensure that it enables the Company to attract and retain valued employees and motivate senior executives to pursue the long-term growth and success of the Company, demonstrate a clear relationship between performance and remuneration and have regard for prevailing market conditions.

(d) Consequence of performance on shareholder wealth

The Directors are committed to developing and maintaining a remuneration policy and practices that are targeted at the achievement of corporate values and goals and the maximisation of shareholder value.

When determining compensation for KMP, the Nomination and Remuneration Committee and the Board have regard to financial funding, resource development, project advancement and development, and other objectives, based on goals set by the Nomination and Remuneration Committee and the Board throughout the year. In addition, the Board has regard to the following financial indices in respect of the financial year and previous four financial years.

	2022	2021	2020	2019	2018
Net profit/(loss) attributable to equity holders of the parent (<i>A\$ million</i>)	\$52.799	\$37.923	\$(15.616)	\$(18.715)	\$10.959
Closing share price (<i>A\$</i>)	\$0.02	\$0.02	\$0.01	\$0.01	\$0.04

(e) Remuneration policy and structure for senior executives

The objective of the Group's executive remuneration policy is to ensure the reward for performance is market competitive and appropriate for the results delivered. The structure aligns executive reward with achievement of strategic objectives and the creation of wealth for shareholders and conforms to market practice for delivery of reward. The structure provides a mix of fixed and variable remuneration and for the variable, or "at-risk", remuneration a blend of short-term and long-term incentives. As executives gain seniority within the Group, the balance of this mix shifts to a higher proportion of "at-risk" rewards.

The Company's remuneration policy and structure for its senior executives comprises three main components:

- Fixed Remuneration, which is the total base salary and includes employer superannuation contributions. The fixed remuneration reflects the job level, role, responsibilities, knowledge, experience and accountabilities of the individual executive and is set at a level which is competitive, aligned with the business needs and based on current market conditions in the mining industry and countries in which the Company does business.

Compensation levels are reviewed each year by the Nomination and Remuneration Committee to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the remuneration policy. The review process considers individual and overall performance of the Group.

- Short-Term Incentive ("STI"), which is at-risk remuneration. This is an annual incentive award based on the achievement of pre-determined Company and individual objectives. These short-term incentives are available to executives and other eligible participants and are at the discretion of the Board. The STI is an at-risk bonus, which is payable subsequent to Board ratification of recommendations made by the Remuneration and Nomination Committee each year.
- Long-Term Incentive ("LTI") Program is at-risk remuneration. Under the LTI Program which was effective before 2021, employees, at the discretion of the Board, are offered options over ordinary shares in the Company under the Company's Option Plan. In 2021 the Company approved new LTI program. The Program establishes a range of potential bonus payouts to the CEO, COO and CFO in 2024 in the event that earnings and environmental, social and corporate governance ("ESG") targets for the preceding three years were met. The earnings component and ESG component are weighted 75% and 25%, respectively. The earnings component is aggregated earnings before taxes, depreciation & amortisation ("AEBTDA"). AEBTDA differs from the commonly-used metric of EBITDA in that it is aggregated over three years and interest expenses are included. The target AEBTDA and the level required to achieve maximum bonus for the earnings component of the LTIP are US\$70.8 million and US\$100.8 million, respectively. The ESG component is at the discretion of TIG's Board of Directors and will be based on the Directors' assessment of the degree to which the Group's ESG goals were met. The target and maximum potential bonus payouts equal, respectively, 2.5 times and 5 times average annual base pay.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

12. Remuneration report – audited (continued)

(e) Remuneration policy and structure for senior executives (continued)

For the LTI element of remuneration, any options granted under the Company's Option Plan, are approved by the Board in advance. Further details of the Option Plan are included in Note 24 to the consolidated financial statements. The Company may make initial grants of options to certain senior executives as part of their individual employment contracts. It is a vesting condition that the holder of options remains an employee or director at the time of vesting.

For the STI element of remuneration, a performance framework has been developed for KMP and other senior executives under the STI programme. Key Performance Indicators ("KPIs") are developed for each individual, which are reassessed regularly to ensure they remain current and applicable as the Group's operations develop.

Individual performance against these KPIs is assessed annually by the individual's manager or the CEO and is subject to Board discretion. The performance framework develops individual KPIs for KMP other than CEO, CFO and the GM Operations in the following proportions:

- 30% Group related KPIs, (these are Health, Safety & Environmental specific, Project, and Corporate objectives); and
- 70% Individual KPIs tailored to the role and objectives of each senior executive.

For CEO, CFO and the GM Operations the proportion is 50% Group related KPIs and 50% Individual KPIs

Employment contracts contain no termination benefits other than payments in lieu of notice and redundancy payments. The notice periods and redundancy payments vary for the individuals and depending upon the period of service.

The remuneration and other terms of employment for key management personnel are formalised in their employment contracts and services contracts.

(f) Employment contracts

The Group has entered into employment arrangements with each senior executive, other than the General Manager Marketing, who is engaged on an external contractor basis, which are open-ended contracts with no expiry date. The contracts may be terminated immediately on the basis of serious misconduct. The senior executives are also entitled to receive on termination of employment their statutory and contractual entitlements of accrued annual and long service leave, together with any superannuation benefits.

The employment contracts provide for the payment of performance-related bonuses under both STI and LTI programmes and participation, where eligible, in the Company Option Plan under the LTI Program. The maximum bonus payable under the STI programme is up to 128% of total remuneration for CEO and 75% for CFO and the GM Operations. The Group can elect to pay these bonuses in cash or by means of issuance of shares.

The employment contract outlines the components of compensation but does not prescribe how compensation levels are modified year to year. The Nomination and Remuneration Committee reviews and makes any recommendations to the Board annually on compensation levels, assessing the necessity or otherwise of any changes required so as to meet the principles of the Group's compensation policy.

(g) Remuneration of Executive and Non-Executive Directors

On appointment to the Board, Non-executive Directors enter into service agreements with the Company in the form of a Letter of Appointment. The letter summarises the Board Policies and terms, including compensation, relevant to the office of Director. The employment contracts with Directors have no fixed term.

Non-executive Director remuneration is reviewed annually by the Board. Non-executive Directors are eligible for a fixed base fee for being a Director and may receive additional fees for either chairing or being a member of a Board committee, working on special committees, and / or serving on special committees and / or special boards. Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which has been established at A\$1,500,000.

In addition to being eligible for a fixed base fee, all non-executive Directors are entitled to 9.50 per cent in superannuation contributions. No retirement or other long-term benefits are provided to any Director other than superannuation. Non-Executive Directors can claim reimbursement of out-of-pocket expenses incurred on behalf of the Company. During the year ended 31 December 2022, the base fee for Directors was A\$57,500 per annum. The Chairman is entitled to A\$100,000 per annum and a per diem of the AUD equivalent of British Pounds Sterling ("GBP") 1,000 is payable whilst travelling in respect of the Group's business. In addition to the base fee, \$7,000 per annum is also payable to the Director who performs the duties of Chairman of each Committee.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

12. Remuneration report – audited (continued)

(h) Details of the remuneration of the Group's key management personnel

Details of the nature and amount of each major element of remuneration of each Director of the Company, and the key management personnel (as defined in AASB 124 *Related Party Disclosures*) are set out in the following tables.

	Short – term			Post-employment			
Name	Cash Salary and fees A\$	Non-Monetary Benefits (1) A\$	STI bonus (2) A\$	Super-annuation A\$	LTI (3) A\$	Total Remuneration A\$	Proportion of remuneration comprising options %
2022							
Non-executive Directors							
C Wiggill	118,540	-	-	11,261	-	129,801	0.00%
B Gray	-	-	-	-	-	-	0.00%
O Hegarty	-	-	-	-	-	-	0.00%
V Doronin	-	-	-	-	-	-	0.00%
T Sitdekov	-	-	-	-	-	-	0.00%
M Jakeman	63,326	-	-	6,016	-	69,342	0.00%
D Swan	84,001	-	-	7,980	-	91,981	0.00%
Sub total	265,867	-	-	25,257	-	291,124	
Other key management personnel							
D Gavrilin	462,598	-	352,292	-	382,494	1,197,384	0.00%
D Bender	422,813	-	126,331	-	227,793	776,937	0.00%
S Southwood	218,764	-	68,026	-	-	286,790	0.00%
D Forsyth	97,286	-	-	-	-	97,286	0.00%
S Efanov	560,600	-	136,455	-	246,047	943,102	0.00%
Sub total	1,762,061	-	683,104	-	856,334	3,301,499	
Total key management							
Personnel	2,027,928	-	683,104	25,257	856,334	3,592,623	

1. Includes the value of fringe benefits and other allowances.
2. In respect of 2022.
3. During 2021 all the options granted under the previous LTI programme vested. 2022 remuneration includes cash bonuses accrued under new LTI program.

During the year ended 31 December 2022, other than the remuneration detailed above, key management personnel were neither entitled to nor did they receive loans or other benefits.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

12. Remuneration report – audited (continued)

(h) Details of the remuneration of the Group's key management personnel

	Short – term			Post-employment	Share - based payments		
Name	Cash Salary and fees A\$	Non-Monetary Benefits (1) A\$	STI bonus (2) A\$	Super-annuation A\$	LTI (3) A\$	Total Remuneration A\$	Proportion of remuneration comprising options %
2021							
Non-executive Directors							
C Wiggill	100,000	-	-	9,500	-	109,500	0.00%
B Gray	-	-	-	-	-	-	0.00%
O Hegarty	-	-	-	-	-	-	0.00%
R Morgan	-	-	-	-	-	-	0.00%
T Sitdekov	-	-	-	-	-	-	0.00%
D Swan	53,270	-	-	5,060	-	58,330	0.00%
Sub total	153,270	-	-	14,560	-	167,830	
Other key management personnel							
D Gavrilin	422,691	-	352,292	-	346,118	1,121,101	0.00%
D Bender	263,291	-	126,331	-	202,312	591,934	0.00%
S Southwood	234,778	-	68,026	-	-	302,804	0.00%
D Forsyth	114,164	-	-	-	-	114,164	0.00%
S Efanov	354,366	-	136,455	-	218,525	709,346	0.00%
Sub total	1,389,290	-	683,104	-	766,955	2,839,349	
Total key management							
Personnel	1,542,560	-	683,104	14,560	766,955	3,007,179	

1. Includes the value of fringe benefits and other allowances.
2. In respect of 2021.
3. During 2020 all the options granted under the previous LTI programme vested. 2021 remuneration includes cash bonuses accrued under new LTI program

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

12. Remuneration report – audited (continued)

(i) Analysis of performance related elements of remuneration

The following table shows the relative proportions of remuneration packages of the Executive Directors and KMP during the year ended 31 December 2022, that are linked to performance and those that are fixed. The STI and LTI components of each of the Senior Executive's remuneration are contingent upon the achievement of the performance criteria.

Name	Fixed Annual Remuneration (including superannuation contributions) %	At Risk - STI as percentage of Total Remuneration %	At Risk - LTI as percentage of Total Remuneration (1) %	At Risk - Total as percentage of Total Remuneration %
------	---	--	--	--

2022

Other key management personnel

Dmitry Gavrilin, CEO	38.63	29.43	31.94	61.37
Dale Bender, CFO	54.42	16.26	29.32	45.58
Scott Southwood, General Manager Marketing	76.28	23.72	-	23.72
David Forsyth, Company Secretary	100.00	-	-	-
Sergey Efanov, General Manager Project F	59.44	14.47	26.09	40.56

2021

Other key management personnel

Dmitry Gavrilin, CEO	37.70	31.43	30.87	62.30
Dale Bender, CFO	44.48	21.34	34.18	55.52
Scott Southwood, General Manager Marketing	77.53	22.47	-	22.47
David Forsyth, Company Secretary	100.00	-	-	-
Sergey Efanov, General Manager Project F	49.96	19.23	30.81	50.04

1 For LTI provided by way of options, the percentages disclosed also reflect the value of remuneration consisting of options, based on the value of options expensed during the year.

The Options Scheme prohibits executives from entering into arrangements to protect the value of unvested LTI Plan awards. The prohibition includes entering into contracts to hedge their exposure to options awarded as part of their remuneration package.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

12. Remuneration report – audited (continued)

(j) Analysis of bonuses included in remuneration

During and in respect of the years ended 31 December 2022 and 2021, there were A\$683,104 in short-term incentive (STI) cash bonuses awarded as remuneration to key management personnel.

(k) Share Options granted as remuneration

During the year ended 31 December 2022 and 2021, there were no options granted to key management personnel. Further details of the Option Plan are included in Note 24 to the consolidated financial statements.

During the year ended 31 December 2022, no options over ordinary shares vested (For the year ended 31 December 2021 no options over ordinary shares vested).

