

Tigers Realm Coal Limited
Appendix 4D – Half year report
For the six months ended 30 June 2023

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

Current Period: 1 January 2023 to 30 June 2023
Previous corresponding period 1 January 2022 to 30 June 2022

2. Results for announcement to the market

| | 30 June 2023 | 30 June 2022 | Change |
|--|--------------|--------------|--------|
| | '000s | '000s | % |
| 2.1 Revenue | 35,401 | 1,840 | 1,824 |
| 2.2 Net Profit/ (Loss) from ordinary activities | 11,261 | (7,232) | 256 |
| 2.3 Net Profit/ (Loss) attributable to owners of the Company | 11,324 | (7,198) | 257 |

2.4 Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to 30 June 2023.

2.5 Commentary

Revenue increased by \$33.561 million for the six months to 30 June 2023 compared to the corresponding six-month period to 30 June 2022 due to the early start of the shipping season in 2023 and shipment of three cargos. Net Profit from ordinary activities of \$11.261 million was an improvement of \$18.493 million for the six months to 30 June 2023 when compared to the corresponding six-month period to 30 June 2022, as a result of an increase in revenue.

3. Net consolidated tangible assets per ordinary share

| | 30 June 2023 | 30 June 2022 | Change |
|-----------------|--------------|--------------|--------|
| | Cents | Cents | % |
| Ordinary shares | 1.10 | 1.37 | (20) |

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

No entities were acquired or disposed of during the six months ended 30 June 2023.

5. Details of associates and joint venture entities:

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

6. Foreign entities

Not applicable

7. Audit dispute or qualification

The interim financial statements for the six-month period ended 30 June 2023 have no audit dispute nor qualification.

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8. Authorization

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

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Tigers Realm Coal Limited
(ABN 50 146 752 561)

Interim Financial Report
For the six months ended 30 June 2023

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Tigers Realm Coal Limited

Corporate Directory

DIRECTORS

Craig Wiggill (Chairman)

Bruce Gray

Mitch Jakeman

COMPANY SECRETARY

David Forsyth

REGISTERED OFFICE

70-80 Wellington Street,

Collingwood Vic 3066

Tel: +61 3 8644 1300

PRINCIPAL OFFICE

37 Leningradski Avenue

Moscow, Russia 125167

Tel: +7 495 646 8353

Email: ir@tigersrealmcoal.com

AUDITORS

Hall Chadwick NSW

Level 40, 2 Park Street

Sydney NSW 2000

Australia

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Tigers Realm Coal Limited

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Tigers Realm Coal Limited
Directors' Report
For the six months ended 30 June 2023

1. Directors and Company Secretary

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

| Name | Role |
|---|------------------------------------|
| Mr Craig Wiggill (Chairman) BSc Eng | Independent Non-Executive Director |
| Mr Bruce Gray MB, BS, MS, PhD, FRACS | Non-Executive Director |
| Mr Mitch Jakeman BE, ME | Independent Non-Executive Director |
| Mr David Forsyth FGIA, FCIS, FCPA | Company Secretary |

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

2. Directors' meetings

During the six-month period to 30 June 2023, 8 Directors' meetings were held for Tigers Realm Coal Limited ("TIG" or "the Company").

3. Principal activities

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

4. Review of Operations

Business Strategies and Group Objectives

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

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

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Tigers Realm Coal Limited
Directors' Report
For the six months ended 30 June 2023

4. Review of Operations

Business Strategies and Group Objectives (continued)

Amaam North

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

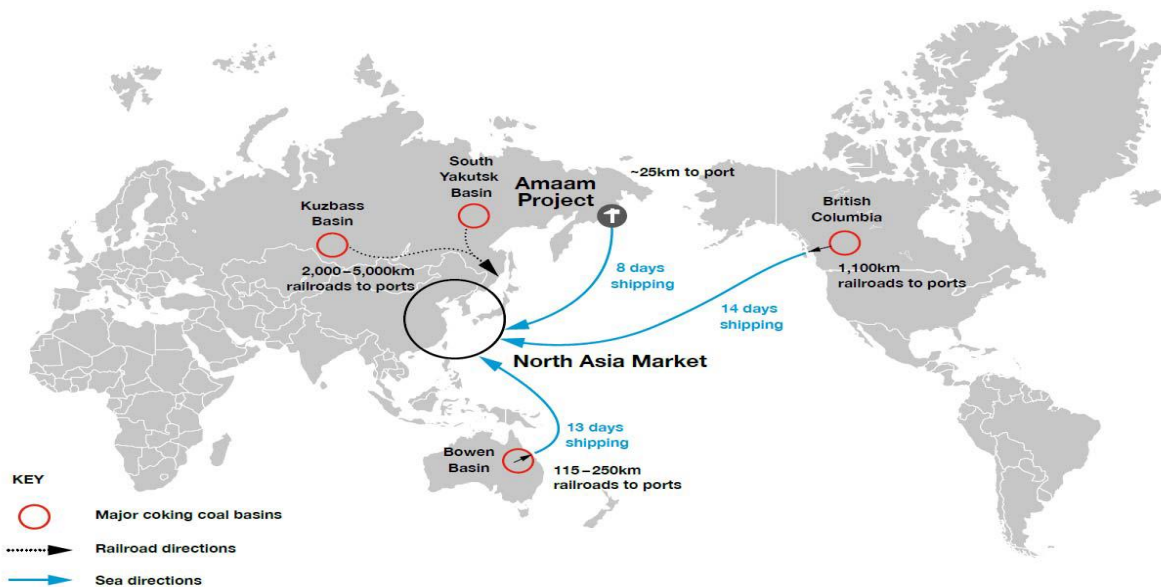
In September 2018, TIG was granted Exploration and Mining licence No AND 01314 TE over the Zvonkoye deposit, geographically located next to an eastern extension of Project F. TIG’s application for a Mining and Excavation Plan (“TPRM”) for the integrated development of the Fandyushkinskoe Field and Zvonkoye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

