

Tigers Realm Coal Limited
Appendix 4D – Half year report
For the six months ended 30 June 2020

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

Current Period:	1 January 2020 to 30 June 2020
Previous corresponding period	1 January 2019 to 30 June 2019

2. Results for announcement to the market

	30 June 2020	30 June 2019	Change
	'000s	'000s	%
2.1 Revenue	7,090	2,956	140%
2.2 Net (Loss) from ordinary activities	(17,041)	(11,939)	43%
2.3 Net (Loss) attributable to owners of the Company	(17,031)	(11,907)	43%

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 2020.

2.5 Commentary

Revenue increased by A\$4.134 million for the six month to 30 June 2020 compared to the corresponding six-month period to 30 June 2019 due to 220% increase in tonnes of coal sold achieved through increased loading capacity. Net loss from ordinary activities increased by A\$5.102 million (43%) for the six months to 30 June 2020 compared to the corresponding six-month period to 30 June 2019 as a result of decreased coal prices, an increase in the provision for the lower of cost and net realisable value of coal stocks by A\$6.734 million and an increase in royalty expenses by A\$1.007 million.

3. Net consolidated tangible assets per ordinary share

	30 June 2020	30 June 2019	Change
	Cents	Cents	%
Ordinary shares	0.55	0.81	(32%)

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 2020.

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 2020 have no audit dispute nor qualification.

8 Authorization

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

For personal use only

For personal use only

Tigers Realm Coal Limited
(ABN 50 146 752 561)

Interim Financial Report
For the six months ended 30 June 2020

Tigers Realm Coal Limited

Corporate Directory

DIRECTORS

Craig Wiggill (Chairman)

Owen Hegarty

Bruce Gray

Ralph Morgan

Tagir Sitdekov

Nikolay Ishmetov (Alternate for Tagir Sitdekov)

COMPANY SECRETARY

David Forsyth

REGISTERED OFFICE

151 Wellington Parade South, East Melbourne

Melbourne, Victoria, 3002

Tel: +61 3 8644 1300

PRINCIPAL OFFICE

12A Aviakonstruktora Mikoyana

Moscow, Russia 125167

Tel: +7 495 646 8353

Email: ir@tigersrealmcoal.com

AUDITORS

Deloitte Touche Tohmatsu

123 Eagle Street,

Brisbane, Queensland 4000

BANKERS

Commonwealth Bank of Australia Limited

727 Collins Street,

Melbourne, Victoria 3008

Tigers Realm Coal Limited

Contents

Directors' Report	4
Condensed consolidated interim statement of financial position	10
Condensed consolidated interim statement of comprehensive income	11
Condensed consolidated interim statement of changes in equity	12
Condensed consolidated interim statement of cash flows	13
Notes to the condensed consolidated interim financial report.....	14
Directors' declaration	27
Auditor's independence declaration	28
Independent auditor's review report.....	29

For personal use only

Tigers Realm Coal Limited
Directors' Report
For the six months ended 30 June 2020

1. Directors, Alternate Director and Company Secretary

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

Name	Role
Mr Craig Wiggill (Chairman) BSc Eng	Independent Non-Executive Director
Mr Owen Hegarty BEd (Hons), FAusIMM	Independent Non-Executive Director
Mr Bruce Gray MB, BS, MS, PhD, FRACS	Non-Executive Director
Mr Ralph Morgan BA, MPhil	Non-Executive Director
Mr Tagir Sitdekov MBA	Non-Executive Director
Mr Nikolay Ishmetov MSc in Finance	Alternate Director to Tagir Sitdekov
Mr David Forsyth FGIA, FCIS, FCPA	Company Secretary

All Directors and the Alternate Director have been in office from 1 January 2020 through to the date of this report.

2. Directors' meetings

During the six month period to 30 June 2020, 7 Directors' meetings were held for Tigers Realm Coal Limited ("TIG" or "the Company").

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 Field, comprising its two, well-located, large coking coal projects in the Far East of Russia:

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

Tigers Realm Coal Limited
Directors' Report
For the six months ended 30 June 2020

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.

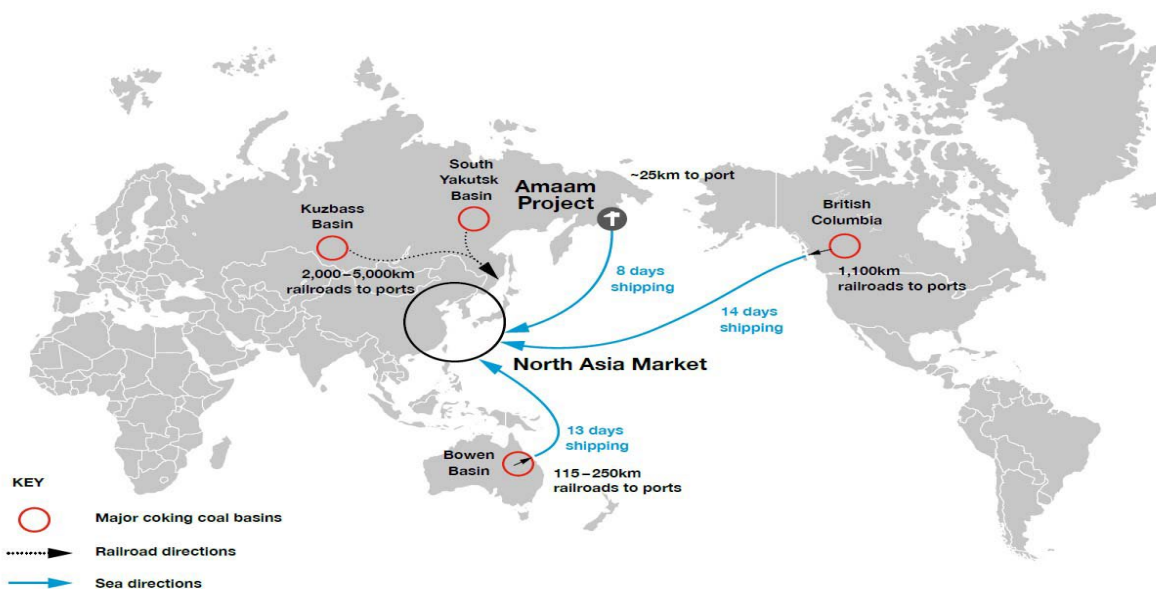
In September 2018, TIG was granted Exploration and Mining licence No AND 01314 TE over the Zvonkoye deposit, geographically located next to an eastern extension of Project F. As further discussed below in *Licenses, Permits and Titles*, during 2019, TIG applied for a Mining and Excavation Plan ("TPRM") for the integrated development of the Fandyushkinskoe Field and Zvonkoye license areas, which was approved in December 2019. The Group plans to start production from both areas in second half of 2020.