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

12. Remuneration report – audited (continued)

(k) Analysis of Movement in Share Options

The movement during the reporting period in the number of options over ordinary shares of Tigers Realm Coal Limited shares held directly, indirectly, or beneficially by the key management personnel and their related entities are set out below.

Name	Held at 1 January	Granted as remuneration	Exercised during year	Forfeited/ Lapsed during year	Held at 31 December	Vested at 31 December		
						Total	Exercisable	Not exercisable

2022

Non-executive Directors

C Wiggill	-	-	-	-	-	-	-	-
B Gray	-	-	-	-	-	-	-	-
O Hegarty	-	-	-	-	-	-	-	-
V Doronin	-	-	-	-	-	-	-	-
T Sitdekov	-	-	-	-	-	-	-	-
D Swan	-	-	-	-	-	-	-	-

Other key management personnel

D Gavrilin	-	-	-	-	-	-	-	-
D Bender	-	-	-	-	-	-	-	-
D Forsyth	1,906,000	-	-	1,906,000	-	-	-	-
S Southwood	2,475,000	-	-	2,475,000	-	-	-	-
S Efanov	3,621,000	-	-	3,621,000	-	-	-	-

2021

Non-executive Directors

C Wiggill	-	-	-	-	-	-	-	-
B Gray	-	-	-	-	-	-	-	-
O Hegarty	-	-	-	-	-	-	-	-
R Morgan	-	-	-	-	-	-	-	-
T Sitdekov	-	-	-	-	-	-	-	-
D Swan	-	-	-	-	-	-	-	-

Other key management personnel

D Gavrilin	-	-	-	-	-	-	-	-
D Bender	-	-	-	-	-	-	-	-
D Forsyth	1,906,000	-	-	-	1,906,000	1,906,000	1,906,000	-
S Southwood	2,475,000	-	-	-	2,475,000	2,475,000	2,475,000	-
S Efanov	3,621,000	-	-	-	3,621,000	3,621,000	3,621,000	-

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

12. Remuneration report – audited (continued)

(m) Analysis of Movement in Share Options, by value

The movement during the reporting period, by value, of options over ordinary shares in the Company held by each key management person.

	Value of options granted during year A\$	Value of options exercised during year A\$	Value of options lapsed during year A\$	Remuneration consisting of options for the year %
2022				
Non-executive Directors				
C Wiggill	-	-	-	0.0
B Gray	-	-	-	0.0
O Hegarty	-	-	-	0.0
V Doronin	-	-	-	0.0
T Sitdekov	-	-	-	0.0
D Swan	-	-	-	0.0
Other Key Management Personnel				
D Forsyth	-	-	-	0.0
S Southwood	-	-	-	0.0
S Efanov	-	-	-	0.0
2021				
Non-executive Directors				
C Wiggill	-	-	-	0.0
B Gray	-	-	-	0.0
O Hegarty	-	-	-	0.0
V Doronin	-	-	-	0.0
T Sitdekov	-	-	-	0.0
D Swan	-	-	-	0.0
Other Key Management Personnel				
D Forsyth	-	-	-	0.0
S Southwood	-	-	-	0.0
S Efanov	-	-	-	0.0

For details on the valuation of options, including models and assumptions used, refer to Note 24 to the consolidated financial statements.

(n) Analysis of options over equity instruments granted as compensation

Option vesting profiles over the Company's ordinary shares granted as remuneration to each KMP and executive are detailed below:

	Options granted		Vested during year	Forfeited/ Lapsed during year	Vesting date Start	Vesting date Finish
	Number	Grant date				
Executives						
D Forsyth	648,000	18/10/17	-	-	18/10/19	18/10/22
	1,258,000	18/10/17	-	-	18/10/20	18/10/22
S Southwood	842,000	18/10/17	-	-	18/10/19	18/10/22
	1,633,000	18/10/17	-	-	18/10/20	18/10/22
S Efanov	1,231,000	18/10/17	-	-	18/10/19	18/10/22
	2,390,000	18/10/17	-	-	18/10/20	18/10/22

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

13. Indemnification and insurance of Officers and Auditors

The Company provides insurance to cover legal liability and expenses for the Directors and Executive Officers of the Company. The Directors and Officers Liability Insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope the indemnity and that may be brought against the Officers in their capacity as Officers. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance or indemnity for the auditor of the Company.

14. Rounding and ASIC relief

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 Directors' Report have been presented in Australian dollars and rounded to the nearest thousand dollars, unless otherwise indicated.

15. Audit and non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to Deloitte, the Group's former auditor and Hall Chadwick NSW, the Group's current auditor for audit and non-audit services provided during the year are outlined in Note 34 to the consolidated financial statements.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit, Risk and Compliance Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 34, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants'.

16. Proceedings on behalf of the Company

No person has applied for leave of any Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

17. Auditor's Independence Declaration

The auditor's independence declaration is included on page 79 and forms part of the Directors' report for the year ended 31 December 2022.

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

Dated at Melbourne this 23rd day of March 2023.

Signed in accordance with a resolution of the Directors:



Craig Wiggill
Director

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

Corporate governance statement

The Board of Directors are responsible for the Company's corporate governance. The Board guides and monitors the business affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company has adopted systems of control and accountability as the basis for administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the highest standards of corporate governance commensurate with the Company's needs. To the extent that they are appropriate and applicable the Company has adopted the Principles of Good Corporate Governance Recommendations ("Recommendations") as published by the ASX Corporate Governance Council. As the Company's activities develop in size, nature and scope, the Board will consider on an ongoing basis its corporate governance policies and whether they are sufficient given the Company's size and nature of operations.

This Corporate Governance Statement is current as at 23 March 2023 and has been approved by the Board. A description of the Group's corporate governance practices are set out below. Where changes have occurred during the 2022 year the dates of these changes are shown. These corporate governance practices have been in place since the Company was listed on the ASX on 29 August 2011. Copies of the corporate governance documents mentioned in this statement are available on the Company's website.

Principle 1: Lay solid foundations for management and oversight

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group. The Board exercises its powers and performs its obligations in accordance with the provisions of the Company's constitution and the *Corporations Act 2001*.

The Board is responsible for:

- charting the direction, policies, strategies and financial objectives of the Company and ensuring appropriate resources are available;
- monitoring the implementation of these policies and strategies and the achievement of financial objectives;
- monitoring compliance with control and accountability systems, regulatory requirements and ethical standards;
- ensuring the preparation of accurate financial reports and statements;
- reporting to shareholders and the investment community on the performance and state of the Company; and
- reviewing on a regular and continuing basis:
 - executive succession planning; and
 - executive development activities.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the CEO and senior executives as set out in the Group's Delegation Policy, which is available on the Company's website. These delegations of authority are reviewed on a regular basis.

Board Committees

The Board had established two committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Current committees of the Board are the Nomination and Remuneration Committee and the Audit, Risk and Compliance Committee. The necessity for and structures and memberships of the respective committees are reviewed regularly.

Each committee has its own written charter setting out its role and responsibilities, composition, structure, and meeting requirements. These charters are subject to regular review and are available on the Company website. All matters determined by committees are submitted to the full Board as recommendations for Board decisions.

Minutes of committee meetings are tabled at subsequent board meetings. Additional requirements for specific reporting by the committees to the Board are addressed in the charter of the individual committee.

Management Performance Evaluation

The Board, in conjunction with the Nomination and Remuneration Committee, is responsible for approving the performance objectives and measures for the CEO and other senior executives and providing input into the evaluation of performance against them.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

Corporate Governance Statement (continued)

Principle 2: Structure of the Board

Composition of the Board

The names of the Company's Directors in office at the date of this report, specifying which are independent, are set out in the Directors' report. At the date of this report, the Board consists of two Non-Executive Directors and one Non-Executive Chairman. The composition of the Board is determined in accordance with the following principles outlined in the Board Charter:

- a minimum of three Directors;
- the intention that as the Group develops the majority of Directors will be independent; and
- the requirement for the Board is to undertake an annual performance evaluation and consider the appropriate mix of skills required by the Board to maximise its effectiveness and its contribution to the Group.

The Board considers the mix of skills and diversity of Board members when assessing the composition of the Board.

At the date of this report the Board meets the Good Corporate Governance Recommendations in that the majority of Directors should be independent. Currently two of the three Directors are independent: Craig Wiggill and Mitch Jakeman.

Given the developmental nature of the Company and the experience of the Directors, the Board considers the composition of the Board to be appropriate at this time. In due course, consideration will be given to increasing the number of independent Directors on the Board.

Board Skills

The Nomination and Remuneration Committee is responsible for developing and implementing processes to identify and assess necessary and desirable competencies and characteristics for Board members.

The Board considers that collectively the Directors have the necessary skills, knowledge and experience to direct the Company as outlined in the following Skills Matrix.

Experience and Competencies

Coal Industry Experience
Strategy, leadership and risk management
Commercial, trading and marketing
Financial analysis and capital markets experience
Corporate Governance and regulatory
Project development and construction
Stakeholder communication and engagement
Safety, environment and social responsibility

Professional Qualifications

Engineering
Finance/Economics
Accounting

Director Independence

The Board has adopted specific principles in relation to Directors' independence. These state that when determining independence, a Director must be non-executive and the Board should consider whether the Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is or has been employed in an executive capacity by the Company of any other Group member, within three years before commencing to serve on the Board;
- within the last three years has been a principal of a material professional advisor or a material consultant to the Company or any other Group member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or any other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
- has a material contractual relationship with the Company or other Group member other than a Director of the Company.

Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence and should be disclosed by Directors to the Board.

Tigers Realm Coal Limited

Directors' report (continued)

For the year ended 31 December 2022

Corporate Governance Statement (continued)

The Board regularly reviews the independence of each Director in light of interests disclosed and will disclose any change to the ASX, as required by the ASX Listing Rules.

Independent Professional Advice

All Directors may obtain independent professional advice, at the Company's cost, in carrying out their duties and responsibilities. Prior approval from the Chairman or the Board is required before seeking independent professional advice.

Chairman

The Board elects one of its Non-Executive Directors to be the Chairman. The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives. The Recommendations note that the Chairman should be an independent Director. The current Chairman, Mr Craig Wiggill satisfies the independence recommendation. The role of the Chairman is separate from that of the CEO. The CEO is responsible for implementing Group strategies and policies.

Orientation Program

The orientation program provided to new Directors and senior executives enables them to actively participate in Board decision making as soon as possible. It ensures that they have a full understanding of the Group's financial position, strategies operations, culture, values and risk management policies. Directors have the opportunity to visit the Group's business operations and meet with management to gain a better understanding of the Group's operations. The Group also supports Directors to undertake continuing education relevant to the discharge of their obligations as Directors of the Group.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of two Non-Executive Directors and the Chairman, who is independent. The Committee has a documented charter, approved by the Board which is available on the Company's website. Details of the qualifications of members of the Nomination and Remuneration Committee and their attendance at meetings of the Committee are set out in the Directors' Report. The Chairman of the Committee is Mr Mitch Jakeman.

The Nomination and Remuneration Committee operates in accordance with its charter, and the main responsibilities of the nomination activities of the Committee are to:

- review and make recommendations to the Board relating to the remuneration of the Directors and the CEO;
- assess the necessary and desirable competencies of Board members;
- review Board succession planning;
- make recommendations to the Board regarding the appointment and re-election of Directors and the CEO;
- oversee succession planning, selection and appointment practices for management and employees of the Group;
- develop a process for the evaluation of the performance of the Board, its committees and Directors; and
- consider strategies to address Board diversity and the Company's performance in respect of the Company's Diversity Policy.

The Committee is also responsible for considering and articulating the time needed to fulfil the role of Chairman and Non-Executive Directors.

A last performance evaluation of the Board, its committees and the Directors was performed in 2022. The outcomes of the evaluation were discussed and considered by all the Directors and specific performance goals were agreed upon for the coming year.

Principle 3: Promote ethical and responsible decision making

Code of Conduct

The Company has developed a Code of Conduct which has been endorsed by the Board and applies to all Directors, employees and contractors. The Code of Conduct is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour, professionalism and business ethics necessary to maintain confidence in the Group's integrity.

In summary, the Code of Conduct requires that all Group personnel at all times act with utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Group policies.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

Corporate Governance Statement (continued)

Principle 3: Promote ethical and responsible decision making (continued)

Whistleblowers' Policy

The Company's Whistleblowers' Policy encourages employees and contractors to report concerns in relation to illegal, unethical or improper conduct without fear of reprisal if it is reported in good faith. The Company commits to absolute confidentiality and fairness in all matters raised.

Securities Trading

Directors and employees are allowed to purchase and sell shares in the Group provided they comply with the provisions of the Group's Securities Trading Policy. The trading policy prohibits Directors and employees and their associates from trading in Group securities when they are in possession of price sensitive information which is not publicly available or during "blackout" periods.