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

Amaam

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

Amaam Coking Coal Field– World Location Map



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Tigers Realm Coal Limited
Directors' Report
For the six months ended 30 June 2023

4. Review of Operations

Economic restrictions

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

Operating Performance

Key Operating and Financial Indicators for the six months ended 30 June 2023 and 2022 are as follows:

| Key Operating and Financial Indicators (thousand tonnes unless otherwise stated) | Results for the six months to 30 June 2023 | Results for the six months to 30 June 2022 |
|---|---|---|
| Coal mined | 737 | 626 |
| Overburden removed | 2,670 bcm | 2,032 bcm |
| Stripping ratio | 3.6:1 | 3.2:1 |
| Coal processed at CHPP | 520 | 189 |
| CHPP yield | 55% | 50% |
| ROM coal stocks at period end** | 922 | 1,079 |
| Coal sold* | 260 | 18 |
| Coal loaded | 265 | 147 |
| Cost of coal mined per tonne | A\$58.16 US\$39.02 RUR 3,023 | A\$42.03 US\$30.31 RUR 2,320 |
| EBITDA**, in A\$'000 | 12,081 | (6,107) |

*including 7kt sold to domestic customers (30 June 2022: 18kt)

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

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

| in A\$'000 | Results for the six months to 30 June 2023 | Results for the six months to 30 June 2022 |
|--------------------------|---|---|
| Profit before income tax | 11,124 | (7,214) |
| Add: Net finance costs | (1,266) | 619 |
| Add: Depreciation | 2,223 | 488 |
| EBITDA | 12,081 | (6,107) |

For the six months ended 30 June 2023 the Group achieved a net profit of A\$11.261 million compared to net loss of A\$7.232 million for six months to 30 June 2022. The key reason for the net profit for the six months ended 30 June 2023 compared to the net loss for six months ended 30 June 2022 is an earlier start of the shipping season in 2023. The shipping season started on 25 May in 2023 as opposed to 12 June in 2022. As a result, TIG finished loading its first export cargo in early June 2023. Consequently, TIG recognized revenue from export sales during the six months ended 30 June 2023.

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Tigers Realm Coal Limited

Directors' Report

For the six months ended 30 June 2023

4. Review of operations (continued)

The key features for the six months ended 30 June 2023 include:

- The Group mined 737kt of coal, 111kt (+18%) more than during the six months ended 30 June 2022;
- The CHPP was operating for the full six months and received 285kt of washed coal product during the period.
- During the six months ended 30 June 2023, TIG achieved a maximum loading rate of 16kt per workable weather day ("pwwd"). The average loading rate for six months ended 30 June 2023 was 11.0kt pwwd, in line with average of 10.0kt pwwd during six months ended 30 June 2022;
- As at 30 June 2023, the Group had contracted three cargoes to sell coal to international customers;
- Excluding the impact of fluctuations in the exchange rates, cost of coal produced per tonne increased by 40% during the six months ended 30 June 2023 compared to the six months ended 30 June 2022. The increase was largely the result of CHPP in operations for 6 months versus 2 months in 2022 and a higher stripping ratio of 3.6:1 in the six months to 30 June 2023 compared to 3.2:1 in the six months to 30 June 2022 due to concentrating mining activities at seams with higher stripping ratios.

Financial Position

Cash balances

The Group's cash balance decreased by A\$4.049 million to A\$3.121 million over the six-month period to 30 June 2023, from A\$7.170 million at 31 December 2022. This decrease arose primarily from the operational cash outflows and further investment in the Company's mining, processing and logistics infrastructure, offset by advances from customers and VAT refund.

Inventory on hand

The carrying amount of the Group's inventories on hand at 30 June 2023 was A\$84.971 million, including A\$43.703 million of coal inventories, A\$6.608 million in fuel and oils and A\$34.660 million of other consumables (31 December 2022: A\$85.640 million including A\$33.553 million of coal inventories, A\$10.968 million in fuel and oils and A\$41.119 million of other consumables).

Decrease in coal inventory is due to the following reasons:

- 3 cargoes of thermal coal sold in June 2023;
- significant depreciation of the Russian Rouble against Australian dollar.

Management performs a regular review of the recoverability of inventories, including coal stocks, to assess the Group's ability to recover the cost of coal inventories on hand. As of 30 June 2023, all inventories are stated at cost.

Non-current assets

Additions to mining and port assets totalling A\$6.559 million during the six months ended 30 June 2023 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;
- Site for repair of marine transport.