Further development of Amaam North, which includes an upgrade of mine site infrastructure, the Beringovsky Port and Coal Terminal and supplemented by the construction of a coal handling and preparation plant ("CHPP"), will enable the Group to produce and sell higher-value coal and is expected to increase coal production and sales up to 1.5Mtpa. To optimise capital spend and suitable financing, TIG decided to proceed with the option of a modular plant. TIG expects coal preparation process design works to be completed by the end of third quarter 2020 and civil engineering design works to be completed in fourth quarter 2020. The first module of 150 tonnes per hour ("tph") is targeted for delivery and commissioning to allow the semi-hard coking coal ("SHCC") product to be sold during the 2021 shipping season, subject to obtaining acceptable financing.

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: Licenses, Permits and Titles*.

Amaam Coking Coal Field– World Location Map



Tigers Realm Coal Limited
Directors' Report
For the six months ended 30 June 2020

4. Review of Operations

Operating Performance

Key Indicators of Operational performance are as follows:

Operating Indicators (tonnes unless otherwise stated)	Results for the six months to 30 June 2020	Results for the six months to 30 June 2019
Coal mined	298	220
Coal sold*	144	45
Coal loaded	159	84
Overburden removed	2,288 bcm	1,199 bcm
Stripping ratio	7.7:1	5.5:1
ROM coal stocks at period end**	588	441
Cost of coal produced per tonne	A\$67.16 (US\$44.19)	A\$65.76 (US\$46.32)

*including 7kt sold domestically without shipment

**including 22kt loaded but not shipped as of 30 June 2020 (30 June 2019: 39kt)

For the six months ended 30 June 2020 the Group had a net loss of A\$17.041 million (For six months to 30 June 2019: loss A\$11.939 million) and at 30 June 2020 had net equity of A\$41.669 million (31 December 2019: A\$7.333 million). The Group's primary operational focus during the six months ended 30 June 2020 was coal mining and the negotiation of coal sales agreements, preparing our port for the 2020 shipping season and ongoing coal testing and related CHPP design works. During the six months ended 30 June 2020, the Group mined 298kt of coal, which is 78kt more (+35%) than during the six months ended 30 June 2019, concluded its first five coal sales agreements for 240kt of thermal coal and 50kt of semi-soft coking coal and received its first advance payments totalling A\$5.543 million. In June 2020, the Group completed loading of three thermal coal cargos, amounting to 137kt and a further 7kt were sold to local customers. Coal loaded during June 2020 amounted to 159kt which is 75kt (+89%) more than was achieved during June 2019. The 2020 shipping season was the first season in which TIG fully managed its port activities. Extensive dredging works, maintenance of the coal loading system, repair works on our fleet and other measures taken to prepare for the shipping season have enabled TIG to significantly increase its average loading rate to 8.3kt per workable weather day with a maximum 9kt per day compared to 3.3kt per day during 2019 shipping season.

Cost of coal produced per tonne increased by A\$1.40 during the six months ended 30 June 2020 compared to the six months ended 30 June 2019. The increased stripping ratio was driven by pre-stripping activities TIG was engaged in during March and the first half of April. By engaging in pre-stripping only, TIG was able to focus its mining equipment on overburden removal at a time when weather conditions frequently impede the efficiency and safety of pit-to port haulage operations. The average daily transportation rate increased by 67% from 1.2kt to 2kt daily haulage in the first half of 2020 compared to the first half of 2019. The increased haulage rate was driven by the acquisition during 2019 of six new Scania dump trucks and investments made to improve road conditions.

In order to achieve its next strategic objective on the Amaam North deposit, TIG has continued working on design and engineering works for a CHPP to enable the Company to sell a higher-value product of consistent quality into the SHCC markets. This SHCC product is expected to achieve significantly higher prices than those currently being achieved for the unwashed coal products being sold into thermal and SSCC markets.

The design and engineering works for the CHPP have been done with help from SibNii, one of the leading Russian coal process design bureaus, together with AB Mylec, a leading Australian coal process expert who have conducted washability optimization studies. A civil construction design contract was signed with Prokopyevsk Mining and Design Institute and a process design contract was signed with Parnaby Cyclones. Geological survey work required for detailed plant design was also completed.

Tigers Realm Coal Limited

Directors' Report

For the six months ended 30 June 2020

4. Operating and financial review (continued)

During the six months ended 30 June 2020, cash outflows from operating activities were A\$13.987 million (six months to 30 June 2019: outflows of A\$16.961 million).

Impact of the COVID-19 outbreak on the Group's operations

There was no direct negative impact at site on TIG's operations and no cases have been registered at the Group's operational site. TIG has implemented a number of measures to ensure normal operating activities, including implementing remote working for employees based in Moscow, extensive testing of all employees arriving at the Chukotka operational site, ensuring the availability of self-isolation facilities in Beringovsky, and providing employees with necessary personal protective equipment, such as gloves, masks, glasses, and sanitizers. Management has been engaging with the relevant government agencies and bodies on all COVID-19 related measures. To fight the spread of COVID-19, TIG purchased high accuracy coronavirus tests and personal protective measures for local hospitals.

Management continues to monitor the situation closely and will implement necessary measures to respond to possible adverse effects as they occur.

Measures taken by various countries with respect to COVID-19 have had a significant negative impact on global economic activity in general, and on the demand for coal, in particular. This decrease in demand has led to significant decrease in internationally traded prices for both thermal and coking coal.