Directors and restricted employees must seek prior written approval before undertaking any trading in Company securities. The Directors and employees must also advise the Company Secretary if they intend to enter into, or have entered into, a margin lending or other security arrangement affecting Company securities. The Company Secretary will advise the ASX of any transactions conducted by Directors in relation to the Company securities. A register of interests is maintained which record security holdings in the Company by Directors and employees.

Workplace Diversity

The Board is committed to having an appropriate blend of diversity on the Board, and in the Group's senior executive positions. The Group values diversity and recognises the benefits it can bring to the Group's ability to achieve its goals. The Group has adopted a diversity policy which outlines the Group's diversity objectives in relation to gender, age, cultural background and ethnicity. The Group has not established specific measurable gender and diversity objectives due to the start-up nature of its situation in the exploration and development of coking coal projects. However, the Group remains committed to recruiting the best candidates for roles at all levels within the Group at every operation. As at 31 December 2022, women comprised 17% (31 December 2021: 19%) of employees throughout the Group. There are currently no female members of the Board.

Copies of the Code of Conduct, Whistleblowers' Policy, the Diversity Policy and the Securities Trading Policy are available on the Company's website.

Principle 4: Safeguard integrity in financial reporting

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee currently consists of two Non-Executive Directors, two of which are independent, including the Chairman. The membership of the Committee meets the Good Corporate Governance Recommendations in that the Committee consists of a majority of independent Directors. Given the size of the Group and the Board, and straight forward structure of the Group, the Directors consider that the Audit, Risk and Compliance Committee is of sufficient size, independence and technical expertise to discharge its mandate effectively.

All members of the Committee are financially literate and have an appropriate understanding of the mining industry. The Chairman, Mr Mitch Jakeman holds a BE Mining Degree from the University of New South Wales, a Diploma in Mineral Economics from Macquarie University and ME (Hons) Mining under Stored Waters and Dams from the University of Wollongong.

Mr Craig Wiggill has extensive experience in the global mining industry including over 30 years in the coal sector, the majority of his experience being within the Anglo-American Plc group.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

Corporate Governance Statement (continued)

Principle 4: Safeguard integrity in financial reporting (continued)

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee has a documented charter approved by the Board. All members should be Non-Executive Directors, and the Chairman should be independent. Details of the qualifications of members of the Audit, Risk and Compliance Committee and their attendance at meetings of the Committee are set out in the Directors' report. The Charter is available on the Company website and includes requirements for the Committee to consider the selection and appointment of the external auditor, and for the rotation of external audit engagement partners.

The main responsibilities of the Committee are to:

- review, assess and make recommendations to the Board on annual and half-year financial reports and all other financial information released to the market;
- assist the Board in reviewing the effectiveness of the Group's internal control environment covering:
 - effectiveness and efficiency of operations;
 - reliability of financial reporting; and
 - compliance with applicable laws and regulations.
- oversee the effective operation of the risk management framework;
- recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess the performance of the auditor;
- consider the independence and competence of the external auditor on an ongoing basis; and
- review and approve the level of non-audit services provided by the external auditors and ensure that they do not adversely impact on auditor independence.

In fulfilling its responsibilities, the Audit, Risk and Compliance Committee:

- receives regular reports from management and the external auditor;
- meets with the external auditor at least twice a year without management being present, or more frequently if necessary;
- reviews the processes in place to support the CEO and CFO certification to the Board;
- reviews any significant disagreements between the auditors and management, irrespective of whether any have been resolved; and
- provides the external auditors with a clear line of direct communication at any point in time to either the Chair of the Audit, Risk and Compliance Committee or the Chairman of the Board.

The Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

CEO and CFO certification

The Chief Executive Officer and the Chief Financial Officer have declared in writing to the Board in accordance with Section 295 of the *Corporations Act 2001* that the financial records of the Company for the financial year have been properly maintained, and that the Company's financial reports for the financial year ended 31 December 2022, comply with accounting standards and present a true and fair view of the Company's financial condition and operational results. The statement is required both annually and semi-annually.

The Board has received and is satisfied with certification provided by the CEO and CFO that the Group's risk management and internal control systems are sound and operated effectively in all material aspects in relation to financial reporting risks for the financial year ended 31 December 2022.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

Corporate Governance Statement (continued)

Principle 4: Safeguard integrity in financial reporting (continued)

External auditor

The role of the external auditor is to provide an independent opinion that the financial reports are true and fair and comply with applicable accounting standards.

The Company and the Committee policy is to appoint external auditors who clearly demonstrate quality and independence. Hall Chadwick NSW has provided an independence declaration to the Board for the financial year ended 31 December 2022. The Committee has considered the nature of the non-audit and assurance related services provided by the external auditor during the year and determined that services provided and the amount paid for those services are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Committee has examined detailed material provided by the external auditor and by management and has satisfied itself that the standards of auditor independence and associated issues have been fully complied with.

The roles of lead partner and audit quality review partner are rotated every five years.

The external auditor will attend the annual general meeting and will be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Principle 5: Make timely and balanced disclosure

The Company has established written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities. All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX.

The Company Secretary is responsible for communications with the ASX and compliance with the continuous disclosure requirements in the ASX Listing Rules. The Company also has in place a policy to monitor media sources. This role also oversees and coordinates information disclosure to shareholders, media and to the general public.

The Company's continuous disclosure policy is available on the Company's website.

Principle 6: Shareholder communications

The Company places a high priority on communications with shareholders and aims to provide all shareholders with comprehensive, timely and equal access to balanced information about Group activities so that they can make informed investment decisions and provide undivided support to the Group. Principal communications to investors are through the provision of the annual report, financial statements, and market announcements.

The Company website enables users to provide feedback and has an option for shareholders to register their email address for direct email updates on Group matters.

The Company's communications policy is available on the Company's website.

Principle 7: Recognise and manage risk

The Board is responsible for satisfying itself that management has developed and implemented a sound system for risk management and internal control. The Board regards managing the risks that affect the Group's businesses as a fundamental activity, as they influence the Group's performance, reputation and success. Detailed work on the management of risk is delegated to the Audit, Risk and Compliance Committee and reviewed by the Board. The Committee recommends any actions it deems necessary to the Board for its consideration.

The Committee is responsible for ensuring that there are adequate policies in relation to risk management, compliance and internal control systems. The Committee monitors the Company's risk management by overseeing management's actions in the evaluation, management, monitoring and reporting of material operational, corporate, compliance and strategic risks. The Board and the Committee receive regular reports from management on the effectiveness of the Group's management of material business risks. The Company has adopted a Risk Management Policy which is available on the Company's website.

In relation to risk management the Committee regularly reviews the adequacy and effectiveness of the Company's risk management framework including assessment of any material exposure to economic, environmental and social sustainability risks, how it manages or intends to manage and plans for managing each identified risk. It also reviews the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2022

Corporate Governance Statement (continued)

Principle 8: Remunerate fairly and responsibly

The Nomination and Remuneration Committee operates in accordance with its charter which is available on the Company website. The Nomination and Remuneration Committee advises the Board on remuneration and incentive policies and practices generally and makes specific recommendations on remuneration packages and other terms of employment for executive Directors, other senior executives and Non-Executive Directors.

The Nomination and Remuneration Committee is chaired by a Non-Executive Director and has three members, three being the recommended size. Two of the three members are independent.

The structure of the remuneration of Non-Executive Directors is distinguished from that of executive Directors and senior executives, however, Board members are entitled to options as set out in this Annual Financial Report having regard to the size of the Company's management team and the minimal fees paid.

The Nomination and Remuneration Committee also assumes responsibility for overseeing succession planning.

Further information on Directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Remuneration Report which forms a part of the Directors' report. Details of the qualifications of members of the Nomination and Remuneration Committee and their attendance at meetings of the Committee are set out in the Directors' report.

Tigers Realm Coal Limited
Consolidated statement of comprehensive income
For the year ended 31 December 2022

	Note	31 December 2022 A\$'000	31 December 2021 A\$'000
Revenue from coal sales	7	185,781	103,944
Mining and related costs of coal sold		(66,128)	(37,880)
Transshipment and other port costs		(55,559)	(21,518)
Gross margin on coal sold		64,094	44,546
Administrative and other operating expenses	8	(11,013)	(7,054)
Share based payments	23	-	-
Exploration and evaluation expenses		(850)	(106)
Change in provisions for inventories	15	-	2,963
Change in provisions for expected credit losses		(1,142)	(306)
Write off of property, plant and equipment	16	(234)	(235)
Royalty expense	20	(308)	(189)
Other income		931	933
Results from operating activities		51,478	40,552
Net foreign exchange profit/ (loss)		4,129	(697)
Finance costs		(2,061)	(1,899)
Net finance income/ (costs)		2,068	(2,596)
Profit before income tax		53,546	37,956
Income tax expense	10	(842)	(54)
Net Profit		52,704	37,902
Other comprehensive income			
Items that may subsequently be reclassified to the profit or loss			
Foreign currency translation differences for foreign operations		6,467	4,612
Total comprehensive income for the period		59,171	42,514
Net Profit is attributable to:			
Owners of the Company		52,799	37,923
Non-controlling interest		(95)	(21)
Net Profit for the period		52,704	37,902
Total comprehensive income attributable to:			
Owners of the Company		59,266	42,535
Non-controlling interest		(95)	(21)
Total comprehensive income for the period		59,171	42,514
Earnings per share (cents per share)			
basic	11	0.40	0.29
diluted	11	0.40	0.29

The notes on pages 37 to 75 are an integral part of these consolidated financial statements.

Tigers Realm Coal Limited
Consolidated statement of financial position
As at 31 December 2022

	Note	31 December 2022 A\$'000	31 December 2021 A\$'000
Current Assets			
Cash and cash equivalents	12	7,170	33,511
Trade and other receivables	14	61,748	17,072
Inventories	15	73,466	46,055
Prepayments		3,686	2,421
Total current assets		146,070	99,059
Non-current assets			
Inventories	15	12,174	2,180
Property, plant and equipment	16	86,461	64,470
Total non-current assets		98,635	66,650
Total assets		244,705	165,709
Current Liabilities			
Trade and other payables	17	28,454	7,483
Lease liability	19	5,977	5,206
Royalty liability	20	5,097	1,439
Other financial liabilities	21	805	667
Employee benefits	18	3,507	3,678
Total current liabilities		43,840	18,473
Non-current liabilities			
Trade and other payables	17	-	137
Lease liability	19	5,406	9,842
Royalty liability	20	14,939	16,979
Other financial liabilities	21	351	1,022
Employee benefits	18	1,623	-
Provision for site restoration		681	562
Total non-current liabilities		23,000	28,542
Total liabilities		66,840	47,015
Net assets		177,865	118,694
Equity			
Share capital	22	272,980	272,980
Reserves		21,356	14,889
(Accumulated losses)		(96,594)	(149,393)
Total equity attributable to equity holders of the Company		197,742	138,476
Non-controlling interest		(19,877)	(19,782)
Total equity		177,865	118,694

The notes on pages 37 to 75 are an integral part of these consolidated financial statements.

Tigers Realm Coal Limited
Consolidated statement of changes in equity
For the year ended 31 December 2022

	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 2021		246,594	(187,316)	7,353	(3,385)	6,309	69,555	(19,761)	49,794
Net profit/ (loss)		-	37,923	-	-	-	37,923	(21)	37,902
Other comprehensive income		-	-	-	4,612	-	4,612	-	4,612
Total comprehensive income/ (loss) for the period		-	37,923	-	4,612	-	42,535	(21)	42,514
Issue of ordinary shares		26,492					26,492		26,492
Costs of raising equity		(106)					(106)		(106)
Balance at 1 January 2022		272,980	(149,393)	7,353	1,227	6,309	138,476	(19,782)	118,694
Net profit/ (loss)		-	52,799	-	-	-	52,799	(95)	52,704
Other comprehensive income		-	-	-	6,467	-	6,467	-	6,467
Total comprehensive income/ (loss) for the period		-	52,799	-	6,467	-	59,266	(95)	59,171
Balance at 31 December 2022		272,980	(96,594)	7,353	7,694	6,309	197,742	(19,877)	177,865

The notes on pages 37 to 75 are an integral part of these consolidated financial statements.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

Consolidated statement of cash flows
For the year ended 31 December 2022

	Note	31 December 2022 A\$'000	31 December 2021 A\$'000
Cash flows from operating activities			
Cash receipts from customers		146,289	103,177
Cash paid to suppliers and employees		(137,763)	(76,926)
Exploration and evaluation expenditure		(205)	(139)
Interest and financing costs paid		(1,892)	(1,858)
Royalties paid		-	(945)
Income taxes paid		(1,553)	(105)
Net cash from operating activities	13	4,876	23,204
Cash flows from investing activities			
Acquisition of property, plant and equipment		(17,572)	(26,242)
Net cash used in investing activities		(17,572)	(26,242)
Cash flows from financing activities			
Proceeds from issue of shares		-	25,513
Repayment of lease liabilities		(6,230)	(5,789)
Repayment of other financial liabilities		(921)	(650)
Repayment of borrowings		-	(1,864)
Net cash generated by/ (used in) financing activities		(7,151)	17,210
Net movement in cash and cash equivalents		(19,847)	14,172
Cash and cash equivalents at beginning of the period		33,511	18,879
Effects of exchange rate changes on cash and cash equivalents		(6,494)	460
Cash and cash equivalents at the end of the period	12	7,170	33,511

Non-cash operating/financing activities for the year ended 31 December 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 year ended 31 December 2021: Leasing transactions

During the year ended 31 December 2021, the Group concluded lease agreements in relation to various equipment (31 December 2020: the Group conclude a lease agreement with equipment vendor for the acquisition of 100kt barge). The additions to the property, plant & equipment under these arrangements were A\$12.321 million (2020: A\$0.319 million).