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 interim financial report for further details.

Royalty Agreement liability

After the assessment of the provision for the obligations under the Royalty Agreement liability at 30 June 2023, the Group recognized an increase in the royalty liability of A\$1.247 million, of which A\$0.489 million relates to changes in foreign exchange rates. As at 30 June 2023 the provision amounted to A\$21.283 million (At 31 December 2022: A\$20.036 million). Refer to Note 15 to the consolidated interim financial report for further details.

Tigers Realm Coal Limited
Directors' Report
For the six months ended 30 June 2023

4. Review of operations (continued)

Licence Update

The Company is in compliance with all license obligations.

5. Events subsequent to reporting date

On 12 July 2023 the Group entered into a non-revolving credit line with Asia-Pacific Bank which is to be settled by no later than 30 December 2024, in accordance with which it could borrow up to RMB 15 million (A\$3.150 million). The interest on outstanding balances accrues at 5.5% per annum.

The loan was secured by a secondary pledge over vessel Navarin (5th 500t barge) with a carrying value as at 30 June 2023 of A\$2.4511 million. Furthermore, the outstanding balance was secured by contract of guarantee provided by the Port Ugolny LLC.

6. Dividends paid or recommended

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

7. Directors' interests

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

| | Tigers Realm Coal Limited | |
|-----------|---------------------------|------------------------------|
| | Ordinary shares | Options over ordinary shares |
| C Wiggill | 5,100,000 | - |
| B Gray | 7,825,877,288 | - |
| M Jakeman | - | - |

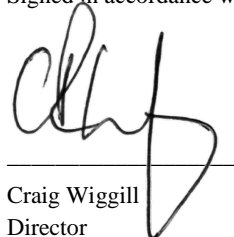
8. Auditor's Independence Declaration

The auditor's independence declaration is set out on page 25 and forms part of the Directors' report for the six months ended 30 June 2023.

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

Dated this 30th day of August 2023.

Signed in accordance with a resolution of the Directors:



Craig Wiggill
Director

Tigers Realm Coal Limited
Consolidated interim statement of financial position
As at 30 June 2023

| | Note | 30 June 2023 A\$'000 | 31 December 2022 A\$'000 |
|---|------|----------------------------|--------------------------------|
| Current Assets | | | |
| Cash and cash equivalents | | 3,121 | 7,170 |
| Trade and other receivables | 13 | 38,786 | 61,748 |
| Inventories | 11 | 73,925 | 73,466 |
| Prepayments | | 7,726 | 3,686 |
| Total current assets | | 123,558 | 146,070 |
| Non-current assets | | | |
| Inventories | 11 | 11,046 | 12,174 |
| Property, plant and equipment | 12 | 72,761 | 86,461 |
| Total non-current assets | | 83,807 | 98,635 |
| Total assets | | 207,365 | 244,705 |
| Current Liabilities | | | |
| Trade and other payables | | 18,326 | 28,454 |
| Lease liability | 14 | 4,338 | 5,977 |
| Loans payable | 16 | 8,686 | |
| Royalty liability | 15 | 8,413 | 5,097 |
| Other financial liabilities | | 693 | 805 |
| Employee benefits | | 3,702 | 3,507 |
| Total current liabilities | | 44,158 | 43,840 |
| Non-current liabilities | | | |
| Trade and other payables | | - | - |
| Lease liability | 14 | 4,177 | 5,406 |
| Royalty liability | 15 | 12,870 | 14,939 |
| Other financial liabilities | | 237 | 351 |
| Employee benefits | | 2,064 | 1,623 |
| Provision for site restoration | | 564 | 681 |
| Total non-current liabilities | | 19,912 | 23,000 |
| Total liabilities | | 64,070 | 66,840 |
| Net assets | | 143,295 | 177,865 |
| Equity | | | |
| Share capital | | 272,980 | 272,980 |
| Reserves | | (24,475) | 21,356 |
| (Accumulated losses) | | (85,270) | (96,594) |
| Total equity attributable to equity holders of the Company | | 163,235 | 197,742 |
| Non-controlling interest | | (19,940) | (19,877) |
| Total equity | | 143,295 | 177,865 |

The notes on pages 13 to 25 are an integral part of the consolidated interim financial report.

Tigers Realm Coal Limited

Consolidated interim statement of comprehensive income For the six months ended 30 June 2023