Financial Position

Cash balances

The Group's cash balance increased by A\$8.627 million to A\$13.343 million over the six-month period to 30 June 2020, from A\$4.716 million at 31 December 2019. Cash balances increased due to a combination of receiving the proceeds from shares issued of A\$26.774 million net of shareholder loan offset, settlement of outstanding receivables and the receipt of advances on coal shipments during the 2020 shipping season. Inflows were offset by payments to suppliers and staff, investments in acquisition of property, plant and equipment and repayment of finance leases obligations.

The Group paid A\$1.879 million for investment in property, plant and equipment in addition to paying finance lease obligations of A\$0.780 million.

Inventory on hand

Total coal stocks increased by 152kt during the six months to 30 June 2020. The lower of cost and net realisable value of the Group's inventories on hand at 30 June 2020 was A\$30.809 million (31 December 2019: A\$28.805 million), including A\$16.090 million of coal inventories, A\$4.408 million in fuel and oils and A\$10.311 million of other consumables (31 December 2019: A\$11.999 million of coal inventories, A\$3.900 million in fuel and oils and A\$12.906 million of other consumables).

Management performs a regular review of the recoverability of all inventories, to assess the Company's ability to recover the cost of coal inventories on hand. As a result of a significant decrease in realisable prices for thermal coal, a provision of A\$5.414 million in respect of thermal coal was recognised as of 30 June 2020. In addition, the existing provision for coal stockpiled at the interim coal stockpile increased by A\$1.397 million to A\$4.840 million due to an additional 41kt coal, requiring further processing, mined and hauled to the interim stockpile during the six months ended 30 June 2020.

Non-current assets

The Company performs at least twice annually a 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, as a result of which management have concluded that in the six months to 30 June 2020 neither further asset write-downs nor reversal of prior period write-downs recorded as a result of impairment testing performed in prior periods should be recognised.

A CAT D10 bulldozer was impaired during the six months to 30 June 2020 as a result of damage for which repairs to restore it to its previous operational condition were assessed as not economically justifiable. Accordingly, an impairment charge of A\$0.254 million was recognised in the six months to 30 June 2020.

Lease liabilities

No new lease arrangements were executed during the six months ended 30 June 2020. As part of the liquidity management strategy the Group has restructured two of its lease arrangements by extending the lease term from four to five years.

Tigers Realm Coal Limited
Directors' Report
For the six months ended 30 June 2020

4. Operating and financial review (continued)

Shareholder loan

On 2 January 2020, following the issuance of shares to BV Holding Limited, the loan payable to BV Holding Limited was settled in full. On 2 January 2020, A\$13.138 million out of A\$14.641 million loan payable to Dr Bruce Gray was settled, following the issuance of shares to Dr Bruce Gray.

On 10 July 2020, a supplemental deed to the loan agreement with Dr Bruce Gray was signed, extending the loan maturity date to 31 December 2020 and lowering the interest rate from 20% to 12% starting 24 June 2020. The remaining balance of A\$1.708 million is expected to be settled in December 2020.

Royalty Agreement liability

After the assessment of the provision for the obligations under the Royalty Agreement liability at 30 June 2020, the Group increased the royalty liability by A\$1.276 million, of which A\$0.269 million relate to foreign exchange difference, to A\$15.262 million (At 31 December 2019: A\$13.986 million).

Lapse of Options

During the six months ended 30 June 2020 6,976,000 options lapsed and were removed from the option register. A further 7,228,000 options were forfeited. Total number of options as of 30 June 2020 is 14,142,000.

Share Capital

The Entitlement Offer closed on 5 February 2020, as a result of which the Group raised A\$45.191 million. Entitlements not taken up during the Entitlement Offer were offered for sale in a shortfall bookbuild. The Group received a bid for a majority of the shortfall from Hanate Pty Ltd, an entity associated with the Group's director and substantial shareholder, Dr Bruce Gray. On 5 June 2020, a shortfall bookbuild of 1.3 billion shares at A\$0.01 per share (A\$13.038 million) was approved by TIG shareholders at the Annual General Meeting and on 24 June 2020 new shares were issued. Total share capital raised through the Entitlement Offer including the Shortfall Bookbuild was A\$58.229 million.

Licence Update

The Company is in compliance with all material license obligations. Amaam exploration license AND 01379 TP (former AND 01277 TP) renewal was completed in June 2020.

5. Events subsequent to reporting date

On 10 July 2020 the Group signed a supplemental deed to the loan agreement with Dr Bruce Gray, extending the A\$1.708 million loan maturity to 31 December 2020 and lowering the interest rate from 20% to 12%.

On 24 July 2020 2,606,000 options have been lapsed and removed from Company's option register.

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
OL Hegarty	60,412,029	-
C Wiggill	5,100,000	-
B Gray	3,001,453,971	-
R Morgan	-	-
T Sitdekov	-	-
N Ishmetov (Alternate to T Sitdekov)	-	-

Tigers Realm Coal Limited
Directors' Report
For the six months ended 30 June 2020

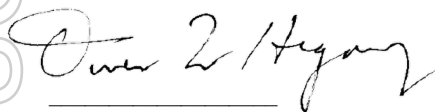
8. Auditor's Independence Declaration

The auditor's independence declaration is set out on page 28 and forms part of the Directors' report for the interim period ended 30 June 2020.

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

Dated at Melbourne this 26th day of August 2020.