The notes on pages 37 to 75 are an integral part of these consolidated financial statements.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

1. Reporting entity

Tigers Realm Coal Limited (the “Company” or “TIG”) is a company domiciled in Australia. During the year ended 31 December 2022, the Company’s registered office was 151 Wellington Parade South, East Melbourne, 3002, Australia and its principal office was 37 Leningradskiy prospect, Moscow, 125167, Russian Federation. The consolidated financial statements as at and for the year ended 31 December 2022 comprise 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, port and sales activities.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 23rd March 2023.

(b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are carried at fair value and 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. Further details on how the Group estimates fair values of an asset or a liability are included in Note 5.

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 these consolidated financial statements have been presented in Australian dollars and rounded to the nearest thousand dollars, unless otherwise indicated.

(c) Significant accounting judgements, estimates and assumptions

The application of the Group’s accounting policies, which are described in Note 3, requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about assumptions that have the most significant effect on the amounts recognised in the financial statements and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial period are described in the following notes:

- Note 3 – Going concern basis of accounting
- Note 9 – Carrying value of non-current assets
- Note 21 – Royalty liability

3. Significant accounting policies

The accounting policies set out below and in the related notes, have been applied consistently to all periods presented in these consolidated financial statements and consistently throughout the Group.

(a) Going concern basis of accounting

The consolidated financial statements have 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 year ended 31 December 2022, the Group had a net profit of A\$52.704 million (2021: net profit of A\$37.902 million) and had net cash inflows from operating activities of A\$4.876 million (2021: net cash inflows from operating activities of A\$23.204 million).

Tigers Realm Coal Limited

Notes to the consolidated financial statements

For the year ended 31 December 2022

Significant accounting policies (continued)

(a) Going concern basis of accounting

As at 31 December 2022, the Group had cash and cash equivalents of A\$7.170 million (31 December 2021: A\$33.511 million) and net current assets of A\$102.230 million (31 December 2021 net current assets of A\$80.874 million).

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 by Australia, the United States, the United Kingdom and the European Union as well as some other countries. The nature of economic restrictions which may be imposed at a future date is not known. Consequently, a risk exists that some restriction or group of restrictions may be imposed in the future that could impact on the Group's ability to continue in the ordinary course of business and put in doubt the Group's ability to continue as a Going Concern.

The impact of the economic restrictions

The economic restrictions and deteriorating geopolitical situation 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 customers 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.

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. In response to these supply chain challenges, the Group initiated a broad-based reassessment of its supply chain in order to establish robust alternatives to traditional vendors who either no longer service the Russian market or which may plausibly exit the market in the foreseeable future. While this work is ongoing, the Group has so far identified acceptable alternatives to suppliers which have exited the Russian market, and does not, thus far, anticipate a material negative impact on the Group's operations due to having to switch to alternative suppliers for certain items. The Group's ability to continue as a Going Concern is, in part, dependent on its ability to continue being able to source equipment and supplies necessary for its operations.

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.

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 these consolidated financial statements. The cash flow forecasts are dependent, inter alia, upon the successful implementation of the forecast coal production, 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 availability, transshipment efficiency and weather conditions;

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

- Compliance with ongoing drilling obligations in accordance with the terms of the Amaam and Amaam North licences;
- Macroeconomic factors including commodity (specifically coal) prices and exchange rates; and
- Availability to access funds as and when requested.

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 current financial position, profitability and liquidity of the Group
- Ability of the Group to date to access alternate supply chain options;
- 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 these consolidated financial statements.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests (NCI) in a subsidiary are allocated to the non-controlling interests even if doing so reduces the non-controlling interests below zero.

All intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(ii) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the difference is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

3. Significant accounting policies (continued)

(b) Basis of consolidation

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured, settlement being accounted for in equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Subsequent to acquisition date, transactions with non-controlling interests that do not result in a loss of control are accounted for as transactions with equity owners of the Group. Any difference between the amount of the adjustment to the non-controlling interest and any consideration paid or received is recognised as a separate reserve within equity.

The assets, liabilities and contingent liabilities recognised at the acquisition date are recognised at fair value. In determining fair value, the consolidated entity has utilised valuation methodologies including discounted cash flow analysis. The assumptions made in performing this valuation include assumptions as to discount rates, foreign exchange rates, commodity prices, the timing of development, capital costs, and future operating costs. Any significant change in key assumptions may cause the acquisition accounting to be revised including recognition of goodwill or a discount on acquisition. Additionally, the determination of the acquirer and the acquisition date also require significant judgements to be made by the Group.

(iii) Non-controlling interests

For each business combination, the Group elects to measure any NCI in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and are recorded in an equity reserve called "Other Reserve". Adjustments to non-controlling interests are based on a proportionate amount of net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(c) Foreign currency

(i) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and the items included in the financial statements of each entity are measured using that functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on the retranslation are recognised in profit or loss.

(iii) Foreign operations

For the purpose of presenting these consolidated financial statements, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Company's functional currency at exchange

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

3. Significant accounting policies (continued)

(c) Foreign currency

rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportional share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented in the translation reserve in equity.

(d) Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group has the following financial assets:

- **Trade and other receivables.**

Trade and other receivables are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Trade and other receivables are measured subsequently at amortised cost. Refer to Note 14 for details of trade and other receivables.

(i) Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in transactions in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

3. Significant accounting policies (continued)

(d) Financial instruments

(ii) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss. The Group has the following financial liabilities:

- **Trade and other payables**
Liabilities are recognised for amounts to be paid in the future for goods and services provided to the Group prior to the end of the reporting period and are stated at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.
- **Leases**
Leases to be paid in accordance with a payment schedule based on the contractual agreements.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial assets and liabilities are offset, the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(e) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(f) Intangible assets

(i) Mineral Rights

Acquired mineral rights comprise identifiable exploration and evaluation assets including mineral reserves acquired as part of a business combination and are recognised at fair value at the date of acquisition. The mineral rights will be reclassified as mine property and development from commencement of development and amortised when commercial production commences on a unit of production basis over the estimated economic reserve of the mine.

The mineral rights are subject to impairment testing in accordance with the Group's policy for exploration, evaluation and development assets. In the year ended 31 December 2015, all existing mineral rights were written-off. Details of the policy on assessing the carrying value of non-current assets are disclosed in Note 9.

(ii) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition refer Note 3(b)(ii) (business combinations).

Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised, however its carrying value is assessed annually against its recoverable amount, as explained below in Note 3(g) Impairment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. In the year ended 31 December 2015, all existing goodwill was written-off. Details of the policy on assessing the carrying value of non-current assets are disclosed in Note 9.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

3. Significant accounting policies (continued)

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(v) Amortisation

Except for goodwill and mineral rights, intangible assets are amortised on a straight-line basis in profit or loss over the estimated useful lives, from the date they are available for use. The estimated useful life for computer software is three to five years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Impairment of financial assets (including receivables)

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables, as well as contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used. The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(h) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The probability of an outflow of economic benefits is one of the key criteria in determining the recognition and measurement of legal and constructive obligations:

- If the likelihood of an outflow of economic resources is remote, neither disclosure of a contingency nor the recognition of a provision is made;
- If the likelihood of an outflow of economic resources is possible, a contingent liability is disclosed in the financial statements, unless the acquisition method of accounting for business combinations in Note 3(b)(ii) are applied and a liability equivalent to the fair value of the future outflows of economic benefits is able to be determined; or
- If the likelihood of an outflow of economic resources is probable, a provision is recognised.

Provisions are determined by assessing the present value of the expected future outflow of economic benefits. The discounting of the expected (probable) future cash flows reflects the current market assessments of the time value of money and the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance charge.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

3. Significant accounting policies (continued)

(i) Leases

For short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(j) Exploration and evaluation costs

Exploration and evaluation expenditure comprises costs directly attributable to:

- Research and analysing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods;
- Compiling pre-feasibility and definitive feasibility studies; and
- Exploration and evaluation costs, including the costs of acquiring licences.

For both Amaam and Amaam North areas of interest, exploration and evaluation expenditure is charged against profit and loss as incurred, except for expenditure incurred after a decision to proceed to development is made, in which case the expenditure is capitalised as an asset.

(k) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services and similar value added taxes (VAT in Russia and GST in Australia), except where the amount of VAT/GST incurred is not recoverable from the taxation authority. In these circumstances, the VAT/GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated excluding the amount of VAT/GST included. The net amount of VAT/GST recoverable from, or payable to, the relevant tax authorities is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The VAT/GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authorities are classified as operating cash flows.

(l) Other significant accounting policies

Significant accounting policies that summarise the measurement and recognition basis used and which are relevant to an understanding of the consolidated financial statements are provided throughout the notes to the consolidated financial statements.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

4. Application of new and revised accounting standards

(a) New and amended standards adopted

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

The application of above amendment has had no impact on the Group's consolidated financial statements.

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

(b) Standard and interpretations in issue not yet adopted

A number of new standards, amendments to standards and interpretations are issued but not yet effective for annual periods beginning after 1 January 2022 and have not been applied in preparing these consolidated financial statements.

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	Applicable to annual reporting periods beginning on or after 1 January 2023
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	Applicable to annual reporting periods beginning on or after 1 January 2023
AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Applicable to annual reporting periods beginning on or after 1 January 2023
AASB 2021-7c: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	Applicable to annual reporting periods beginning on or after 1 January 2025

The Directors of the Company do not anticipate that the application of these standards and amendments will have a material impact on the Group's consolidated financial statements.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

5. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value for financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on inputs used in valuation techniques as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

(a) Financial assets and liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Fair value is determined at initial recognition and, for financial assets and financial liabilities that are not measured at fair value, but for which fair value disclosures are required, at each annual reporting date.

Further information about the assumptions made in measuring fair values is included in Note 24.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

6. 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. For the year ended 31 December 2021, the activities of the Group are managed in two reportable operating segments outlined below, consistent with how they were managed in the prior periods:

<i>Amaam North Project</i>	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.
<i>Amaam Project</i>	The Amaam Project is in the Bering Basin in the Chukotka province, Russia and consists of the Amaam tenement.
<i>Other</i>	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.

	Amaam North Project AS'000	Amaam Project AS'000	Total Reportable Segments AS'000	Other AS'000	Total AS'000
31 December 2022					
Revenue from the shipment and sale of coal	185,781	-	185,781	-	185,781
Cost of coal sold	(121,688)	-	(121,688)	-	(121,688)
Change in provisions for bad debt	(1,142)	-	(1,142)	-	(1,142)
Exploration and evaluation expenses	(501)	(349)	(850)	-	(850)
Royalty expense	(308)	-	(308)	-	(308)
Finance costs	(2,061)	-	(2,061)	-	(2,061)
Other segment expenses	(2,621)	(124)	(2,745)	(7,570)	(10,315)
Net foreign exchange gain / (loss)	4,129	-	4,129	-	4,129
Segment result	61,589	(473)	61,116	(7,570)	53,546
Segment assets	244,301	86	244,387	318	244,705
Segment liabilities	(66,496)	(344)	(66,840)	-	(66,840)
31 December 2021					
Revenue from the shipment and sale of coal	103,944	-	103,944	-	103,944
Cost of coal sold	(59,398)	-	(59,398)	-	(59,398)
Change in provisions for inventories	2,963	-	2,963	-	2,963
Change in provisions for bad debt	(306)	-	(306)	-	(306)
Exploration and evaluation expenses	(100)	(6)	(106)	-	(106)
Royalty expense	(189)	-	(189)	-	(189)
Finance costs	(1,899)	-	(1,899)	-	(1,899)
Other segment expenses	(1,889)	(100)	(1,989)	(5,064)	(7,053)
Segment result	43,126	(106)	43,020	(5,064)	37,956
Segment assets	165,444	26	165,470	239	165,709
Segment liabilities	(46,888)	(127)	(47,015)	-	(47,015)

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

6. Segment reporting (continued)

Geographical information

The Group manages its business on a worldwide basis but primarily holds non-current assets in one geographic segment, being Russia.