| | Note | 30 June 2023 A\$'000 | 30 June 2022 A\$'000 |
|--|------|----------------------------|----------------------------|
| Revenue from coal sales | | 35,401 | 1,840 |
| Mining and related costs of coal sold | | (15,413) | (1,030) |
| Transshipment and other port costs | | (3,062) | (2,505) |
| Gross margin on coal sold | | 16,925 | (1,695) |
| Administrative and other operating expenses | 8 | (5,922) | (3,950) |
| Exploration and evaluation expenses | | (477) | (260) |
| Change in provisions for inventories | 11 | - | - |
| Change in provisions for bad debt | | (119) | (345) |
| Write off of property, plant and equipment | | - | (86) |
| Royalty expense | 15 | (758) | (561) |
| Other income | | 208 | 302 |
| Results from operating activities | | 9,858 | (6,595) |
| Net foreign exchange gain/(loss) | | 2,086 | 435 |
| Finance income | | 1 | - |
| Finance costs | | (820) | (1,054) |
| Net finance income/(costs) | | 1,266 | (619) |
| Earnings/ (Loss) before income tax | | 11,124 | (7,214) |
| Income tax expense | | 137 | (18) |
| Net Profit/ (Loss) | | 11,261 | (7,232) |
| Other comprehensive income | | | |
| Items that may subsequently be reclassified to profit or loss | | | |
| Foreign currency translation differences for foreign operations | | (45,831) | 67,521 |
| Total comprehensive income/ (loss) for the period | | (34,570) | 60,289 |
| Net Profit/ (Loss) is attributable to: | | | |
| Owners of the Company | | 11,324 | (7,198) |
| Non-controlling interest | | (63) | (34) |
| Net Profit/ (Loss) for the period | | 11,261 | (7,232) |
| Total comprehensive income/(loss) attributable to: | | | |
| Owners of the Company | | (34,507) | 60,323 |
| Non-controlling interest | | (63) | (34) |
| Total comprehensive income/(loss) for the period | | (34,570) | 60,289 |
| Loss per share (cents per share) | | | |
| basic loss per share (cents) | 10 | 0.087 | (0.055) |
| diluted loss per share (cents) | 10 | 0.087 | (0.055) |

The notes on pages 13 to 25 are an integral part of the consolidated interim financial report.

Tigers Realm Coal Limited
Consolidated interim statement of changes in equity
For the six month period ended 30 June 2023

| Note | Share Capital AS'000 | (Accumulated Losses) AS'000 | Share based Payments Reserve AS'000 | Foreign Currency Translation Reserve AS'000 | Other Reserve AS'000 | Total AS'000 | Non-controlling Interest AS'000 | Total AS'000 |
|--|-------------------------|--------------------------------|--|--|-------------------------|-----------------|------------------------------------|-----------------|
| Balance as at 1 January 2023 | 272,980 | (96,594) | 7,353 | 7,694 | 6,309 | 197,742 | (19,877) | 177,865 |
| Net loss | - | 11,324 | - | - | - | 11,324 | (63) | 11,261 |
| Other comprehensive income | - | - | - | (45,831) | - | (45,831) | - | (45,831) |
| Total comprehensive income/(loss) for the period | - | 11,324 | - | (45,831) | - | (34,507) | (63) | (34,570) |
| Balance at 30 June 2023 | 272,980 | (85,270) | 7,353 | (38,137) | 6,309 | 163,235 | (19,940) | 143,295 |
| Balance as at 1 January 2022 | 272,980 | (149,393) | 7,353 | 1,227 | 6,309 | 138,476 | (19,782) | 118,694 |
| Net loss | - | (7,198) | - | - | - | (7,198) | (34) | (7,232) |
| Other comprehensive loss | - | - | - | 67,521 | - | 67,521 | - | 67,521 |
| Total comprehensive loss for the period | - | (7,198) | - | 67,521 | - | 60,323 | (34) | 60,289 |
| Balance at 30 June 2022 | 272,980 | (156,591) | 7,353 | 68,748 | 6,309 | 198,799 | (19,816) | 178,983 |

The notes on pages 13 to 25 are an integral part of the consolidated interim financial report.

Tigers Realm Coal Limited
Consolidated interim statement of cash flows
For the six months period ended 30 June 2023

| | 30 June 2023 A\$'000 | 30 June 2022 A\$'000 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Cash receipts from customers (including cash received in advance) | 37,798 | 13,727 |
| Cash paid to suppliers and employees | (39,052) | (30,129) |
| Exploration and evaluation expenditure | (913) | (110) |
| Interest and financing costs paid | (593) | (1,093) |
| Income taxes paid | (652) | (22) |
| Net cash used in operating activities | (3,412) | (17,627) |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (7,959) | (5,733) |
| Net cash used in investing activities | (7,959) | (5,733) |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | - | - |
| Repayment of shareholder loan | - | - |
| Repayment of lease liabilities | (1,877) | (682) |
| Proceeds from borrowings | 8,686 | - |
| Repayment of borrowings | (73) | - |
| Net cash generated by financing activities | 6,736 | (682) |
| Net movement in cash and cash equivalents | (4,635) | (24,042) |
| Cash and cash equivalents at beginning of the period | 7,170 | 33,511 |
| Effects of exchange rate changes on cash and cash equivalents | 586 | (2,555) |
| Cash and cash equivalents at the end of the period | 3,121 | 6,914 |

Non-cash investing activities for the six months ended 30 June 2023 and 2022: Leasing transactions

During the six months ended 30 June 2023, the Group did not conclude any new lease agreements (30 June 2022: a lease agreement in relation to office building).

The notes on pages 13 to 25 are an integral part of the Consolidated interim financial report.

Tigers Realm Coal Limited
Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

1. Reporting entity

Tigers Realm Coal Limited (the “Company” or “TIG”) is a company domiciled in Australia. During the six months to 30 June 2023 the Company’s registered office was 151 Wellington Parade South, East Melbourne, 3002 and its principal office was 37 Leningradski Avenue, Moscow, 125167, Russian Federation. Effective 1 August, 2023 the Company’s registered office changed to Suite 1, 70 – 80 Wellington Street, Collingwood, 3066. The consolidated interim financial report as at and for the six months ended 30 June 2023 comprises the Company and its subsidiaries (together referred to as the “Group”). The Group is a for-profit entity and primarily is involved in coal exploration and evaluation, mining and sales activities.