Signed in accordance with a resolution of the Directors:



Owen Hegarty
Non-Executive Director

Tigers Realm Coal Limited
Condensed consolidated interim statement of financial position
As at 30 June 2020

	Note	30 June 2020 A\$'000	31 December 2019 A\$'000
Current Assets			
Cash and cash equivalents		13,343	4,716
Trade and other receivables		8,962	10,196
Inventories	11	30,809	28,805
Prepayments		1,849	2,936
Other assets		13	20
Total current assets		54,976	46,673
Non-current assets			
Property, plant and equipment	12	34,372	41,100
Total non-current assets		34,372	41,100
Total assets		89,348	87,773
Current Liabilities			
Trade and other payables		7,354	13,976
Loans payable	13	1,708	29,393
Advances received		5,543	3,186
Lease liability	14	4,373	5,197
Royalty liability	16	1,303	690
Other financial liabilities	15	750	779
Employee benefits		1,633	1,263
Total current liabilities		22,664	54,484
Non-current liabilities			
Trade and other payables		128	134
Lease liability	14	7,951	9,234
Royalty liability	16	13,959	13,296
Other financial liabilities	15	2,615	2,889
Provision for site restoration		362	403
Total non-current liabilities		25,015	25,956
Total liabilities		47,679	80,440
Net assets		41,669	7,333
Equity			
Share capital	17	230,846	173,108
Reserves		19,339	25,660
(Accumulated losses)		(188,731)	(171,700)
Total equity attributable to equity holders of the Company		61,454	27,068
Non-controlling interest		(19,785)	(19,735)
Total equity		41,669	7,333

The notes on pages 14 to 26 are an integral part of the condensed consolidated interim financial report.

Tigers Realm Coal Limited
Condensed consolidated interim statement of comprehensive income
For the six months ended 30 June 2020

	Note	30 June 2020 A\$'000	30 June 2019 A\$'000
Revenue from coal sales		7,090	2,935
Mining and related costs of coal sold		(7,346)	(2,457)
Transshipment and other port costs		(3,091)	(2,472)
Gross margin on coal sold		(3,347)	(1,994)
Other income		69	21
Administrative and other operating expenses	8	(3,613)	(3,824)
Share based payments		(58)	(135)
Exploration and evaluation expenses		(18)	(150)
Change in provisions for inventories	11	(6,734)	(2,404)
Write off of property, plant and equipment	12	(254)	(460)
Royalty expense	16	(1,007)	(1,516)
Results from operating activities		(14,962)	(10,462)
Finance income		-	5
Finance costs		(1,715)	(1,340)
Net foreign exchange loss		(358)	(130)
Net finance (costs)		(2,073)	(1,465)
(Loss) before income tax		(17,035)	(11,927)
Income tax (expense)		(6)	(12)
Net (Loss)		(17,041)	(11,939)
Other comprehensive (loss)/income			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		(6,419)	3,326
Total comprehensive (loss) for the period		(23,460)	(8,613)
Net (Loss) is attributable to:			
Owners of the Company		(17,031)	(11,907)
Non-controlling interest		(10)	(32)
(Loss) for the period		(17,041)	(11,939)
Total comprehensive gain/(loss) attributable to:			
Owners of the Company		(23,410)	(9,093)
Non-controlling interest		(50)	480
Total comprehensive (loss) for the period		(23,460)	(8,613)
(Loss) per share (cents per share)			
Basic (loss) per share (cents)	10	(0.27)	(0.66)
Diluted (loss) per share (cents)	10	(0.27)	(0.66)

The notes on pages 14 to 26 are an integral part of the condensed consolidated interim financial report.

Tigers Realm Coal Limited
Condensed consolidated interim statement of changes in equity
For the six month period ended 30 June 2020

<i>Notes</i>	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 2020	173,108	(171,700)	7,301	12,050	6,309	27,068	(19,735)	7,333
Net (Loss) for the period	-	(17,031)	-	-	-	(17,031)	(10)	(17,041)
Other comprehensive (loss) for the period	-	-	-	(6,379)	-	(6,379)	(40)	(6,419)
Total comprehensive (loss) for the period	-	(17,031)	-	(6,379)	-	(23,410)	(50)	(23,460)
Issue of ordinary shares	58,229	-	-	-	-	58,229	-	58,229
Costs of raising equity	(491)	-	-	-	-	(491)	-	(491)
Share based payment transactions	-	-	58	-	-	58	-	58
Balance at 30 June 2020	230,846	(188,731)	7,359	5,671	6,309	61,454	(19,785)	41,669
Balance as at 1 January 2019	173,747	(152,985)	7,053	8,300	6,309	42,424	(19,884)	22,540
Net (Loss) for the period	-	(11,907)	-	-	-	(11,907)	(32)	(11,939)
Other comprehensive income for the period	-	-	-	2,814	-	2,814	512	3,326
Total comprehensive income/(loss) for the period	-	(11,907)	-	2,814	-	(9,093)	480	(8,613)
Share based payment transactions	-	-	135	-	-	135	-	135
Balance at 30 June 2019	173,747	(164,892)	7,188	11,114	6,309	33,466	(19,404)	14,062

The notes on pages 14 to 26 are an integral part of the condensed consolidated interim financial report.

Tigers Realm Coal Limited
Condensed consolidated interim statement of cash flows
For the six months period ended 30 June 2020

	30 June 2020 A\$'000	30 June 2019 A\$'000
Cash flows from operating activities		
Cash receipts from customers	10,489	6,074
Cash paid to suppliers and employees	(22,915)	(21,640)
Exploration and evaluation expenditure	(45)	(232)
Interest and financing costs paid	(1,340)	(1,155)
Income taxes paid	(176)	(8)
Net cash used in operating activities	(13,987)	(16,961)
Cash flows from investing activities		
Payments for property, plant and equipment	(1,879)	(2,935)
Net cash used in investing activities	(1,879)	(2,935)
Cash flows from financing activities		
Proceeds from issue of shares	26,774	-
Share issue costs	(899)	-
Repayment of finance lease liabilities	(780)	(2,848)
Proceeds from borrowings	-	23,797
Net cash (used in) received from financing activities	25,095	20,949
Net movement in cash and cash equivalents	9,229	1,053
Cash and cash equivalents at beginning of the period	4,716	3,554
Effects of exchange rate changes on cash and cash equivalents	(602)	215
	13,343	4,822

Cash and cash equivalents at the end of the period

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

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

Non-cash investing activities for the six months ended 30 June 2019: Leasing transactions

During the six months ended 30 June 2019, the Group executed a number of finance lease arrangements with equipment vendors, Russian banking institutions and Russian financing companies for the acquisition of various mining and port equipment. The additions to the property, plant & equipment under these arrangements were RUB 556.440 million (A\$13.539 million).

