

Tigers Realm Coal Limited
Appendix 4E Preliminary Final Report
As at and for the year ended 31 December 2020

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

Current Period: 1 January 2020 to 31 December 2020
Previous corresponding period 1 January 2019 to 31 December 2019

2. Results for announcement to the market

	31 December 2020 '000s	31 December 2019 '000s	Up / Down	Change %
2.1 Revenue	47,889	50,141	Down	(4)%
2.2 Net Loss from ordinary activities	(15,642)	(18,828)	Down	(17)%
2.3 Net Loss attributable to owners of the Company	(15,616)	(18,715)	Down	(17)%

2.4-2.5 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 31 December 2020.

2.6 Commentary

Revenues decreased by \$2,252 thousand for the year ended 31 December 2020 due to a 31% decrease in average realized FOB sales price as a result of the adverse impact of COVID-19 on the coal market. To partially mitigate the impact of lower prices in 2020 TIG increased sales volumes by 33% compared to 2019. Largely as a result of TIG's ability to increase production, revenue decreased by only 4% compared to 2019.

Net Loss from ordinary activities decreased by 17% due to the decreased FOB cost of coal sold and no additional provision recognized for the lower of cost and net realizable value of coal stocks.

3. Net tangible assets per ordinary share

	31 December 2020 cents	31 December 2019 cents	Up / Down	Change %
Ordinary shares	0.51	0.41	Up	24%

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

No entities were acquired or disposed of during the year ended 31 December 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 financial statements for the year ended 31 December 2020 have no audit dispute nor qualification.

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8. Other

Additional Appendix 4E disclosure requirements and commentary on significant features of the operating performance, results of segments, trends in performance and other factors affecting the results for the current period are contained in the 2020 Annual Financial Report.

This report is based upon the consolidated financial statements contained within the 2020 Annual Financial Report, which have been audited by Deloitte Touche Tohmatsu.

Tigers Realm Coal Limited
(ABN 50 146 752 561)

Annual Financial Report
for the year ended 31 December 2020

Tigers Realm Coal Limited

Corporate Directory

DIRECTORS

Craig Wiggill (Chairman)

Owen Hegarty

Bruce Gray

Tagir Sitdekov

Nikolay Ishmetov (Alternate for Tagir Sitdekov)

David Swan

COMPANY SECRETARY

David Forsyth

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PRINCIPAL OFFICE

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AUDITORS

Deloitte Touche Tohmatsu

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Brisbane, Queensland, 4000

BANKERS

Commonwealth Bank of Australia Limited

727 Collins Street,

Melbourne, Victoria, 3008

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Tigers Realm Coal Limited

Directors' report

For the year ended 31 December 2020

The Directors present their report together with the financial report of the Group, being Tigers Realm Coal Limited (the "Company" or "TIG") and its subsidiaries, for the year ended 31 December 2020.