The consolidated annual financial report for the year ended 31 December 2022 is available on request at the Company’s registered office at 151 Wellington Parade South, East Melbourne, 3002, Victoria, Australia or from the Company’s website at www.tigersrealmcoal.com.

2. Statement of compliance

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

The consolidated interim financial report does not include all of the information and disclosures required for a full annual financial report and should be read in conjunction with the consolidated annual financial report as at and for the year ended 31 December 2022.

The consolidated interim financial report was authorised for issue by the Board of Directors on 30 August 2023.

3. Basis of preparation

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

Going concern basis of accounting

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

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

DFAT

On 10 March 2022 the Australian Minister for Foreign Affairs designated coal as an ‘import sanctioned good’ for Russia for the purpose of regulation 4A of the *Autonomous Sanctions Regulations 2011* (Cth) (the “Australian Sanctions Regulations”), which relates to sanctioned imports.

As noted in the Company’s ASX announcements dated 17 April 2023 and 26 June 2023, the Australian Department of Foreign Affairs and Trade (“DFAT”) issued the Company a non-binding, indicative assessment that the Department was of the view that

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Tigers Realm Coal Limited
Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

the Company's operations are likely to be prohibited by, or subject to authorisation under, regulation 4A of the Australian Sanctions Regulations. DFAT also invited the Company to apply to the Minister for an exemption permit.

The Company does not agree with DFAT's indicative assessment that its operations comprise a sanctioned import and, in June 2023, advised the market that it had filed an application with the Federal Court of Australia seeking declarations that regulation 4A of the Autonomous Sanctions Regulations does not apply to its operations ("Application"). The Company has not applied for an exemption permit as it has determined it is not appropriate to do so where the Company does not consider its operations fall within the scope of regulation 4A.

On 7 August 2023 the Federal Court made orders timetabling the progression of the Application. A hearing date has yet to be determined, however, the Federal Court has indicated the hearing is now likely to take place in March 2024.

The Company considers the Department's interpretation of regulation 4A is untenable. However, due to the inherent uncertainty of litigation, and the nature of the Application, the Company is unable to predict the outcome of the Application with any degree of certainty. If the Federal Court forms the view that that regulation 4A does, in fact, apply to a material aspect of the Company's activities, the Company will be required to give urgent consideration as to the steps required to ensure compliance with the sanctions (including the possible cessation of those operations). In such an eventuality, the Company's ability to continue as a going concern is likely to be impacted.

The impact of the economic restrictions

The economic restrictions and deteriorating geopolitical situation have created challenges with respect to sales, supply chain and capital flows, among others. Whilst certain of the Group's traditional customers are no longer purchasing Russian coal, the Group, nevertheless, continues to be able to sell coal to customers in Asian markets, mostly China, but typically incurs discounts relative to the prices available for comparable non-Russian coal products. 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 the customers' ships will be able to continue calling at its port in Russia in the future.

The Group has made significant changes to its supply chain in order to secure alternatives to suppliers which have exited the Russian market. To date these issues have required the Group to incur some additional costs and have consumed significant managerial resources. They have not, however, had a material adverse effect on the Group's operations. The Group's ability to continue as a going concern is premised upon the assumption that it will continue to be able to obtain sufficient spare parts for existing equipment and to replace such equipment as necessary.

Debt financing, including lease financing for new equipment, has, however, 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 of these types of payments must be approved in advance by a government commission specifically established for this purpose. Since the approval mechanism has been established only recently, it is not yet clear to what extent the Group's ability to transfer funds within the Group or to pay dividends will be limited.

The Group's performance

For the six months ended 30 June 2023, the Group earned a net profit of A\$11.261 million (Six months ended 30 June 2022: net loss of A\$7.232 million) and had net cash outflows from operating activities of A\$3.412 million (Six months ended 30 June 2022: net cash outflows from operating activities of A\$17.627 million).

As at 30 June 2023, the Group had cash and cash equivalents of A\$3.121 million (31 December 2022: A\$7.170 million) and net current assets of A\$79.400 million (31 December 2022 net current assets of A\$102.230 million).

Tigers Realm Coal Limited
Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

3. Basis of preparation (continued)
Going concern basis of accounting (continued)

Going concern assessment

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

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

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 various economic restrictions currently in place have not directly targeted the Group's business activities, and
- Precautionary measures taken by the Group to establish entities in different jurisdictions to manage Group liquidity and provide optionality for the future;
- The quality of coal required to realise the volume of production and sales contemplated in the Group's forecasts is sufficiently verified for its reasonableness by coal mining activities conducted to date. This, in conjunction with contracted to date and forecast thermal and coking coal prices, provides management with a reasonable basis to conclude that receipts from sales of coal will meet those expectations reflected in the cash flow forecasts;
- Commercial mining operations continue in line with expectations. There have been no indicators in the coal production process to date, which would suggest coal qualities and volumes and the cost of production would be materially different from those assumptions utilised in the cash flow forecasts;
- Customer coal shipments for the remainder of 2023 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 loading capabilities and port operability;
- Licence Compliance obligations for both the Amaam and Amaam North tenements have been planned for and are expected to be achieved with minimal risk of non-compliance with licence terms and conditions. There is, therefore, a reasonable expectation that the Group will continue to be compliant with licence drilling obligations;

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

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Tigers Realm Coal Limited
Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

4. Significant accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are consistent with those applied by the Group in its consolidated annual financial report as at and for the year ended 31 December 2022, except for the adoption of the new standards and interpretations as of 1 January 2023 noted below.