On 1 January 2019, following the adoption of AASB 16 Leases, the Group recognised right of use assets and a related lease liability in respect of the agreement with Rosmorport executed in March 2018, in accordance with which the Group leases three general cargo piers, a coal pier and a breakwater pier for 49 years from the date of signing. The right of use asset and commensurately the lease liability upon initial recognition was RUB 23.593 million (A\$0.481 million).

The notes on pages 14 to 26 are an integral part of the condensed consolidated interim financial report.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2020

1. Reporting entity

Tigers Realm Coal Limited (the “Company” or “TIG”) is a company domiciled in Australia. The Company’s registered office during the six months to 30 June 2020 was 151 Wellington Parade South, East Melbourne, 3002 and its principal office during the period to 28 June 2020 was 29 1st Brestskaya Street, Moscow, 125407, Russian Federation and starting from 29 June 2020: 12A Aviakonstruktora Mikoyana, Moscow, 125167, Russian Federation. The condensed consolidated interim financial report as at and for the six months ended 30 June 2020 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 2019 is available on request at the Company’s registered office at 151 Wellington Parade South, East Melbourne, 3002, Victoria, Australia or from the Company’s website at www.tigersrealmcoal.com.

2. Statement of compliance

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

The condensed consolidated interim financial report does not include all of the information and disclosures required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report as at and for the year ended 31 December 2019.

The condensed consolidated interim financial report was authorised for issue by the Board of Directors on 26 August 2020.

3. Basis of preparation

The condensed consolidated interim financial report has 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.

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

Going concern basis of accounting

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

For the six months ended 30 June 2020, the Group incurred a net loss of A\$17.041 million (For the six months ended 30 June 2019: net loss of A\$11.939 million) and had net cash outflows from operating activities of A\$13.987 million (For the six months ended 30 June 2019: net cash outflows from operating activities of A\$16.961 million).

As at 30 June 2020, the Group had cash and cash equivalents of A\$13.343 million (31 December 2019: A\$4.716 million) and net current assets of A\$32.312 million (31 December 2019 net current liabilities of A\$7.811 million). As of 30 June 2020, the Company has no unused, available credit lines (31 December 2019: Nil).

The measures taken by various countries to contain the outbreak of the COVID – 19 pandemic have had a significant negative impact on global economic activity in general, and on the demand for coal in particular. This decrease in demand has led to significant decrease in internationally traded coal prices. As a result of the adverse impact of COVID-19 on the coal market and due to the seasonality of the Group’s sales and receipt of the related receivables, the Directors and management have taken the following steps to ensure the Group has sufficient funding to meet its operating and capital expenditures as they fall due:

- On 5 June 2020 an issue of shortfall bookbuild of 1.3 billion shares at A\$0.01 per share was approved by the Group’s shareholders at the Annual General Meeting. As a result, in June 2020 the Group received A\$13.039 million.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2020

3. Basis of preparation (continued)

Going concern basis of accounting (continued)

- During the six months ended 30 Jun 2020 the Group has significantly improved its loading capacity and port operations efficiency: In June the Group successfully loaded 159kt of thermal coal by its own barges at a cost significantly lower than in 2019. An average loading rate by TIG's barges has increased from 3.3kt per day during 2019 shipping season to an average of 8.3kt per day in current shipping season.
- In order to achieve its next strategic objective on the Amaam North deposit, TIG has continued working on design and engineering works for a coal handling and processing plant ("CHPP") to enable the Company to sell a higher-value product of consistent quality into the semi-hard coking coal ("SHCC") markets. This SHCC product should achieve significantly higher prices than those currently being achieved for the unwashed coal products being sold into thermal and semi-soft coking coal markets. Subject to obtaining acceptable financing, TIG expects the CHPP to become operational in the second half of 2021.
- Management continues to hold discussions over the receipt of long-term financing for a CHPP.
- Management continues to hold discussions with certain customers over the receipt of pre-export financing and as such funding has been received in prior periods, they are confident that similar funding arrangements will be agreed in the first quarter of 2021.

Based on the Group's forecast cash flows, the Group will have a surplus of liquidity throughout the twelve-month period from the date of signing this condensed consolidated financial report. The achievement of the Group's forecast is primarily dependent, amongst other matters, upon:

- the Group's ability to secure working capital and CHPP construction financing within the timeframe needed, which in addition to funds raised to date, will address temporary cash shortfalls expected to arise during the period through to 26 August 2021; and
- the successful implementation of the production, pit to port haulage, shipping and coal loading and sales and other key assumptions applied in determining the Group's expected future cashflows, which include but are not limited to the following:
 - Actual coal quality 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 and production 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;
 - Compliance with ongoing drilling obligations in accordance with the terms of the Amaam and Amaam North licences; and
 - Macroeconomic factors including the commodity (specifically coal) prices, exchange rates and the financial markets;

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:

- There is no indication that the Group will not be able to obtain the remaining amount of funding which is necessary to maintain the Group's liquidity position through to 26 August 2021;
- 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 recent and forecast current 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 cash flow forecasts;
- Commercial mining operations continue in line with expectations. With the exception of a materially adverse unforeseen event transpiring, there have been no indicators in the coal production process to date, which would suggest coal qualities and volumes and the cost of production being materially different than those assumptions utilised in the cash flow forecasts through 26 August 2021;
- Coal shipments have been forecast after consideration of actual port operating performance through 30 June 2020 and those climactic and other conditions which would be reasonably expected to occur and influence the Group's shipping capabilities. The occurrence of materially adverse conditions in excess of reasonable conditions may influence the Group's ability to meet the expected shipping schedules;

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2020

3. Basis of preparation (continued)

Going concern basis of accounting (continued)

- 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, in the event that the Group is unable to achieve successful outcomes in relation to the matters described above, material uncertainty would exist that may cast significant doubt as to the ability of the Group to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business. The condensed consolidated interim financial report does not include adjustments relating to the carrying value and classification of assets and the amount and classification of liabilities that may be required if the Group does not continue as a going concern.

4. Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are consistent with those applied by the Group in its consolidated annual financial report as at and for the year ended 31 December 2019, except for the adoption of the new standards and interpretations as of 1 January 2020 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 2020:

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

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

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

5. Use of estimates and judgements

In preparing these condensed consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report as and for the year ended 31 December 2019.

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 2019.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2020

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 2020, the activities of the Group are managed in two reportable operating segments outlined below, consistent with how they were managed in the 2019 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.

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
30 June 2020	AS'000	AS'000	AS'000	AS'000	AS'000
Revenues from the shipment and sale of coal	7,090	-	7,090	-	7,090
Cost of coal sold	(7,346)	-	(7,346)	-	(7,346)
Transshipment and other port costs	(3,091)	-	(3,091)	-	(3,091)
Change in provision for inventories	(6,734)	-	(6,734)	-	(6,734)
Depreciation	(27)	-	(27)	-	(27)
Exploration and evaluation costs	(18)	-	(18)	-	(18)
Royalty expense	(1,007)	-	(1,007)	-	(1,007)
Other segment expenses	(2,304)	(48)	(2,352)	(1,477)	(3,829)
Finance costs	(1,715)	-	(1,715)	-	(1,715)
Net foreign exchange loss	(358)	-	(358)	-	(358)
Segment result	(15,510)	(48)	(15,558)	(1,477)	(17,035)
Segment assets	88,678	630	89,308	40	89,348
Segment liabilities	(47,553)	(126)	(47,679)	-	(47,679)

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2020

7. Segment reporting (continued)

	Amaam North Project AS'000	Amaam Project AS'000	Total Reportable Segments AS'000	Other AS'000	Total AS'000
30 June 2019					
Revenues from the shipment and sale of coal	2,935	-	2,935	-	2,935
Interest and other income	5	-	26	-	26
Cost of coal sold	(2,457)	-	(2,457)	-	(2,457)
Transshipment and other port costs	(2,472)	-	(2,472)	-	(2,472)
Change in provision for inventories	(2,404)	-	(2,404)	-	(2,404)
Depreciation	(25)	-	(25)	-	(25)
Exploration and evaluation costs	(37)	(113)	(150)	-	(150)
Royalty expense	(1,516)	-	(1,516)	-	(1,516)
Other segment expenses	(3,792)	(43)	(3,835)	(571)	(4,406)
Finance costs	(1,340)	-	(1,340)	-	(1,340)
Net foreign exchange loss	(130)	-	(130)	-	(130)
Segment result	(11,212)	(156)	(11,368)	(571)	(11,939)
Segment assets	78,364	52	78,416	713	79,129
Segment liabilities	(64,488)	(178)	(64,666)	(401)	(65,067)

8. Administrative and other operating expenses

	For six months ended 30 June	
	2020 AS'000	2019 AS'000
Wages and salaries, including superannuation	(1,780)	(1,925)
Legal and compliance	(308)	(223)
Accounting and audit	(252)	(51)
Contractors and consultants	(252)	(231)
Taxes and charges	(225)	-
Rent	(171)	(133)
Insurance	(100)	(49)
Travel	(58)	(277)
Bank charges	(42)	(136)
IT and communications	(38)	(49)
Depreciation	(27)	(25)
Port operations	-	(482)
Other	(360)	(243)
Total	(3,613)	(3,824)

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2020

9. Carrying value of non-current assets

As at 30 June 2020, management performed an assessment of the carrying value of non-current assets in order to determine whether there is any indication that non-current assets may be impaired, or an impairment loss recognised in prior periods may no longer exist or may have decreased.

Amaam North Project Cash Generating Unit ("CGU")

As at 30 June 2020, the carrying value of non-current assets of Amaam North Project CGU, net of accumulated depreciation, amounted to A\$34.372 (A\$41.100 million at 31 December 2019).

As at 30 June 2020, the Group concluded that due to:

- Production and sales volumes achieved to date; and
- Progress in the development of the CHPP project during 2019 and six months ended 30 June 2020

there is no necessity to recognise further impairment losses for the Amaam North Project CGU and accordingly the non-current assets are measured at their carrying value.

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

Amaam Project CGU

During the period ended 30 June 2020, 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 2019 A\$Nil). As the development of the Amaam Project is not expected in the foreseeable future, as at 30 June 2020, the Group concluded that there are no indications that asset write-downs recognised in prior periods for the Amaam Project CGU require reversal.

10. (Loss) per share

(Loss) per share

Basic (loss) per share – cents
Diluted (loss) per share – cents

For the six months ended 30 June	
2020 in cents	2019 in cents
(0.27)	(0.66)
(0.27)	(0.66)

Basic and diluted (loss) per share

The calculation of basic and diluted (loss) per share at 30 June 2020 was based on the loss attributable to ordinary equity holders of the Company of A\$17.031 million (six months to 30 June 2019: loss of A\$11.907 million) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2020 of 6,214,834,648 (six months to 30 June 2019: 1,791,669,870). The Company had 14,142,000 options over ordinary shares outstanding as at 30 June 2020 (30 June 2019: 31,669,000), which have been excluded from the calculation of diluted earnings per share because they are anti-dilutive for the reporting period.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2020

11. Inventories

Coal inventories, net of provisions of A\$10.254 million for recognition of inventories at the lower of cost and their net realisable value (At 31 December 2019: A\$4.432 million)

Fuel: no provision as of 30 June 2020 (At 31 December 2019 A\$0.006 million)

Other consumables, net of provisions of A\$0.353 million (At 31 December 2019 A\$0.391 million)

30 June 2020 A\$'000	31 December 2019 A\$'000
16,090	11,999
4,408	3,900
10,311	12,906
30,809	28,805

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. Accordingly, A\$10.254 million in provisions for the recoverability of coal stocks was recognised at 30 June 2020, of which A\$4.840 million was in respect of 185kt of coal stock maintained at the Company's interim coal stockpile, requiring further processing prior to commercial realisation, and A\$5.414 million in respect of thermal coal for which the estimated net realizable value is below its cost.