	2022		2021	
	Revenues	Non-current assets	Revenues	Non-current assets
	A\$'000	A\$'000	A\$'000	A\$'000
Asia	181,039	-	101,965	-
Russia	4,742	98,635	1,979	66,650
Total	185,781	98,635	103,944	66,650

Customer information

Included in revenues from the sale and shipment of coal are revenues of A\$150.269 million (2021: A\$92.351 million) which arose from sales to major customers who individually contributed at least 10% of total revenues from sales and shipment of coal.

7. Revenue

	31 December 2022	31 December 2021
	A\$'000	A\$'000
Revenue from thermal coal sales	100,135	78,119
Revenue from semisoft coal sales	58,094	18,253
Revenue from shipment of coal	27,552	7,572
	185,781	103,944

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

7. Revenue (continued)

Recognition and measurement: Revenue

Revenue from the sale of coal is recognised when all the following conditions have been satisfied:

- (a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- (b) the Group can identify each party's rights regarding the goods or services to be transferred;
- (c) the Group can identify the payment terms for the goods or services to be transferred;
- (d) the contract has commercial substance (ie the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- (e) it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the Group will be entitled may be less than the price stated in the contract if the consideration is variable because a price concession may be offered to the customer.

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Revenue is measured at the fair value of the consideration received or receivable, reflecting contractually defined terms of payment and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

Coal products are sold in accordance with internationally recognised shipping terms (INCO), primarily on either free on board ("FOB"), Beringovsky Port or cost and freight ("CFR") terms. For sales made on FOB basis there is only one performance obligation, which arise from the delivery of coal on board the vessel. Sales made in accordance with CFR terms differ to FOB as the Company is obliged to pay for the cost of shipping and other costs necessary to bring the product to the destination port. Accordingly, in CFR sales contracts the performance obligations arise from the delivery of coal on board the vessel and the provision of shipping services to the customer. For sales are made on both FOB and CFR basis, the satisfaction of the performance obligation in respect of coal delivery is achieved after the time the goods have been delivered on board the vessel. Satisfaction of the performance obligation in respect of coal shipping is achieved at the point of delivery on shore at the destination port.

Preliminary volume and quality of coal shipped are independently measured upon loading the vessel at the Beringovsky Port. Coal sales contracts include terms in accordance with which the sales price is defined with reference to the initial coal quality parameters, as adjusted for the results of coal quality tests performed upon delivery of the product to the destination port. If coal does not meet minimum standards, the shipment may be either rejected or an adjustment made up or down to the initial contract price. Accordingly, in rare circumstances, if the Group cannot objectively determine that the coal provided to the customer is in accordance with the agreed-upon specifications in the contract, the Group recognises revenue on coal sales only when the coal quality tests at the destination port affirm both the mass and quality characteristics.

8. Administrative and other operating expenses

Wages, salaries and other personnel costs
 Contractors and consultants' fees
 Accounting and audit fees
 Insurance
 Legal fees and compliance costs
 Taxes and charges
 ASX listing fees
 Other

	31 December 2022 A\$'000	31 December 2021 A\$'000
Wages, salaries and other personnel costs	(5,166)	(3,800)
Contractors and consultants' fees	(710)	(204)
Accounting and audit fees	(481)	(410)
Insurance	(480)	(253)
Legal fees and compliance costs	(342)	(423)
Taxes and charges	(287)	(382)
ASX listing fees	(108)	(237)
Other	(3,439)	(1,345)
	(11,013)	(7,054)

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

9. Carrying value of non-current assets

Amaam North Project CGU

During the year ended 31 December 2022, the carrying value of non-current assets of Amaam North Project CGU, net of accumulated depreciation, increased by A\$21.991 million to A\$86.461 million (As of 31 December 2021 A\$64.470 million) (refer to Note 16 for details).

As at 31 December 2022, the Group concluded that due to:

- Production and sales volumes achieved to date; and
- Progress in the development of the CHPP project during 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 year ended 31 December 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 2022. As the development of the Amaam Project is not expected in the foreseeable future, as at 31 December 2022, the Group concluded that there are no indications that asset write-downs recognised in prior periods for the Amaam Project CGU require reversal.

Recognition and measurement: Non-current assets

The carrying amounts of the Group's non-financial assets excluding goodwill are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest groups of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying value of any goodwill allocated to the cash generating units and then to reduce the carrying amount of the other assets in the cash generating unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

10. Income tax expense

A reconciliation between tax expense and accounting profit multiplied by Australia's domestic tax rate for the years ended 31 December 2022 and 2021 is set out below:

	31 December 2022 A\$'000	31 December 2021 A\$'000
Income/(Loss) before tax	53,546	37,956
Income tax benefit using the domestic corporation tax rate of 30%	16,064	11,387
Changes in income tax expense due to:		
Effect of different tax rates of subsidiaries operating in foreign jurisdictions	(15,581)	(12,005)
Non-deductible loss resulting from change in royalty agreement liability	39	(20)
Non-deductible expenses/(non-assessable income)	81	160
Current period tax losses for which no deferred tax asset was recognised	239	532
Total income tax expense	842	54

	31 December 2022 A\$'000	31 December 2021 A\$'000
Current tax expense	842	54
Deferred tax expense/(benefit)	-	-
Total income tax expense	842	54

As at 31 December 2022 and 2021, no deferred tax assets have been recognised for carried forward tax losses and other deductible temporary differences as it is not probable that future taxable profit and/or capital gains will be available against which the Group can utilise the benefits. Tax losses do not expire under current tax legislation of both Australia and the Russian Federation.

Recognition and measurement: Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity, or in comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

10. Income tax expense (continued)

Recognition and measurement: Income taxes (continued)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax exposure

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Tax consolidation

The Company and its wholly-owned Australian resident entity are part of a tax consolidated group. As a consequence, all members of the tax consolidated group are taxed as a single entity. The head entity within the tax consolidated group is Tigers Realm Coal Limited.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

11. Earnings/(Loss) per share

		31 December 2022 Cents	31 December 2021 Cents
Earnings/(Loss) per share			
Basic earnings/(loss) per share – cents	a	0.40	0.29
Diluted earnings/(loss) per share – cents	b	0.40	0.29

(a) Basic earnings/(loss) per share

The calculation of basic loss per share at 31 December 2022 was based on the profit attributable to ordinary equity holders of the Company of A\$52.799 million (At 31 December 2021: profit of A\$37.923 million) and a weighted average number of ordinary shares outstanding during the period ended 31 December 2022 of 13,066,702,368 (For the year ended 31 December 2021: 12,947,151,981).

(b) Diluted profit/(loss) per share

The calculation of diluted profit/(loss) per share at 31 December 2022 and 2021 is the same as basic profit/(loss) per share. As at 31 December 2022, the Company had Nil outstanding options over ordinary shares (31 December 2021: 8,002,000 options), which have been excluded from the calculation of diluted earnings per share because they are anti-dilutive for the reporting period.

12. Cash and cash equivalents

	31 December 2022 A\$'000	31 December 2021 A\$'000
Bank balances	7,170	33,511
Cash and cash equivalents	7,170	33,511

All cash and cash equivalents are available for use by the Group.

13. Reconciliation of profit/(loss) for the year to net cash flows from operating activities

		31 December 2022 A\$'000	31 December 2021 A\$'000
Cash flows from operating activities			
Profit/ (Loss) for the period		52,704	37,902
Adjustments for:			
Foreign exchange loss		(4,129)	697
Share based payments	24	-	-
Royalty expense	21	308	189
Depreciation expense		7,537	6,300
Change in provisions for inventories		-	(2,963)
Change in provisions for expected credit losses		1,142	306
Write off of property, plant and equipment		234	235
Income tax expense	10	842	54
		58,638	42,720
Movements in working capital			
Change in trade and other receivables		(42,433)	(1,013)
Change in inventory		(31,112)	(20,884)
Change in prepayments		(947)	(1,742)
Change in employee provisions		970	2,170
Change in trade and other payables		19,760	1,953
Net cash generated/(used) in operating activities		4,876	23,204

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

14. Trade and other receivables

	31 December 2022 A\$'000	31 December 2021 A\$'000
Trade and other receivables	47,585	6,583
VAT and GST receivable	15,305	10,795
Provision for expected credit losses	(1,142)	(306)
	61,748	17,072

As of 31 December 2022 there was A\$1.142 million provision for expected credit losses. (At 31 December 2021: A\$0.306). In January-February 2023 TIG received A\$7,456 million of past due receivables.

15. Inventories

	31 December 2022 A\$'000	31 December 2021 A\$'000
Coal inventories at cost (no provision as At 31 December 2021)	33,553	18,902
Fuel at cost	10,968	8,159
Other consumables: net of provisions of A\$0.400 million (At 31 December 2021 A\$0.314 million)	41,119	21,174
	85,640	48,235
Current	73,466	46,055
Non-current	12,174	2,180
Total	85,640	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. In 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.

Recognition and measurement: Inventories

Inventories are valued at the lower of cost and net realisable value and upon initial recognition on the weighted average cost basis. The cost of raw materials and consumable stores is the purchase price. The cost of partly-processed and saleable products is generally the cost of production, including:

- labour costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore;
- the depreciation of mining properties and leases and of property, plant and equipment used in the extraction and processing of ore; and
- production overheads.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Inventories are periodically assessed for the existence of slow moving and obsolete stocks and adjustments to the recoverable amount recognised as necessary.

Inventories which are planned to be realized later than in 12 months from the year end are classified as non-current.

Tigers Realm Coal Limited

Notes to the consolidated financial statements

For the year ended 31 December 2022

16. Property, plant and equipment

	Assets in construction		Land & Buildings		Mine infrastructure		Plant & Equipment		Fixtures & Fittings		Total
	A\$'000		A\$'000		A\$'000s		A\$'000		A\$'000		A\$'000
<i>Cost</i>											
As at 1 January 2021	12,005		2,387		5,444		31,008		177		51,021
Additions	36,005		633		8		1		30		36,677
Disposals	(64)		-		-		(26)		(1)		(91)
Transfers	(13,236)		2,727		1,771		8,551		187		-
Effect of movement in exchange rates	1,262		221		350		1,914		15		3,762
As at 1 January 2022	35,972		5,968		7,573		41,448		408		91,369
Additions	22,002		925		76		787		47		23,837
Disposals	(5)		-		-		-		(5)		(10)
Transfers	(35,280)		2,248		-		32,883		149		-
Effect of movement in exchange rates	4,632		805		995		5,394		54		11,880
As at 31 December 2022	27,321		9,946		8,644		80,512		653		127,076
<i>Depreciation and impairment</i>											
As at 1 January 2021	-		(890)		(3,839)		(13,659)		(88)		(18,476)
Depreciation charge for the period	-		(437)		(1,151)		(5,367)		(75)		(7,030)
Disposals	-		-		-		25		1		26
Write off	(42)		-		-		(193)		-		(235)
Effect of movement in exchange rates	-		(61)		(243)		(874)		(6)		(1,184)
As at 1 January 2022	(42)		(1,388)		(5,233)		(20,068)		(168)		(26,899)
Depreciation charge for the period	-		(876)		(907)		(8,234)		(146)		(10,163)
Disposals	-		-		-		-		2		2
Write off	(139)		-		-		(95)		-		(234)
Effect of movement in exchange rates	-		(188)		(694)		(2,416)		(23)		(3,321)
As at 31 December 2022	(181)		(2,452)		(6,834)		(30,813)		(335)		(40,615)
Net book value:											
At 31 December 2022	27,140		7,494		1,810		49,699		318		86,461
At 31 December 2021	35,930		4,580		2,340		21,380		240		64,470

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

16. Property, plant and equipment (continued)

During the year ended 31 December 2022, two scanias and other items with a carrying value of A\$0.234 million was written-off due to its present condition (2021: two CAT 740B dump trucks, two scanias, crusher station, excavator hd-1500, snow removing machine K-703, telecommunications equipment with the carrying value of A\$0.235 million was written-off).

As disclosed in Note 20, the Group leases various mining equipment and port infrastructure and equipment. The carrying value of these right-of-use assets as at 31 December 2022 is A\$20.153 million (2021: A\$19.162 million) including A\$2.470 million in land & buildings, A\$17.683 million in plant& equipment. For the year ended 31 December 2022 the depreciation charge relating to right-of-use asset amounted to A\$5,202 million (2021: A\$4.144 million), including A\$0.250 million and A\$4.952 million in relation to right-of-use assets included in land & buildings and plant& equipment, respectively.