The Group has adopted all the following new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2023:

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

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

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

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

5. Use of estimates and judgements

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report as and for the year ended 31 December 2022.

6. Financial risk management framework

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 December 2022.

7. Segment reporting

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

The accounting policies used by the Group in reporting segments internally are the same as the Group accounting policies. In the six months ended 30 June 2023, the activities of the Group are managed in two reportable operating segments outlined below, consistent with how they were managed in the 2022 financial year:

| | |
|-----------------------------------|---|
| <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 located 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. |

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Tigers Realm Coal Limited
Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

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 | Amaam Project | Total Reportable Segments | Other | Total |
|--|------------------------|------------------|------------------------------|----------------|-----------------|
| | AS'000 | AS'000 | AS'000 | AS'000 | AS'000 |
| 30 June 2023 | | | | | |
| Revenue from the shipment and sale of coal | 35,401 | - | 35,401 | - | 35,401 |
| Finance and other income | 1 | - | 1 | - | 1 |
| Cost of coal sold | (18,475) | - | (18,475) | - | (18,475) |
| Change in provisions for bad debt | (119) | - | (119) | - | (119) |
| Exploration and evaluation expenses | (220) | (257) | (477) | - | (477) |
| Royalty expense | (758) | - | (758) | - | (758) |
| Finance costs | (820) | - | (820) | - | (820) |
| Other segment expenses, net | (566) | (60) | (626) | (3,003) | (3,629) |
| Segment result | 14,444 | (317) | 14,127 | (3,003) | 11,124 |
| Segment assets | 206,927 | 203 | 207,130 | 235 | 207,365 |
| Segment liabilities | (63,380) | (690) | (64,070) | - | (64,070) |
| 30 June 2022 | | | | | |
| Revenue from the shipment and sale of coal | 1,840 | - | 1,840 | - | 1,840 |
| Cost of coal sold | (3,535) | - | (3,535) | - | (3,535) |
| Change in provisions for bad debt | (345) | - | (345) | - | (345) |
| Exploration and evaluation expenses | (151) | (109) | (260) | - | (260) |
| Royalty expense | (561) | - | (561) | - | (561) |
| Finance costs, net | (1,054) | - | (1,054) | - | (1,054) |
| Other segment expenses, net | (633) | (63) | (696) | (2,603) | (3,299) |
| Segment result | (4,439) | (172) | (4,611) | (2,603) | (7,214) |
| Segment assets | 241,346 | 91 | 241,437 | 366 | 241,803 |
| Segment liabilities | (62,807) | (13) | (62,820) | - | (62,820) |

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Tigers Realm Coal Limited
Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

8. Administrative and other operating expenses

| | For six months ended 30 June | |
|---|---------------------------------|-----------------|
| | 2023 A\$'000 | 2022 A\$'000 |
| Wages, salaries and other personnel costs | (2,757) | (2,050) |
| Contractors and consultants' fees | (374) | (311) |
| Insurance | (331) | (243) |
| Legal fees and compliance costs | (493) | (242) |
| Accounting and audit fees | (153) | (171) |
| Taxes and charges | (595) | (102) |
| Office accommodation costs | (56) | (53) |
| Other | (1,163) | (778) |
| | (5,922) | (3,950) |

9. Carrying value of non-current assets

Amaam North Project Cash Generating Unit ("CGU")

As at 30 June 2023, the carrying value of non-current assets of Amaam North Project CGU, net of accumulated depreciation, amounted to A\$72.761 (A\$86.461 million at 31 December 2022).

As at 30 June 2023, the Group concluded that due to:

- Production and sales volumes achieved to date;
- CHPP launched and washed product received during the six months ended 30 June 2023

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

Amaam Project CGU

During the six months ended 30 June 2023, 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 A\$Nil). As the development of the Amaam Project is not expected in the foreseeable future, as at 30 June 2023, the Group concluded that there are no indications that asset write-downs recognised in prior periods for the Amaam Project CGU require reversal.

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Tigers Realm Coal Limited
Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

10. Loss per share

| | For the six months ended 30 June | |
|--------------------------------|---|--------------------------|
| | 2023 in cents | 2022 in cents |
| Loss per share | | |
| Basic loss per share – cents | 0.087 | (0.055) |
| Diluted loss per share – cents | 0.087 | (0.055) |

Basic and diluted loss per share

The calculation of basic and diluted loss per share at 30 June 2023 was based on the profit attributable to ordinary equity holders of the Company of A\$11.324 million (six months to 30 June 2022: loss of A\$7.198 million) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2023 of 13,066,702,368 (six months to 30 June 2022: 13,066,702,368). The Company had no options over ordinary shares outstanding as at 30 June 2023 (30 June 2022: 8,002,000), which have been excluded from the calculation of diluted earnings per share because they are anti-dilutive for the reporting period.