Coal with a carrying value of A\$0.661 million (net of provision of A\$0.436 million) had been loaded but not shipped as of 30 June 2020 (A\$ 1.829 million as of 30 June 2019)

12. Property, plant and equipment

As at 30 June 2020, the carrying value of property, plant and equipment is A\$34.372 million, primarily comprised of plant and equipment of A\$23.250 million, assets under construction of A\$6.932 million, mine infrastructure of A\$2.610 million, right of use assets A\$0.427 million and, land and buildings A\$1.114 million and furniture and fittings A\$0.039 million (31 December 2019: the carrying value of property, plant and equipment was A\$41.100 million, primarily comprised of assets under construction of A\$9.428 million, mine infrastructure of A\$3.672 million and plant and equipment of A\$26.103 million, land and buildings A\$1.846 million and fixture and fittings A\$0.051 million).

During the six months to 30 June 2020, the Group had additions of A\$2.105 million, of which the most significant additions were in respect of: A\$0.293 million advances for CHPP project and design works, A\$0.193 million advances for repair of apartments in port, A\$0.250 million for fire-fighting equipment.

During the six months ended 30 June 2020, CAT D10 dozer with a carrying value of RUB 11.598 million (A\$0.254 million) was written-off due to its present condition.

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2020

13. Loans payable

	30 June 2020 A\$'000	31 December 2019 A\$'000
Shareholders' loans payable	1,708	29,393
	1,708	29,393

	30 June 2020 A\$'000	31 December 2019 A\$'000
Opening balance of loans	29,393	1,516
Borrowings during the year	-	46,141
Repayment of borrowings	-	(20,445)
Offset against shares issued	(27,914)	-
Other changes	170	722
Net effect of movement in exchange rates	59	1,459
Total loans at end of the year	1,708	29,393

On 18 December 2019 the Group launched an Entitlement Offer. Both Dr Bruce Gray and BV Holding Limited agreed to take part in this Entitlement Offer, and in accordance with the terms of their respective loan agreements, elected to set-off outstanding principal and interest amounts against their obligations to pay for the shares received by fully taking up their Entitlements. On 2 January 2020, following the issue of shares to BV Mining Holdings Limited, the loan payable to BV Mining Holdings Limited in the amount of A\$14.776 million was settled in full. On 2 January 2020 A\$13.138 million out of A\$14.641 million loan payable to Dr Bruce Gray was settled, following the issuance of shares to Dr. Gray. On 10 July 2020, a supplemental deed to the loan agreement with Dr. Gray was signed, pursuant to which the loan maturity date was extended to 31 December 2020 and interest rate was lowered from 20% to 12% starting 24 June 2020. The remaining balance of A\$1.708 million is expected to be settled in December 2020.

14. Lease Liability

	30 June 2020 A\$'000	31 December 2019 A\$'000
Lease expenditure contracted and provided for:		
Payable not later than one year	6,014	7,332
Payable later than one year, not later than five years	9,268	11,128
Payable later than five years	3,250	3,662
	18,532	22,122
Future finance charges	(6,208)	(7,691)
Total lease liabilities	12,324	14,431
Current	4,373	5,197
Non-current	7,951	9,234
	12,324	14,431

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2020

14. Lease Liability (continued)

Movement in lease liabilities are as follows:

	30 June 2020 A\$'000	31 December 2019 A\$'000
Opening balance of lease liability	14,431	4,749
New lease agreements entered during the year	-	16,210
Lease payments	(837)	(7,249)
Net effect of movement in exchange rates	(1,270)	721
Total lease liability recognised at end of year	12,324	14,431

The Group leases directly from vendors, Russian banking institutions and Russian financing companies various mining and port equipment with a carrying amount of A\$15.237 million (31 December 2019: A\$19.844 million) under finance lease arrangements expiring within one to four years.

As part of the liquidity management strategy the Group has restructured two of its lease arrangements by extending the lease term from four to five years.

In 2019, the Group recognised right of use assets and a related lease liability in respect of the agreement with Rosmorport expiring in 2067 (included in other lease liabilities in the table below).

The key terms of the finance lease arrangements are as follows:

	Currency	Effective interest rate	Year of maturity
Vendor lease liabilities	RUB	11.79-22.58%	2020-2023
Banking institution lease liabilities	RUB	12.23-16.00%	2023
Russian Financing Company lease liabilities	RUB	19.36-30.30%	2024
Other lease liabilities	RUB	15.2%	2067

15. Other financial liabilities

	30 June 2020 A\$'000	31 December 2019 A\$'000
Current other financial liabilities	750	779
Non – current other financial liabilities	2,615	2,889
	3,365	3,668

Movement other financial liabilities are as follows

	30 June 2020 A\$'000	31 December 2019 A\$'000
Opening balance of other financial liabilities	3,668	-
New other financial liabilities during the year	-	4,373
Payments	-	(480)
Other changes	57	-
Net effect of movement in exchange rates	(360)	(225)
Total other financial liabilities recognised at end of year	3,365	3,668

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2020

15. Other financial liabilities (continued)

In 2019, the Group has entered to 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 finance lease arrangements are as follows:

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

16. Royalty Agreement Liability

	30 June 2020 A\$'000	31 December 2019 A\$'000
Opening balance of royalty liability	13,986	8,240
Royalty expense	1,007	6,304
Payments made during the period	-	(618)
Effect of movement in exchange rates	269	60
Closing balance of royalty liability	15,262	13,986
Current	1,303	690
Non-current	13,959	13,296
	15,262	13,986

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%, with a cap placed on total royalty payments of US\$25 million.

Amaam North Royalty Liability

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

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

- the discount rate used;
- the probability of revenue cash flows from successful implementation of Project F Phase One and commencement of Phase Two; and
- the likelihood of achieving forecast coal sales prices.