1. Directors, Alternate Director and Company Secretary

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

Name qualifications and independence status	Experience, special responsibilities and other directorships
Mr Craig Wiggill Independent Chairman BSc Eng.	Mr Wiggill was appointed Independent Chairman on 1 October 2015. Mr Wiggill has served as a Non-Executive Director of the Company since being appointed 20 November 2012. Mr Wiggill joined the Nomination and Remuneration Committee commencing 10 December 2015. Mr Wiggill has extensive experience in the global mining industry including over 25 years in the coal sector, the majority of his experience being within the Anglo-American Plc group. Mr Wiggill is currently the Chairman (non-executive) at Buffalo Coal Corp (CVE: BUF) which has its operating entities in South Africa. In addition, he is the Chairman (non-executive) of globalCOAL, a company registered in London, the principal activities of which are the development of standardised contracts for the international coal market and the provision and management of screen based brokerage services for the trading of physical and financial coal contracts. His most recent executive role was as Chief Executive Officer ("CEO") – Coal Americas at Anglo Coal, where he established and developed the Peace River operation in Canada and co-managed joint venture projects at Cerrejón and Guasare. He has also held leadership roles covering commercial, trading and marketing responsibilities, corporate strategy and business development for Anglo American. He holds no other directorships with ASX listed entities.
Dr Bruce Gray Non-executive Director MB, BS, MS, PhD, FRACS	Dr Gray was appointed as a Non-Executive Director of the Company on 1 October 2015. Prior to this, Dr Gray had been appointed as a Non-Executive Director of the Company on 25 October 2013, resigning on 28 March 2014. Dr Gray established and operated two highly successful start-up businesses in the medical sector. Prior to that he was Professor at the University Western Australia and has held numerous administrative positions with regional, national and international organisations. He has published more than 200 articles in the global scientific press and has received numerous awards for contributions in the medical field and for Australian entrepreneurship. Dr Gray currently manages a private investment fund. Dr Gray has been a member of the Nomination and Remuneration Committee since 8 September 2016. He holds no other directorships with ASX listed entities.
Mr Owen Hegarty Independent Non-executive Director BEc(Hons), FAusIMM	Mr Hegarty has more than 40 years' experience in the mining industry. He had 24 years with the Rio Tinto Group, then founded and led Oxiana Ltd, now OZ Minerals Limited, for 12 years. He is a founder of Tigers Realm Coal Ltd. He also founded and is currently Executive Chairman of EMR Capital, a mining private equity firm. Through to the end of 2016, he was Vice Chairman and Non-Executive Director of Fortescue Metals Group Ltd. Mr Hegarty has received a number of awards recognising his service to the mining industry and presently serves on a number of Government and industry advisory groups. Mr Hegarty was appointed a Director of the Company on 8 October 2010 and was Chairman of the Audit, Risk and Compliance Committee and of the Nomination and Remuneration Committee till 26 August 2020. While he stepped down as a Chairman, he continues to participate in the Nomination and Remuneration Committee and the Audit, Risk and Compliance Committee as a member. He holds no other directorships with ASX listed entities.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

1. Directors, Alternate Director and Company Secretary

**Name,
qualifications and
independence
status**

Experience, special responsibilities and other directorships

**Mr Ralph
Morgan**
**Non-executive
Director**
BA, MPhil
(resigned 26
August 2020)

Mr Morgan was appointed Non-Executive Director of the Company on 1 April 2014 and resigned on 26 August 2020. Mr Morgan is a partner at Baring Vostok Capital Partners Group Limited ("BVCP") with responsibility for investment projects in the Russian Federation ("Russia"), the Commonwealth of Independent States ("CIS") and Mongolia. Prior to BVCP, Mr Morgan was Managing Director at Goldman Sachs in the Global Natural Resources Group from 2009 to 2012 and was responsible for the investment banking division's advisory work with natural resource clients in Russia and CIS. From 2004 to 2008, Mr Morgan was a Managing Director and Chief Operating Officer at PJSC MMK Norilsk Nickel and prior to that role he was a partner with the Moscow office of McKinsey and Company. Mr. Morgan is a Non-Executive Director of PJSC Magnitogorsk Iron & Steel Works and a Director of the U.S.-Russia Business Council. Mr Morgan holds a BA (Political Science, Yale University) and MPhil (Russian and East European Studies, Oxford University). Mr Morgan was a member of the Nomination and Remuneration Committee and the Audit, Risk and Compliance Committee.

**Mr Tagir
Sitdekov**
**Non-executive
Director**
MBA

Mr Sitdekov was appointed a Non-Executive Director on 1 April 2014. Mr Sitdekov is currently a First Deputy General Director of Russia Direct Investment Fund ("RDIF") and has been involved in the Russian private equity market for the last 10 years. Mr Sitdekov's most recent executive role was as Managing Director at A-1, a direct investment arm of Alfa Group, Russia's largest private conglomerate. Mr Sitdekov has participated in a number of landmark private equity transactions across a range of industries. From 2003 to 2005 he was CFO at power generating company OJSC Sochi TES (a subsidiary of RAO Unified Energy System of Russia) and prior to that role he was a Senior Consultant at Creditanstalt Investment Bank for 2 years. Mr Sitdekov holds an MBA (University of Chicago Booth School of Business, London). Mr Sitdekov is a member of the Audit, Risk and Compliance Committee. He holds no other directorships with ASX listed entities.