11. Inventories

| | 30 June 2023 A\$'000 | 31 December 2022 A\$'000 |
|---|-------------------------------------|---|
| | Coal inventories at cost | 43,703 |
| Fuel at cost | 6,608 | 10,968 |
| Other consumables, net of provisions of A\$0.295 million (At 31 December 2022 A\$0.400 million) | 34,660 | 41,119 |
| | 84,971 | 85,640 |
| Current | 73,925 | 73,466 |
| Non-current | 11,046 | 12,174 |
| | 84,971 | 85,640 |

Management performs a regular review of the recoverability of inventories, including coal stocks, to assess the Company's ability to recover the cost of inventories on hand. As at 30 June 2023 and 2022 all inventories are stated at cost.

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

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Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

12. Property, plant and equipment

| | 30 June 2023 AS'000 | 31 December 2022 AS'000 |
|-------------------------------|------------------------------------|--|
| Property, plant and equipment | 72,761 | 86,461 |
| | 72,761 | 86,461 |

The majority of the Group's property plant and equipment is denominated in Russian Rouble. During the six months ended 30 June 2023, property, plant and equipment decreased primarily due the depreciation of the Russian Rouble against the Australian dollar.

13. Trade and other receivables

| | 30 June 2023 AS'000 | 31 December 2022 AS'000 |
|--------------------------------------|------------------------------------|--|
| Trade and other receivables | 30,099 | 47,585 |
| VAT and GST receivable | 8,806 | 15,305 |
| Provision for expected credit losses | (119) | (1,142) |
| | 38,786 | 61,748 |

14. Lease Liability

| | 30 June 2023 AS'000 | 31 December 2022 AS'000 |
|--|------------------------------------|--|
| <i>Maturity analysis:</i> | | |
| Payable not later than one year | 4,578 | 6,430 |
| Payable later than one year, not later than five years | 4,613 | 6,179 |
| Payable later than five years | 4,898 | 6,068 |
| | 14,089 | 18,677 |
| Less: future interest | (5,574) | (7,294) |
| Total lease liabilities | 8,515 | 11,383 |
| Current | 4,338 | 5,977 |
| Non-current | 4,177 | 5,406 |
| | 8,515 | 11,383 |

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Tigers Realm Coal Limited
Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

14. Lease Liability (continued)

Movements in lease liabilities are as follows:

| | 2023 | 2022 |
|---|----------------|----------------|
| | A\$'000 | A\$'000 |
| Opening balance of lease liability | 11,383 | 15,048 |
| New lease agreements entered during the period | - | 836 |
| Lease payments | (1,877) | (6,230) |
| Effect of movement in exchange rates | (991) | 1,729 |
| Lease liability at the end of the period | 8,515 | 11,383 |

The Group leases office and various mining and port equipment directly from vendors, Russian banking institutions and Russian financing companies. The carrying amount of right-of-use assets under these lease arrangements was A\$14.708 million at 30 June 2022 (31 December 2022: A\$20.153 million).

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Tigers Realm Coal Limited
Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

15. Royalty Agreement Liability

| | 30 June 2023 AS'000 | 31 December 2022 AS'000 |
|--|------------------------------------|--|
| Gross royalty liability, in US\$ dollars | 23,457 | 23,457 |
| Gross royalty liability, in A\$ dollars | 35,466 | 34,623 |
| Effect of discounting | (14,183) | (14,587) |
| | 21,283 | 20,036 |
| Current | 8,413 | 5,097 |
| Non-current | 12,870 | 14,939 |
| | 21,283 | 20,036 |

| | For six months ended 30 June 2023 AS'000 | For twelve months ended 31 December 2022 AS'000 |
|---|---|--|
| Opening balance of royalty liability | 20,036 | 18,418 |
| Royalty expense arising from: | | |
| - the passage of time | 758 | 308 |
| - the change in discount rate | - | - |
| - the change in other assumptions | - | - |
| Payments made during the year | - | - |
| Effect of movement in exchange rates | 489 | 1,310 |
| Closing balance of royalty liability | 21,283 | 20,036 |

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

Amaam North Royalty Liability

Following the raising of funds and commencement of coal production on Project F, Amaam North, the Group concluded it is probable that an outflow of resources embodying economic benefits will be required to settle royalty obligations and accordingly a provision was required for the obligations under existing royalty agreements. The provision was estimated based on total royalty payments of US\$25 million, less payments made to date, discounted using a post-tax real discount rate of 10.5% at 30 June 2023 (31 December 2022: 10.5%)

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

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

Amaam Royalty Liability

No liability was recognised at 30 June 2023 (31 December 2022: Nil) in relation to Amaam Project royalty arrangements as the development of the Amaam Project is not expected in the foreseeable future

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Tigers Realm Coal Limited
Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

16. Loans payable

| | 30 June 2023 A\$'000 | 31 December 2022 A\$'000 |
|--------------------|-------------------------------------|---|
| Bank loans payable | 8,686 | - |
| | 8,686 | - |

| | 30 June 2023 A\$'000 | 31 December 2022 A\$'000 |
|---------------------------------------|-------------------------------------|---|
| Opening balance of loans | - | - |
| Borrowings during the year | 8,686 | - |
| Total loans at end of the year | 8,686 | - |

Bank loans

On 09 March 2023, the Group entered into a non-revolving credit line with Asia-Pacific Bank which was to be settled by no later than 30 December 2024, in accordance with which it could borrow up to RUB 500 million (A\$8.686 million). As of 30 June 2023, RUB 500 million (A\$8.686 million) had been drawn down. The interest on outstanding balances accrued at 12.45% per annum.