Amaam Royalty Liability

No liability was recognised at 30 June 2020 (31 December 2019 Nil) in relation to Amaam Project royalty arrangements due to the impact of coal price forecasts on the ability to realise the project on a commercially viable basis.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2020

17. Share capital

	30 June 2020	31 December 2019
	A\$'000	A\$'000
Share Capital	246,426	188,197
Costs of raising equity	(15,580)	(15,089)
	230,846	173,108

(i) Movements in shares on issue:

	No of shares	Issue price A\$	A\$'000
Opening balance at 1 January 2019	1,791,669,870		188,197
<i>Movements in 2019</i>	-	-	-
Opening balance at 1 January 2020	1,791,669,870		188,197
<i>Movements in 2020</i>	5,822,927,078	0.01	58,229
Closing share capital balance at 30 June 2020	7,614,596,948		246,426

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

(ii) Movements in options on issue

During the six months ended 30 June 2020, 14,204,000 options were removed from the option register. Total number of options as of 30 June 2020 is 14,142,000.

(iii) Entitlement offer

On 18 December 2019, the Group launched a 13 to 4 accelerated renounceable entitlement offer of ordinary shares at A\$0.01 per share. The Group has raised A\$58.229 million and utilized proceeds to settle existing shareholders' loan and to finance planned capital expenditures and working capital. The Entitlement Offer closed on 5 February 2020, as a result of which the Group raised A\$45.191 million. Entitlements not taken up by close of the Entitlement Offer were offered for sale in a shortfall bookbuild and the Group received a bid for majority of the shortfall bookbuild from Hanate Pty Ltd, an entity associated with the Group's director and substantial shareholder, Dr Bruce Gray. On 5 June 2020, a shortfall bookbuild of 1.3 billion shares at A\$0.01 per share (A\$13.038 million) was approved by TIG shareholders at the Annual General Meeting and on 24 June 2020 new shares were issued.

18. Financial instruments

Exposure to liquidity risk

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

The following are the contractual maturities of financial liabilities.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2020

18. Financial instruments (continued)

	Contractual cashflows						
	Carrying amount AS'000	Total AS'000	6 mths or less AS'000	6-12 mths AS'000	1-2 yrs AS'000	2-5 yrs AS'000	More than 5 yrs AS'000
30 June 2020							
Trade and other payables	7,482	7,482	7,354	-	-	128	-
Shareholder loans payable	1,708	1,810	1,810	-	-	-	-
Lease liability	12,324	18,532	4,382	1,632	4,139	5,129	3,250
Other financial liabilities	3,365	4,598	1,030	229	1,107	2,232	-
	24,879	32,422	14,576	1,861	5,246	7,489	3,250
31 December 2019							
Trade and other payables	14,110	14,110	13,976	-	-	134	-
Loans payable	29,393	29,393	29,393	-	-	-	-
Lease liabilities	14,431	22,122	2,393	4,940	5,334	5,794	3,662
Other financial liabilities	3,668	5,365	276	1,140	1,277	2,672	-
	61,602	70,990	46,038	6,080	6,611	8,600	3,662

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

19. Commitments and contingencies

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet its licence obligations. In the Russian Federation, this minimum exploration work is defined by the performance of a minimum number of drilling metres over the life of each exploration licence. These obligations are expected to be fulfilled in the normal course of operations. Mining interests may be relinquished or joint ventured to reduce this amount. The various country and state governments have the authority to defer, waive or amend the minimum expenditure requirements. As of and for the six months ended 30 June 2020, the Group is materially in compliance with those exploration obligations defined in the respective licences.

Other commitments

Other commitments of A\$3.374 million (At 31 December 2019: A\$5.054 million) are comprised primarily of A\$1.554 million in relation to project design works associated with the port infrastructure upgrade works. A further A\$0.815 million are in respect of commitments related to the CHPP project design works. The remaining commitments relate to construction and project works in Amaam North.

Tax contingencies in the Russian Federation

Russian tax legislation is subject to varying interpretations and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activities of the Group may be challenged by the relevant regional and federal authorities. Recent changes to the tax rules and regulations to the Advanced Social and Economic Development Territory, of which the Group's subsidiaries - Beringpromugol LLC and Port Ugolny LLP are residents, introduced additional criteria, which will be required to be met by the entities to be able to continue applying reduced rates on certain taxes and payments to government agencies. Management is currently assessing the impact of this change and believes the Group has adequately provided for tax liabilities based on its interpretation of the applicable tax legislation. However, the relevant authorities may have differing interpretations, and the effect on the financial report could be significant if such interpretations are realised.

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2020

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 statement of financial position as at 30 June 2020.

20. Deed of Cross Guarantee

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

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

The entities subject to the Deed of Cross Guarantee are:

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

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

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

21. Subsequent events

On 10 July 2020 the Group has signed supplemental deed to the loan agreement with Dr Bruce Gray, extending the loan maturity to 31 December 2020 and changing the interest rate from 20% to 12%.

On 24 July 2020 2,606,000 options have been removed from Company's option register.

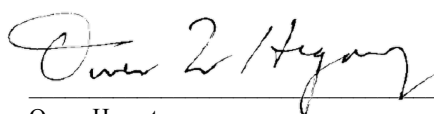
Tigers Realm Coal Limited
Directors' declaration
For the six months ended 30 June 2020

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

- a) the interim condensed consolidated financial report and notes set out on pages 10 to 26 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 2020 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 at Melbourne this 26th day of August 2020.



Owen Hegarty
Non-Executive Director

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

26 August 2020

Dear Board Members,

Tigers Realm Coal Limited

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

As lead audit partner for the review of the financial statements of Tigers Realm Coal Limited for the half-year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Colin Brown
Partner
Chartered Accountants

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

For personal use only

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

We have reviewed the accompanying half-year financial report of Tigers Realm Coal Limited, which comprises the condensed consolidated statement of financial position as at 30 June 2020, and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 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*. As the auditor of Tigers Realm Coal Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

For personal use only

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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Tigers Realm Coal Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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 is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the condensed consolidated interim financial report, which indicates that for the six months ended 30 June 2020, the consolidated entity incurred a net loss of A\$17.041 million and had net cash outflows from operating activities of A\$13.987 million. These conditions, along with other matters as set forth in Note 3 indicate that a material uncertainty exists which may cast significant doubt about the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect to this matter.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Colin Brown
Partner
Chartered Accountants
Brisbane, 26 August 2020