Recognition and measurement: Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and cumulative impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of an asset.

Once an undeveloped mining project has been determined as commercially viable and approval to mine has been given, expenditure other than that on land, buildings, fixtures and fittings, plant and equipment and capital work in progress is capitalised under “Mine Infrastructure”. Development costs incurred after the commencement of production are capitalised to the extent they are expected to give rise to a future economic benefit.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Property, plant and equipment is depreciated over the lesser of its useful life or over the remaining life of the mine where there is no reasonable alternative use for the asset. The useful lives and residual values for material assets and categories of assets are reviewed annually and changes are reflected prospectively. Depreciation commences when an asset is available and ready for its intended use. The major categories of property, plant and equipment are depreciated on a straight-line basis, except for mining assets, which are depreciated on a units of production basis.

Straight-line basis

Assets within operations for which production is not expected to fluctuate significantly from one year to another or which have a physical life shorter than the related mine are depreciated on a straight-line basis.

The estimated useful lives are as follows:

- Buildings 10 – 20 years
- Plant & equipment 3 – 10 years
- Fixtures & fittings 3 – 10 years

Units of production basis

For mining assets, consumption of the economic benefits of the asset is linked to production. These assets are depreciated on the lesser of the respective assets’ useful lives and the life of the ore body in respect of which the assets are being used. Where the useful life of the assets is greater than the life of the ore body for which they are being utilised, depreciation is determined on a units of production basis. In applying the units of production method, depreciation is normally calculated based on production in the period as a percentage of total expected production in

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

Recognition and measurement: Property, plant and equipment (continued)

Stripping Costs

In open pit mining operations, overburden and other waste materials must be removed to access ore from which minerals can be extracted economically. The process of removing overburden and waste materials is referred to as stripping. Stripping costs during the development of a mine (or pit), before production commences, are generally expensed as incurred except when capitalised as part of the cost of construction of the mine (or pit) and subsequently amortised over the life of the mine (or pit) on a units of production basis only where the below criteria are all met:

- it must be probable that there will be an economic benefit in a future accounting period because the stripping activity has improved access to the ore body;
- it must be possible to identify the “component” of the orebody for which access has been improved; and
- it must be possible to reliably measure the costs that relate to the stripping activity.

Production phase stripping can give rise to two benefits: the extraction of ore in the current period and improved access to ore which will be extracted in future periods. When the cost of stripping which has a future benefit is not distinguishable from the cost of producing current inventories, the stripping cost is allocated to each of these activities based on a relevant production measure using a life-of-component strip ratio. The ratio divides the tonnage of waste mined for the component for the period either by the quantity of ore mined for the component or by the quantity of minerals contained in the ore mined for the component. Stripping costs for the component are deferred to the extent that the current period ratio exceeds the life of component ratio.

17. Trade & other payables

	31 December 2022 A\$'000	31 December 2021 A\$'000
Trade payables and accrued expenses	28,394	7,564
Taxes payable	60	56
	28,454	7,620
Current	28,454	7,483
Non-current	-	137
Total	28,454	7,620

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

18. Employee Benefits

	31 December 2022 A\$'000	31 December 2021 A\$'000
Provision for annual leave	1,636	1,098
Provision for bonuses	3,026	1,792
Provision for salary and related costs payable	421	742
Provision for other employment benefits	47	46
	5,130	3,678

	31 December 2022 A\$'000	31 December 2021 A\$'000
Current employee benefits	3,507	3,678
Non – current employee benefits	1,623	-
	5,130	3,678

Recognition and measurement: Employee benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within twelve months of the reporting date represent obligations resulting from employee's services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at the reporting date, including related on-costs, such as workers' compensation insurance and payroll tax.

A liability is recognised for the amount expected to be paid under short-term incentive bonus plans if the Group has a present legal or constructive obligation to pay this amount resulting from past service provided by the employee, and the obligation can be estimated reliably.

19. Lease Liability

	31 December 2022 A\$'000	31 December 2021 A\$'000
Maturity analysis:		
Payable not later than one year	6,430	6,640
Payable later than one year, not later than five years	6,179	10,724
Payable later than five years	6,068	5,430
	18,677	22,794
Less: future interest	(7,294)	(7,746)
Total lease liabilities	11,383	15,048
Current	5,977	5,206
Non-current	5,406	9,842
	11,383	15,048

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

Movement in lease liabilities are as follows:

	31 December 2022 A\$'000	31 December 2021 A\$'000
Opening balance of lease liability	15,048	7,929
New lease agreements entered during the year	836	10,397
Lease payments	(6,230)	(5,171)
Net effect of movement in exchange rates	1,729	1,893
Total lease liability recognised at end of year	11,383	15,048

The Group leases directly from vendors, Russian banking institutions and Russian financing companies various mining and port equipment.

In 2019 the Group recognised right of use of assets and a related lease liability in respect of the port infrastructure lease agreement with Rosmorport expiring in 2067 (included in other lease liabilities in the table below). In 2021, the lease payment schedule were amended, which resulted in recognition of additional right of use of assets and a related lease liability of A\$0.487 million.

The key terms of the lease arrangements are as follows:

	Currency	Effective interest rate	Year of maturity
Vendor lease liabilities	RUB	10.15-22.63%	2021-2026
Banking institution lease liabilities	RUB	12.23-15.55%	2024
Russian Financing Company lease liabilities	RUB	9.67-30.30%	2026
Other lease liabilities	RUB	15.2%	2067

Recognition and measurement: Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented within property, plant and equipment line in the consolidated statement of financial position.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

20. Royalty Liability

	31 December 2022 A\$'000	31 December 2021 A\$'000
Gross royalty liability, in US\$ dollars	23,457	23,457
Gross royalty liability, in A\$ dollars	34,623	32,329
Effect of discounting	(14,587)	(13,911)
	20,036	18,418

	31 December 2022 A\$'000	31 December 2021 A\$'000
Opening balance of royalty liability	18,418	18,063
Royalty expense arising from:		
- the passage of time	308	1,987
- the change in discount rate	-	(2,735)
- the change in other assumptions	-	937
Payments made during the year	-	(945)
Effect of movement in exchange rates	1,310	1,111
Closing balance of royalty liability	20,036	18,418
Current	5,097	1,439
Non-current	14,939	16,979
	20,036	18,418

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 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 discounted using a post-tax real discount rate of 10.5% at 31 December 2022.

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.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

20. Royalty Liability (continued)

Amaam Royalty Liability

No liability was recognised at 31 December 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.

21. Other financial liabilities

Current other financial liabilities
Non – current other financial liabilities

31 December 2022 A\$'000	31 December 2021 A\$'000
805	667
351	1,022
1,156	1,689

Movement other financial liabilities are as follows

Opening balance of other financial liabilities
Payments
Net effect of movement in exchange rates
Total other financial liabilities recognised at end of year

31 December 2022 A\$'000	31 December 2021 A\$'000
1,689	2,217
(754)	(618)
221	90
1,156	1,689

Recognition and measurement: Royalty liabilities

The Group, from time to time, enters into legal agreements with various parties as a result of which there will be future outflows of economic benefits, including obligations which arise from the execution and realisation of sales agreements ("Royalty Agreement").

In applying the recognition and measurement criteria outlined above in respect of provisions in Note 3(h) to royalty agreements, management perform an assessment of the probability of the outflow of economic benefits, which it has deemed to be influenced by the following factors and circumstances, when assessing the disclosure, recognition and measurement of Royalty Agreement obligations:

- Existence of a licence which provides the legal capacity to mine and sell product which is the subject of Royalty Agreements;
- The performance of a feasibility study or other similar project assessment which provides an indication of the economic benefits accruing to the Group from implementing a project or part thereof, incorporating the consideration of macroeconomic factors and project specific assumptions on income and expenditures;
- General macroeconomic conditions (including but not limited to financial and commodity markets -specifically the market for coal);
- Economic resources are in place which enable the realisation of a plan to extract and sell ore, as defined in a feasibility study (as amended and updated). Economic resources include both financial, human & other resources necessary to realise strategic plans;
- Board approval to commence those activities necessary to develop and mine ore with the view of commencing commercial production; and
- Actual operations confirm those assumptions upon which the decision made to commence mining operations were made (including the ability to realise any sales agreements executed).

As noted above, where the likelihood of an outflow of economic benefits is deemed to be remote, no disclosures are made. Where possible, disclosure is made of a contingent liability and where probable a provision is recognised and measured.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

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.

The key terms of the arrangement are as follows:

	Currency	Effective interest rate	Year of maturity
Universal Leasing Company	RUB	18.11%	2024

Recognition and measurement: Sale and leaseback transactions

The Group, from time to time, enters into legal agreements with various parties whereby it transfers an asset to another entity (the buyer-lessor) and leases that asset back.

The Group applies the requirements for determining when a performance obligation is satisfied in AASB 15 "Revenue from Contracts with Customers" to determine whether the transfer of an asset is accounted for as a sale of that asset.

If the transfer of an asset by the Group satisfies the requirements of AASB 15 to be accounted for as a sale of the asset, then the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. The Group recognises the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

If the transfer of an asset by the Group does not satisfy the requirements of AASB 15 to be accounted for as a sale of the asset, the Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds.

22. Share capital

(i) Movements in shares on issue:

	31 December 2022	31 December 2021
	AS'000	AS'000
Share Capital	290,069	290,069
Costs of raising equity	(17,089)	(17,089)
	272,980	272,980

	No of shares	Issue price AS	AS'000
Opening balance at 1 January 2021	9,758,492,642		263,577
Movements in 2021			
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
Opening balance at 1 January 2022	13,066,702,368		290,069
Movements in 2022			
Issue of ordinary shares – Entitlement Offer 2020	-	-	-
Issue of ordinary shares – STI bonuses paid	-	-	-
Closing balance at 31 December 2022	13,066,702,368		290,069

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

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 year ended 31 December 2022, no options were granted, and 8,002,000 options lapsed or were forfeited and have been removed from the Company's option register. Total number of options as at 31 December 2022 is Nil (For the year ended 31 December 2021: no options were granted, and 1,905,000 options lapsed or were forfeited and have been removed from the Company's option register. Total number of options issued over ordinary shares in the Company as at 31 December 2021 is 8,002,000).

23. Share based payments

(a) Description of share-based payment arrangements

In 2010, the Company established the Staff Option Plan as part of the Group's Long-Term Incentive Plan to assist in the attraction, motivation and retention of senior executives and employees and to encourage their personal commitment to the Company. The plan forms a necessary part of the competitive packages offered by the Company in light of the markets in which it operates. The plan also creates an ownership mindset among participants and ensures business decisions and strategic planning has regard to the Company's long-term performance and growth. There are a number of different performance hurdles, exercise prices and vesting conditions dependent on the individual's position held. It is a vesting condition that the holder of options remains an employee or director at the time of vesting. There have been no cancellations or modification to the Staff Option Plan since it was established in 2010.

(b) Description of share-based payment arrangements

The Staff Option Plan offers individuals the opportunity to acquire options over fully paid ordinary shares in the Company. Share options granted under the plan for no consideration and carry no dividend or voting rights. When exercised, each option is convertible into one ordinary share subject to satisfying vesting conditions and performance criteria. The shares when issued rank pari passu in all respects with previously issued fully paid ordinary shares. Option holders cannot participate in new issues of capital which may be offered to shareholders prior to exercise.

The fair value of these options is assessed at the grant date using a Monte Carlo simulation model in accordance with AASB2 *Share-based Payments*. The options vest and expire at dates set out in the terms of the grant. The options cannot be transferred and are not quoted on the ASX.

(c) Summary of options granted under the Option Plan

There were no options granted during the year ended 31 December 2022 (year ended 31 December 2021: Nil). There are Nil vested and exercisable options at 31 December 2022 (31 December 2021: 8,002,000). There were no options exercised during the years ended 31 December 2022 and 31 December 2021.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

23. Share based payments (continued)

Movements in outstanding options	2022		2021	
	Number of Options	Weighted Average Exercise Price A\$	Number of Options	Weighted Average Exercise Price A\$
Balance at the beginning of the year	8,002,000	0.113	9,907,000	0.113
Granted	-	-	-	-
Forfeited/lapsed	(8,002,000)	0.113	(1,905,000)	0.113
Exercised	-	-	-	-
Balance at the end of the year	-	-	8,002,000	0.113
Vested and exercisable at year end	-	-	8,002,000	0.113

(c) Summary of options granted under the Option Plan

Details of share options outstanding at 31 December 2022 are detailed below:

Date of issue	2022		2021	
	Number of Options	Average Exercise Price A\$	Number of Options	Average Exercise Price A\$
17 April 2015	-	-	-	-
17 April 2015	-	-	-	-
11 June 2015	-	-	-	-
11 June 2015	-	-	-	-
18 October 2017	-	-	2,721,000	0.080
18 October 2017	-	-	5,281,000	0.130
Balance at the end of the year	-	-	8,002,000	0.113

During the year ended 31 December 2022, no options were granted, and 8,002,000 options lapsed or were forfeited and have been removed from the Company's option register. Total number of options as at 31 December 2022 is Nil.