Mr David Swan
**Independent
Non-executive
Director**
BC, FCA
(appointed 26
August 2020)

David Swan has been appointed as a Non-Executive Director of the Company and the Chairman of the Audit, Risk and Compliance Committee and of the Nomination and Remuneration Committee, effective 26 August 2020. David has extensive experience across the natural resources sector and held a number of senior finance, management and consulting roles, mostly with resource companies in both United Kingdom and Australia. David holds a Bachelor of Commerce from the University of WA and is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and a Member of the Institute of Chartered Accountants in England and Wales ('ICAEW'). David is a non-executive director and audit committee chairman of London AIM Listed companies Central Asia Metals plc and Sunrise Resources plc. He holds no other directorships with ASX listed entities.

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

Alternate Director

**Mr Nikolay
Ishmetov**
**Alternate
Director**
MSc in Finance

Mr Ishmetov was appointed as an alternate director to Tagir Sitdekov on 1 July 2017. Mr Ishmetov is currently a Senior Vice-President at RDIF and has been involved in the Russian private equity market for over 9 years. Mr Ishmetov has been serving for over 6 years as an alternate director on the Board of Directors of MD Medical Group, a leading healthcare operator in Russia. Prior to joining RDIF, Mr Ishmetov worked in the M&A department of Societe Generale, where he participated in a number of cross border M&A deals in various sectors.

Company Secretary

**Mr David
Forsyth**
**Company
Secretary**
FGIA, FCIS,
FCPA

Mr Forsyth has over 40 years' experience in engineering, project development and mining. His most recent position was with Oxiana Ltd, now OZ Minerals Limited, where he was Company Secretary and Manager Administration from 1996 to 2008. Mr Forsyth joined Tigers Realm Minerals Pty Ltd as Director and Company Secretary in 2009. Mr Forsyth was appointed Company Secretary on 8 October 2010.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

2. Directors' meetings

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

	Directors' meetings		Meetings of committees of Directors			
			Nomination and Remuneration		Audit, Risk & Compliance	
	A	B	A	B	A	B
Mr Craig Wiggill	21	21	1	1	7	6
Dr Bruce Gray	21	18	1	-	-	-
Mr Owen Hegarty	21	18	1	1	7	7
Mr Ralph Morgan	11	11	-	-	6	6
Mr Tagir Sitdekov	21	8	-	-	7	-
Mr David Swan	10	10	-	-	1	1
Mr Nikolay Ishmetov*	21	15	-	-	7	6

A = Number of meetings held

B = Number of meetings attended

* The number of meetings attended by the Alternate Director in his capacity as a standing invitee. Mr Ishmetov is not obliged to attend.

3. Principal activities

The principal activities of the Group are the identification, exploration, development, mining and sale of coal from deposits in the Far East of the Russian Federation.

4. Review of Operations

Business Strategies and Group Objectives

The Group's objectives encompass the development of the Amaam Coking Coal Deposits, comprising its two, well-located, large coking coal projects in the Far East of the Russian Federation.

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

Amaam North

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

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

Further development of Amaam North, which includes an upgrade of mine site infrastructure, the Beringovsky Port and Coal Terminal and to be 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 sales up to 1.4Mtpa. To optimise capital spend and obtain suitable financing, TIG decided to proceed with the option of a modular plant. In October 2020 TIG signed a contract for supply of a modular CHPP with UK based Derek Parnaby Cyclones International Limited ("DPCI"). Fabrication and works under the contract are proceeding on schedule for delivery to Beringovsky in June 2021. Detailed engineering works and preparation for civil construction are also underway. The construction of the CHPP will enable the Company to sell a higher-value product of a consistent quality into the semi-hard coking coal ("SHCC") markets. This SHCC product should achieve significantly higher prices than those currently being achieved for the unwashed coal products being sold into thermal and semi-soft coking coal markets. TIG expects commissioning works to be finished in 2021 to allow the first SHCC product to be sold during the 2021 shipping season.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