The loan was secured by a pledge over vessel Navarin with a carrying value as at 30 June 2023 of A\$2.4511 million. The registration of the pledge over vessel Navarin was completed by 09 March 2023. Furthermore, the outstanding balance was secured by contract of guarantee provided by the Port Ugolny LLC.

An arrangement fee of RUB 1.3 million (A\$0.025 million) was paid to activate the loan and was amortised over the period during which the loan was available for drawdown, through 29 June 2023. As an integral component of the agreement, the Group must comply with loan contractual requirements and covenant.

The interest paid amounted to RUB 3.9 million (A\$0.0756 million).

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Tigers Realm Coal Limited
Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

17. Financial instruments

Exposure to liquidity risk

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

The following are the contractual maturities of financial liabilities.

| | Contractual cashflows | | | | | | More than 5 years |
|-----------------------------|-----------------------|---------------|------------------|--------------|--------------|--------------|-------------------|
| | Carrying amount | Total | 6 months or less | 6-12 months | 1-2 years | 2-5 years | |
| | AS'000 | AS'000 | AS'000 | AS'000 | AS'000 | AS'000 | AS'000 |
| 30 June 2023 | | | | | | | |
| Trade and other payables | 18,326 | 18,326 | 18,326 | - | - | - | - |
| Loans payable | 8,686 | 8,686 | 8,686 | - | - | - | - |
| Lease liability | 8,515 | 14,089 | 3,310 | 1,268 | 2,820 | 1,793 | 4,898 |
| Other financial liabilities | 930 | 1,017 | 695 | 78 | 244 | - | - |
| | 36,457 | 42,118 | 31,017 | 1,346 | 3,064 | 1,793 | 4,898 |
| 31 December 2022 | | | | | | | |
| 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 |

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

18. Commitments and contingencies

Exploration expenditure commitments

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

The various federal and regional governments have the authority to defer, waive or amend the minimum expenditure requirements. As of and for the six months ended 30 June 2023, the Group is in compliance with those exploration obligations defined in the respective licences.

Other commitments

Other commitments of A\$4.036 million (At 31 December 2022: A\$3.208 million) are comprised of A\$0.151 million commitments for CHPP construction and acquisition of spare parts and equipment.

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.

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Tigers Realm Coal Limited
Notes to the consolidated interim financial report
For the six month period ended 30 June 2023

19. Commitments and contingencies (continued)

Legal issues

The Group has been and continues to be the subject of legal proceedings and adjudications from time to time, none of which have had, individually or in aggregate, a material adverse impact on the Group. No liability has been recognised in relation to these matters in the consolidated interim statement of financial position as at 30 June 2023.

20. Deed of Cross Guarantee

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

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

The entities subject to the Deed of Cross Guarantee are:

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

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

21. Events after the reporting period

On 12 July 2023 the Group entered into a non-revolving credit line with Asia-Pacific Bank which is to be settled by no later than 30 December 2024, in accordance with which it could borrow up to RMB 15 million (A\$3.150 million). The interest on outstanding balances accrues at 5.5% per annum.

The loan was secured by a pledge over vessel Navarin (5th 500t barge) with a carrying value as at 30 June 2023 of A\$2.4511 million. Furthermore, the outstanding balance was secured by contract of guarantee provided by the Port Ugolny LLC.

Tigers Realm Coal Limited
Directors' declaration
For the six months ended 30 June 2023

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

- a) the consolidated interim financial report and notes set out on pages 9 to 25 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dated this 30th day of August 2023.



Craig Wiggill
Director

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

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

SYDNEY

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

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 review of the financial report of Tigers Realm Coal Limited for the half-year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Hall Chadwick (NSW)

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

Stewart Thompson
Partner

Dated: 30 August 2023

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

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
 TIGERS REALM COAL LIMITED AND CONTROLLED ENTITIES

SYDNEY

Level 40
 2 Park Street
 Sydney NSW 2000
 Australia

Ph: (612) 9263 2600
 Fx: (612) 9263 2800

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Tigers Realm Coal Limited, which comprises the consolidated statement of financial position as at 30 June 2023, 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 half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tigers Realm Coal Limited does not comply with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of Tigers Realm Coal Limited's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company.

Material Uncertainty Related to Going Concern

We draw attention to note 3 which indicates the group may be subject to impact of economic restrictions imposed by several countries. As stated in note 3, these matters, along with other matters outlined in note 3, 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.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter

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


**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
TIGERS REALM COAL LIMITED AND CONTROLLED ENTITIES**

that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000


STEWART THOMPSON
Partner

Dated: 30 August 2023

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