24. Risk management and financial instruments

(a) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit, Risk and Compliance Committee (ARCC), which is responsible for overseeing the development and monitoring the Group's risk management policies by the Company. A Risk Committee consisting of senior management and staff report regularly to the ARCC. Significant risks which cannot be appropriately and adequately mitigated are reported and reviewed by the Board of Directors.

The Group has established a Risk Management Policy to provide a framework for the management of risk within the Group. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Group has exposure to the following risks from its operations and use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

24. Risk management and financial instruments (continued)

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. For the Group currency risk arises from transactions in foreign currencies, predominantly US Dollars (USD), and Russian Roubles (RUB). For the Group interest rate risk arises from the exposure to Australian cash deposit rates relating to cash and cash equivalents. For the Group commodity price risk affects the valuation of the Royalty Agreement Liability.

(iv) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure and from external factors other than credit, liquidity and market risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness. The primary responsibility for the development and implementation of controls to address operational risk is assigned to the Group's senior management. This responsibility is supported by the development of the Group Policies and Code of Conduct.

(b) Capital management

The Company and Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration, evaluation and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, or issue new shares. The Group's focus historically has been to raise sufficient funds through equity to fund its exploration and evaluation activities and expansion.

The Board has not set a target for employee ownership of the Company's ordinary shares.

The Board has not yet set a debt to capital target for the Group.

Russian Law provides that Russian subsidiaries in the Group need to maintain a level of net assets higher than their charter capital. Management closely monitor this requirement and act accordingly when required.

Neither the Company nor remaining subsidiaries are subject to any externally imposed capital requirements.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

24. Risk management and financial instruments (continued)

(c) Financial instruments

The Group holds the following financial instruments:

	31 December 2022 AS'000	31 December 2021 AS'000
Financial assets		
Cash and cash equivalents	7,170	33,511
Trade and other receivables	46,443	6,277
	53,613	39,788
Financial liabilities		
Trade and other payables	28,454	7,620
Leases liabilities	11,383	15,048
Loans payable	-	-
Other financial liabilities	1,156	1,689
	40,993	24,357

(d) Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and liabilities.

31 December 2022

	Carrying amount		
	Loans & Receivables	Other financial liabilities	Total
	AS'000		
Financial assets not measured at fair value			
Cash and cash equivalents	7,170	-	7,170
Trade and other receivables	46,443	-	46,443
	53,613	-	53,613
Financial liabilities not measured at fair value			
Trade and other payables	-	28,454	28,454
Loans payable	-	-	-
Lease liabilities	-	11,383	11,383
Other financial liabilities	-	1,156	1,156
	-	40,993	40,993

31 December 2021

	Carrying amount		
	Loans & Receivables	Other financial liabilities	Total
	AS'000		
Financial assets not measured at fair value			
Cash and cash equivalents	33,511	-	33,511
Trade and other receivables	6,277	-	6,277
	39,788	-	39,788
Financial liabilities not measured at fair value			
Trade and other payables	-	7,620	7,620
Loans payable	-	-	-
Lease liabilities	-	15,048	15,048
Other financial liabilities	-	1,689	1,689
	-	24,357	24,357

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

24. Risk management and financial instruments (continued)

(e) Credit risk

Exposure to credit risk

Management monitors the exposure to credit risk on an ongoing basis. The maximum exposure to credit risk on financial assets is the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. For trade and other receivables, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

The Group has treasury policies in place for deposit transactions to be conducted with financial institutions with high credit-ratings assigned by international credit-rating agencies. At the reporting date, cash is held with reputable financial institutions which all meet the Group's minimum credit rating required by the approved treasury policy.

	Carrying amount 2022 A\$'000	2021 A\$'000
Cash and cash equivalents	7,170	33,511
Trade and other receivables	46,443	6,277
	53,613	39,788

Geographical information

The Group's maximum exposure to credit risk for Trade and other receivables at the reporting date by geographical region was:

	Carrying amount 2022 A\$'000	2021 A\$'000
Asia and the Russian Federation	46,443	6,277
Australia	-	-
	46,443	6,277

Counterparty information

The Group's maximum exposure to credit risk for Trade and other receivables at the reporting date by type of counterparty was:

	2022 A\$'000	2021 A\$'000
Coal customers	46,443	6,277
Other	-	-
	46,443	6,277

Impairment losses

The ageing of the Group's Trade and other receivables at the reporting date was:

	Gross 2022 A\$'000	Impaired 2022 A\$'000	Gross 2021 A\$'000	Impaired 2020 A\$'000
Not past due	-	-	-	-
Past due 0-30 days	46,443	-	6,277	-
Past due 31-120 days	-	-	-	-
Past due 121 days to one year	1,142	(1,142)	306	(306)
More than one year	-	-	-	-
	47,585	(1,142)	6,583	(306)

As of 31 December 2022 there was A\$1.142 million provision for expected credit losses. (At 31 December 2021: A\$0.306). In January-February 2023 TIG received A\$7,458 million of past due receivables.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

24. Risk management and financial instruments (continued)

(f) Liquidity risk

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	
31 December 2022	AS'000	AS'000	AS'000	AS'000	AS'000	AS'000	AS'000
Non-derivative financial liabilities							
Trade and other payables	28,454	28,454	28,454	-	-	-	-
Lease liabilities	11,383	18,677	2,648	3,782	3,261	2,918	6,068
Other financial liabilities	1,156	1,365	136	840	389	-	-
	40,993	48,496	31,238	4,622	3,650	2,918	6,068
31 December 2021							
Non-derivative financial liabilities							
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	2,149	162	781	862	344	-
	24,357	32,564	9,674	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.

(g) Market risk

(i) Currency risk

Exposure to currency risk

Management monitors the exposure to currency risk on an ongoing basis. The Group operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily with respect to the US Dollar ("USD") and the Russian Rouble ("RUB").

The Group's exposure to foreign currency risk was as follows:

	USD 2022 AS'000	RUB 2022 AS'000	USD 2021 AS'000	RUB 2021 AS'000
Cash and cash equivalents	12	5,594	401	32,348
Trade and other receivables	40,827	20,921	5,113	11,959
Trade and other payables	(10,238)	(18,216)	(681)	(6,939)
Loans payable	-	-	-	-
Lease liabilities	-	(11,383)	-	(15,048)
Other financial liabilities	-	(1,156)	-	(1,689)
Net exposure	30,601	(4,240)	4,833	20,631

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

24. Risk management and financial instruments (continued)

(g) Market risk

(i) Currency risk

Exchange rates used

The following significant exchange rates were applied during the year relative to one Australian dollar:

	Average rate		Reporting date spot rate	
	2022	2021	2022	2021
USD	1.4368	1.3307	1.4760	1.3780
RUB	0.0208	0.0181	0.0210	0.0185

Sensitivity analysis

A weakening of the AUD, as indicated, against the USD and RUB at 31 December 2022 would have the impact in equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Strengthening		Weakening	
	Equity	Profit or loss	Equity	Profit or loss
	AS\$'000	AS\$'000	AS\$'000	AS\$'000
31 December 2022				
USD (10% movement)	3,400	3,400	(2,782)	(2,782)
RUB (10% movement)	(471)	(471)	385	385
31 December 2021				
USD (10% movement)	537	537	(439)	(439)
RUB (10% movement)	2,292	2,292	(1,876)	(1,876)

(i) Commodity price risk

Commodity price risk in the Group primarily arises from price fluctuations of coal. Management monitors the exposure to commodity price risk on an on-going basis.

(ii) Interest rate risk

Exposure to interest rate risk

Management monitors the exposure to interest rate risk on an ongoing basis. The Group's exposure to interest rate risk is minimal as the Group borrows funds at fixed rates. At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2022	2021
	AS\$'000	AS\$'000
Fixed rate instrument		
Financial assets	-	-
Financial liabilities	(12,539)	(16,737)
	(12,539)	(16,737)
Variable rate instruments		
Financial assets	1	776
Financial liabilities	-	-
	1	776

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

25. Expenditure commitments

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 year ended 31 December 2021, the Group is in compliance with those exploration obligations defined in the respective licences.

Other commitments

Other commitments of A\$3.208 million are primarily comprised of A\$513 million for CHPP construction, A\$155 installation of storage tank of light oil products, acquisition of spare parts (At 31 December 2021: A\$3.886 million are primarily comprised of A\$1.025 million commitment for a new 500t barge, A\$0.587 million commitments to DPCI for CHPP equipment and A\$0.660 million for CHPP constructio).

26. Contingencies

Deed of cross guarantee

Under the terms of the ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the Company has entered into an approved deed of cross guarantee of liabilities with the subsidiary identified in Note 32.

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.

27. Related parties' disclosure

(a) Identity of related parties

Balances and transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The remuneration of key management personnel is disclosed in Note 29.

As disclosed in Note 18, On 4 February 2021 outstanding loan payable to Dr Bruce Gray and interest accrued thereon was settled in full.

There were no transactions with other related parties during the years ended 31 December 2022 and 2021.

It is the Group's policy that where transactions are undertaken with related parties, they are done so on an arm's length basis.

28. Key Management Personnel Disclosures

(a) Compensation of key management personnel

The key management personnel compensation included in "Administration expenses" (see Note 8) and "Share-based payments" (see Note 23) is as follows:

	2022	2021
	A\$	A\$
Short-term employee benefits	2,711,032	2,225,664
Long-term employee benefits	856,334	766,955
Post-employment benefits	25,257	14,560
Share-based payments	-	-
	3,592,623	3,007,179

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

(b) Key management personnel compensation disclosures

Information regarding individual Directors' and executives, compensation and some equity instrument disclosures as permitted by Corporation Regulation 2M.3.03 and 2M.6.04 is provided in the Remuneration Report in Section 12 of the Directors' Report.

The movement in the number of Tigers Realm Coal Limited shares held directly, indirectly, or beneficially by the key management personnel and their related entities are set out below.

	Balance at 1 January	Acquisitions	Sales	Other Changes	Balance at 31 December
2022					
Directors					
C Wiggill	5,100,000	-	-	-	5,100,000
B Gray	7,825,877,288	-	-	-	7,825,877,288
O Hegarty	66,412,029	-	-	-	66,412,029
T Sitdekov	-	-	-	-	-
D Swan	-	-	-	-	-
V Doronin	-	-	-	-	-
Other key management personnel					
S Southwood	-	-	-	-	-
D Forsyth	22,468,970	-	-	-	22,468,970
D Gavrilin	16,388,169	-	-	-	16,388,169
D Bender	-	-	-	-	-

(c) Movements in shares

	Balance at 1 January	Acquisitions	Sales	Other Changes	Balance at 31 December
2021					
Directors					
C Wiggill	5,100,000	-	-	-	5,100,000
B Gray	5,145,349,665	2,680,527,623	-	-	7,825,877,288
O Hegarty	60,412,029	6,000,000	-	-	66,412,029
R Morgan	-	-	-	-	-
T Sitdekov	-	-	-	-	-
D Swan	-	-	-	-	-
Other key management personnel					
S Southwood	-	-	-	-	-
D Forsyth	21,867,673	601,297	-	-	22,468,970
D Gavrilin	7,246,377	9,141,792	-	-	16,388,169
D Bender	-	-	-	-	-

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

29. Group entities

Significant subsidiaries

	Country of Incorporation	Ownership Interest	
		2022	2021
Parent entity			
Tigers Realm Coal Limited	Australia		
Subsidiaries			
TR Coal International Limited	Australia	100%	100%
Tigers Realm Coal (Cyprus) Pty Ltd	Cyprus	100%	100%
Greaterbay Larnaca Finance (Cyprus) Pty Ltd	Cyprus	100%	100%
Eastshore Coal Holding Limited	Cyprus	80%	80%
Telofina Holdings Ltd	Cyprus	100%	100%
Rosmiro Investments Limited	Cyprus	100%	100%
Anadyrsky Investments Limited	Cyprus	100%	100%
Northern Pacific Coal Company	Russia	80%	80%
Beringpromugol LLC	Russia	100%	100%
Port Ugolny LLC	Russia	100%	100%
Bering Ugol Investments LLC	Russia	100%	100%
BeringPromservice LLC	Russia	100%	-
Beringpromtrading LLP	Kazakhstan	100%	-
TIG Trading DMCC	UAE	100%	-

30. Parent entity disclosures

As at and throughout the financial year ended 31 December 2022, the parent entity of the Group was Tigers Realm Coal Limited. Information relating to the parent entity follows:

	31 December 2022 A\$'000	31 December 2021 A\$'000
Results of parent entity		
Loss for the period	-	-
Total comprehensive loss	-	-
Financial position of parent entity		
Current assets	-	776
Non-current assets	130,800	130,024
Total assets	130,800	130,800
Current liabilities	-	-
Total liabilities	-	-
Net Assets	130,800	130,800
Total equity of the parent entity comprising		
Share capital	272,980	272,980
Reserves	7,353	7,353
(Accumulated deficit)	(149,533)	(149,533)
Total equity	130,800	130,800

Contingent liabilities of the parent entity

The parent entity has contingent liabilities arising from its guarantees to each creditor of TR Coal International Limited under the Deed of Cross Guarantee as discussed in Note 32.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

31. Deed of cross guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the wholly-owned subsidiary listed below is 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 the subsidiary 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 the subsidiary 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 subsidiary has 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.