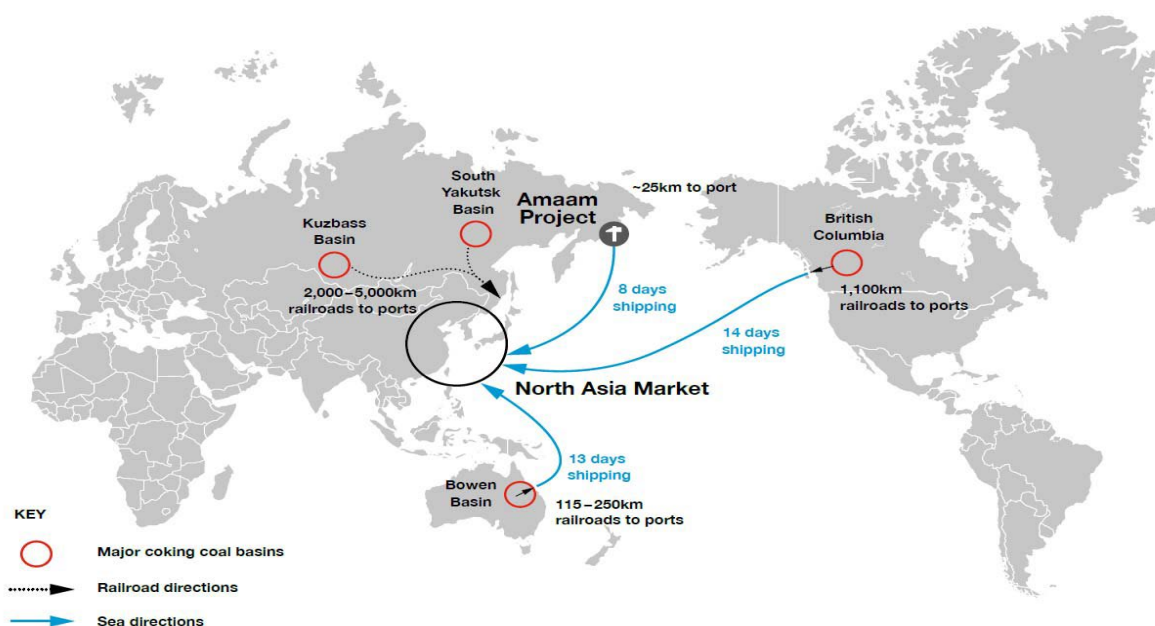
4. Review of operations

Business Strategies and Group Objectives (continued)

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



Operating Performance

Key Operating Indicators for the year ended 31 December 2020 (“2020”) and 2019 (“2019”):

Operating Indicators (rounded to the nearest thousand tonnes, unless otherwise stated)	Results for 2020	Results for 2019
Coal mined	792	750
Overburden removed	4,804 bcm	3,501 bcm
Stripping ratio	6.1:1 bcm/t	4.7:1 bcm/t
Total saleable coal stocks at 31 December	308	291
Total coal sales*, of which:	775	581
- Thermal coal sales	617	388
- Semi soft coal sales	158	193
Employees as at 31 December**	283	282

*Including 15kt thermal coal sold domestically without shipment (Year ended 31 December 2019: 4kt).

**Full time equivalent staff.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

4. Review of operations

Operating performance (continued)

Key Financial Indicators (in A\$'000 unless otherwise stated)	Results for 2020	Results for 2019
Revenue from coal sales	47,889	50,141
Cost of coal sold	(48,216)	(45,601)
Gross margin on coal sold	(327)	4,540
EBITDA*	(3,835)	(7,743)
Adjusted EBITDA**	2,161	2,632
Net loss before tax	(15,625)	(18,784)
Average free on board ("FOB") coal sales price	A\$53.30 (US\$38.53)	A\$76.7(US\$53.38)
Average cost of coal mined and sold per tonne	A\$43.68 (US\$31.57)	A\$47.49 (US\$33.03)
Average cost of port handling and stevedoring costs per tonne sold	A\$6.95 (US\$5.03)	A\$16.19 (US\$11.26)
Total FOB cost of coal sold***	A\$53.45 (US\$38.64)	A\$64.26 (US\$44.69)

*Earnings before interest tax, depreciation and amortisation ("EBITDA") is calculated as the result before net finance costs and income tax expense, adjusted for depreciation of property, plant and equipment.