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entity which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee for the year ended 31 December 2022 is set out below.

Statement of comprehensive income and retained earnings

	31 December 2022 A\$'000	31 December 2021 A\$'000
Share based payments	-	-
Administrative expenses	(1,896)	(1,729)
Results from operating activities	(1,896)	(1,729)
Net foreign exchange gain/(loss)	(281)	4,684
Finance expense	-	-
Finance income	71	53
Net finance expense	(210)	4,736
Profit before income tax	(2,106)	3,008
Income tax expense	-	-
Net Profit	(2,106)	3,008
Other comprehensive income		
Foreign currency translation differences for foreign operations	-	-
Income tax on other comprehensive income	-	-
Total comprehensive profit for the period	(2,106)	3,008
Accumulated deficit at beginning of year	(189,320)	(192,328)
Accumulated deficit at end of year	(191,426)	(189,320)

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

31. Deed of cross guarantee (continued)

	31 December 2022 A\$'000	31 December 2021 A\$'000
Current Assets		
Cash and cash equivalents	1	776
Trade and other receivables	121	467
Prepayments	855	326
Total current assets	977	1,569
Non-current assets		
Property, plant and equipment	-	-
Investments in subsidiaries	132,916	129,658
Total non-current assets	132,916	129,658
Total assets	133,893	131,227
Current Liabilities		
Trade and other payables	1,639	435
Loan payables	-	-
Employee provisions	46	59
Total current liabilities	1,685	494
Total liabilities	1,685	494
Net assets	132,208	130,733
Equity		
Share capital	272,980	272,980
Reserves	50,654	47,073
(Accumulated deficit)	(191,426)	(189,320)
Total equity	132,208	130,733

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

32. Non-controlling interest

No change in the non-controlling interests in the Eastshore and the Amaam project occurred during the years ended 31 December 2022 and 2021.

33. Auditors' Remuneration

Details of the amounts paid to the former auditor, Deloitte, and related network firms and Group's current auditor, Hall Chadwick NSW, for audit and non-audit services provided during the year are set out below.

	31 December 2022 A\$	31 December 2021 A\$
Audit services:		
Audit and review of financial reports Hall Chadwick NSW	190,000	-
Audit and review of financial reports Deloitte Australia	79,380	137,350
Audit and review of financial reports Deloitte Overseas	214,725	243,218
	484,105	380,568
Services other than statutory audit		
Other services		
Taxation compliance and advisory services Deloitte Australia	118,073	26,881
Taxation compliance services and advisory services Deloitte Overseas	-	66,823
	118,073	93,704
	602,178	474,272

34. 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
Notes to the consolidated financial statements
For the year ended 31 December 2022

Directors' declaration
For the year ended 31 December 2022

1. In the opinion of the Directors of Tigers Realm Coal Limited ('the Company'):
 - (a) the attached consolidated financial statements and notes that are set out on pages 34 to 75 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) 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.
2. There are reasonable grounds to believe that the Company and the group entities identified in Note 32 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.
3. The Directors have been given the declarations required by Section 259A of the *Corporations Act 2001* from the chief executive officer and the chief financial officer for the financial year ended 31 December 2021.
4. The Directors also draw attention to Note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Dated at Melbourne this 23rd day of March 2023.



Craig Wiggill
Director

TIGERS REALM COAL LIMITED
ABN 50 146 752 561
AND ITS CONTROLLED ENTITIES

SYDNEY

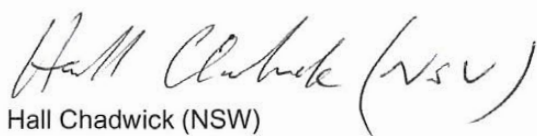
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TIGERS REALM COAL LIMITED

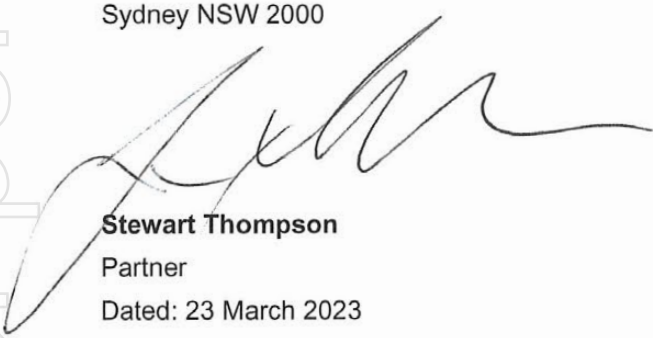
In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Tigers Realm Coal Limited.

As the lead audit partner for the audit of the financial report of Tigers Realm Coal Limited for the year ended 31 December 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Hall Chadwick (NSW)
Level 40, 2 Park Street
Sydney NSW 2000


Stewart Thompson

Partner

Dated: 23 March 2023

A Member of PrimeGlobal
An Association of Independent
Accounting Firms

 **PrimeGlobal**

TIGERS REALM COAL LIMITED
ABN 50 146 752 561
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TIGERS REALM COAL LIMITED

Opinion

We have audited the financial report of Tigers Realm Coal Limited and its Controlled Entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of the Tigers Realm Coal Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the year then ended; and
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

TIGERS REALM COAL LIMITED
ABN 50 146 752 561
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TIGERS REALM COAL LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 31 December 2022. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

How Our Audit Addressed the Key Audit Matter

Provision for Royalty Liability

Refer to Financial Report Note 21

In conjunction with our valuation specialists, we performed our audit procedures including but were not limited to:

As disclosed in Note 21, the Group has entered a royalty arrangement as part of obtaining control in the Amaam and Amaam North Projects. Total approximately \$20.9 million provision of royalty liability has been recorded as of 31 December 2022.

Management is required to make a number of judgements to estimate the amount of the liability including identifying an appropriate methodology, the probability amount and timing of expected future cash flows from the revenue derived from sale of coal produced and the discount rate. As the estimate is sensitive to these judgements, there is a risk that changes in key assumptions can have a significant impact on the estimate and therefore reported results.

- Evaluating management's process and assessing the design and implementation of key controls management have in place for determining the royalty liability.
- Assessing and challenging management's assumptions made in relation to forecast production and sales volumes, forecast coal prices. This included assessing the consistency of these assumptions with other relevant information, including but not limited to life-of-mine plans, external observable market data and economic analysis.
- Challenging the reasonableness of the assumptions used to determine the discount rate.
- Performing a retrospective review of management's production and sales volumes, coal prices assumptions to evaluate the accuracy of the management's forecasting.
- Performing sensitivity analysis on a number of key assumptions, including production and sales volumes, coal prices and discount rate.
- Assessing the appropriateness of the disclosure in Note 21 to the financial statements.

TIGERS REALM COAL LIMITED
ABN 50 146 752 561
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TIGERS REALM COAL LIMITED

Material Uncertainty Related to Going Concern

We draw attention to note 3(a) which indicates the group may be subject to impact of economic restrictions imposed by several countries. As stated in note 3(a), these matters, along with other matters outlined in note 3(a), indicate that a material uncertainty exists that may cast a significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Information Other than the financial report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the 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 directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

**TIGERS REALM COAL LIMITED
ABN 50 146 752 561
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TIGERS REALM COAL LIMITED**

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

TIGERS REALM COAL LIMITED
ABN 50 146 752 561
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TIGERS REALM COAL LIMITED


Report on the Remuneration Report

We have audited the remuneration report included in page 16 to 24 of the directors' report for the year ended 31 December 2022.


In our opinion, the remuneration report of Tigers Realm Coal Limited for the year ended 31 December 2022, complies with s 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit concluded in accordance with Australian Auditing Standards.



Hall Chadwick (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



Stewart Thompson

Partner

Dated: 23 March 2023

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

SHAREHOLDER INFORMATION

1. Top 20 Shareholders as at 10 February 2023

	Number of shares	% of Total
YEADON INVESTMENTS PTY LTD ATF YEADON TRUST	4,824,423,317	36.92
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,890,957,374	22.12
BV MINING HOLDING LIMITED	2,377,541,065	18.20
RDIF INVESTMENT MANAGEMENT LLC	1,036,224,898	7.93
NAMARONG INVESTMENTS PTY LTD <THE HANSEN INVESTMENT A/C>	735,511,670	5.63
PINE RIDGE HOLDINGS PTY LTD <PINE RIDGE SUPERANNUATION FUND A/C>	181,922,857	1.39
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	169,427,264	1.30
SHIMMERING BRONZE PTY. LTD.	65,912,029	0.50
CO-INVESTMENT PARTNERSHIP I L.P.	51,811,415	0.40
NATIONAL NOMINEES LIMITED <DB A/C>	45,000,000	0.34
SENNEN TROVE PTY LTD <BETA SUPER FUND A/C>	23,937,359	0.18
FOREMOST MANAGEMENT SERVICES PTY LIMITED <SUPER FUND A/C>	22,468,970	0.17
ASIPAC GROUP PTY LTD	18,846,246	0.14
MR. DMITRY GAVRILIN	16,388,169	0.13
CITICORP NOMINEES PTY. LIMITED	14,123,164	0.11
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	13,258,103	0.10
ROMADAK PTY. LTD. <THE JOMAR A/C>	12,461,460	0.10
VIRTUAL MENU PTY. LTD <GARRY MCKENZIE FAMILY A/C>	12,000,000	0.09
MR. COLIN KAPELERIS & MRS> ANNA KAPELERIS	11,128,000	0.09
CO-INVESTMENT PARTNERSHIP II C.V.	10,362,282	0.08
TOTAL	12,533,705,642	95.92

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2022

SHAREHOLDER INFORMATION (CONTINUED)

2. Voting rights of ordinary shares

On a show of hands one vote for each shareholder, and on a poll, one vote for each fully paid ordinary share.

3. Distribution of Shareholders and Shareholdings as at 10 February 2023

Holding and Distribution	No. of Holders	Securities	%
1 to 1000	56	5,489	.00
1001 to 5000	28	91,847	.00
5001 to 10000	40	342,696	.00
10001 to 100000	463	23,174,822	.18
100001 and Over	523	13,043,087,514	99.82
Total	1,110	13,066,702,368	100.00

4. Tigers Realm Coal Substantial Shareholders as at 10 February 2023

Holder	No. of Shares	% of Total
Dr Bruce Gray	7,825,877,288	59.89
BV Mining Holding Limited	2,377,541,065	18.20
RDIF Investment Management LLC *	1,098,398,595	8.41
Namarong Investments Pty Ltd <The Hansen Investment A/C>	735,511,670	5.63

*Including CO-INVESTMENT PARTNERSHIP I LP, CO-INVESTMENT PARTNERSHIP II CV

5. Shareholdings of less than a marketable parcel as at 10 February 2023

318 holding a total of 5,259,468 shares.

Tigers Realm Coal Limited

Corporate Directory

DIRECTORS

Craig Wiggill (Chairman)

Owen Hegarty

Bruce Gray

David Swan

Mitch Jakeman

COMPANY SECRETARY

David Forsyth

REGISTERED OFFICE

151 Wellington Parade South,
East Melbourne, Victoria, 3002

Tel: +61 3 8644 1300

PRINCIPAL OFFICE

37 Leningradski Avenue
Moscow, Russia 125167

Tel: +7 495 646 8353

Email: ir@tigersrealmcoal.com

AUDITORS

Deloitte Touche Tohmatsu

123 Eagle Street,

Brisbane, Queensland, 4000

For personal use only



TIGERS REALM COAL

Tigers Realm Coal Limited
151 Wellington Parade South
East Melbourne Victoria 3002
T +61 3 8644 1300
tigersrealmcoal.com