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

***Includes other costs of coal sold of A\$2.82 per tonne in 2020 (A\$0.58 per tonne in 2019). Does not include freight which is part of cost of coal sold

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

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

in A\$'000	Results for 2020	Results for 2019
Loss before income tax	(15,625)	(18,784)
Add: Net finance costs	3,440	4,874
Add: Depreciation	8,350	6,167
EBITDA	(3,835)	(7,743)
Add: Royalty expense	5,690	6,304
Add: Write-off of property, plant and equipment	254	460
Add: Change in provisions for inventories	-	3,363
Add: Share based payments	52	248
Adjusted EBITDA	2,161	2,632

During the year ended 31 December 2020, the Company achieved a production level of 792 thousand tonnes ("kt"), of which 632kt were delivered to Beringovsky Port and Coal Terminal (750kt and 644kt, respectively in 2019). During the year ended 31 December 2020, the Group sold 775kt (581kt in 2019) and generated A\$47.889 million in total revenue from the sale and shipment of coal (2019: A\$50.141 million).

The Group had A\$11.304 million net cash outflow from operations for the year ended 31 December 2020 (2019: A\$20.069 million net cash outflow). Cash outflows of A\$9.244 million on investing activities were incurred for the year ended 31 December 2020 (A\$4.977 million was incurred for the year ended 31 December 2019). The Group's net loss for the year ended 31 December 2020 was A\$15.642 million (2019: net loss of A\$18.828 million).

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

4. Review of operations (continued)

Operating Performance (continued)

During 2020, TIG's Directors and Management maintained a strong focus on achieving a comprehensive response to the COVID-19 Pandemic. During this challenging year the Company's top priority was to protect the health, safety and wellbeing of our people and the communities that host our business. 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 assist in fighting the spread of COVID-19, TIG purchased and donated high-accuracy coronavirus tests and personal protective equipment for local hospitals.

The sharp contractions in coal prices during the first nine months of 2020 were subsequently reversed in the fourth quarter by resurgent Chinese demand and the partial rebalancing of supply. Unfortunately, as TIG's shipping season ended in early December, the depressed prices during the first nine months had a substantial negative impact on TIG's financial performance for the year. To partially mitigate the impact of lower prices in 2020 TIG increased sales volumes by 33% compared to 2019. Largely as a result of TIG's ability to increase production, revenue decreased by only 4% compared to 2019.

The challenges driven by COVID – 19 notwithstanding, TIG managed to achieve a number of significant milestones during 2020. These included taking full control over port operations, signing a contract with DPCI for the supply of CHPP equipment, progressing with the CHPP design and civil engineering works, securing financing for the CHPP & 2021 working capital and updating the JORC report for Amaam North.

In 2020, TIG managed to significantly decrease transshipment costs per tonne sold to A\$6.95(US\$5.03) compared to A\$16.19 (US\$11.26) in 2019 as a result of TIG's decision to take over the port operations. In 2020, TIG's loaded 760kt coal – a historical record loading for Beringovsky port and an increase of 31% compared to 2019 loaded volumes. This success was primarily due to appropriate dredging works before the start of the 2020 shipping season, improving the coal conveyor system, training port personnel, and proactively carrying out repair works on our barge fleet.

Despite the stripping ratio increasing from 4.7 bcm/t in 2019 to 6.1 bcm/t in 2020, TIG managed to decrease mining costs from A\$47.49 in 2019 to A\$43.68 (US\$31.57). The decreased costs were largely the result of 1) efficiencies gained from utilization of heavier equipment brought to the site in 2019 and 2) the depreciation of the Russian Rouble relative to the Australian dollar.

The combined effect of above factors resulted in a negative gross margin of A\$0.327 million for the year ended 31 December 2020 (2019: A\$4.540 million).

The average margin per tonne of coal sold during the year ended 31 December 2020 was A\$(0.42) (US\$(0.31)) (2019: A\$12.44 (US\$8.69)), the weighted average FOB sales price per tonne ("FOB/t") being A\$53.30 (US\$38.53) (2019: A\$76.76 (US\$53.38)).

Significant investments in mining and port assets totalling A\$9.244 million during the year ended 31 December 2020 included:

- Advances made for CHPP equipment;
- Design and engineering works for CHPP; and
- Acquisition of additional 100t barge

During 2020, TIG also undertook a review of all operating, capital, and overhead expenditures. As the result of this review, TIG reduced certain operating and overhead expenses, including some staff salaries. The Company agreed to proposals by the CEO, Dmitry Gavrilin, and the CFO, Dale Bender, that their salaries be reduced by 10%. Moscow office expenses were lowered by two thirds by moving to smaller premises at a lower rate per metre.

Financial Position

Cash balances

The Group's cash balance increased by A\$14.163 million over the year to A\$18.879 million at 31 December 2020. This increase arose primarily from the proceeds of the December 2020 Entitlement Offer ("2020 Entitlement Offer"), offset by operational losses and further investment in the Company's mining and logistics infrastructure of A\$9.244 million (31 December 2019: A\$6.026 million).

As of 31 December 2020, the Company has no unused, available credit lines (As at 31 December 2019: Nil).

Tigers Realm Coal Limited

Directors' report (continued)

For the year ended 31 December 2020

4. Review of operations (continued)

Financial Position (continued)

Inventory on hand

The lower of cost and net realisable value of the Group's inventories on hand at 31 December 2020 is A\$23.129 million (31 December 2019: A\$28.805 million), including A\$11.095 million of coal stocks, A\$1.370 million in fuel and oils and A\$10.664 million of other consumables. Management performs a regular review of the recoverability of inventories, including coal stocks, to assess the Company's ability to recover the cost of coal inventories on hand. No additional provision in respect of coal stocks was recognized as of 31 December 2020 (31 December 2019: a provision of A\$4.432 million).

Non-current assets

The Company performs 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 impairments. Refer to Note 9 to the consolidated financial statements for further details.

A CAT D10 bulldozer with the carrying value of A\$0.254 million was written off during the year ended 31 December 2020 as a result of damage for which repairs to restore it to its previous operational condition were assessed as not economically justifiable (For the year ended 31 December 2019: three haulage trucks with carrying value of A\$0.460 million were written off).

Leases

During the year ended 31 December 2020, the Group executed a leasing arrangement to finance the acquisition of a 100 –tonne barge. The cost of the barge and, the lease liability upon initial recognition was A\$0.319 million. As part of the liquidity management strategy the Group has also restructured two of its existing lease arrangements by extending the lease term from four to five years and changed payment schedule for another three lease arrangements.

Options

During the year ended 31 December 2020, no options were granted and 18,439,000 options lapsed or were forfeited and have been removed from the Company's option register. Total number of options as at 31 December 2020 is 9,907,000.

Shareholder loan

On 2 January 2020, following the issuance of shares to BV Holding Limited, substantial shareholder of TIG, the loan payable to BV Holding Limited 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 Bruce Gray, the Group's director and substantial shareholder.

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

Royalty Agreement liability

After the assessment of the provision for the obligations under the Royalty Agreement liability at 31 December 2020, the Group recognized an increase in the royalty liability of A\$5.690 million, offset by A\$1.283 million decrease due to foreign exchange movement and A\$0.330 payments. As at 31 December 2020 the provision amounted to A\$18.063 million (At 31 December 2019: A\$13.986 million). Refer to Note 21 to the consolidated financial statements for further details.

Share Capital

The 2019 Entitlement Offer ("2019 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 2019 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 Dr Bruce Gray. On 5 June 2020, a shortfall bookbuild of 1.3 billion shares at a price of 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 funds raised through the 2019 Entitlement Offer including the Shortfall Bookbuild were A\$58.229 million.

On 16 December 2020 TIG launched a fully underwritten 1 for 1.4 pro-rata accelerated renounceable entitlement offer ("2020 Entitlement Offer") at a price of A\$0.008 per share to raise A\$43.512 million, mainly for CHPP funding and to provide additional working capital. The Institutional entitlement offer closed on 17 December 2020 raising gross proceeds of A\$17.151 million with Dr. Bruce Gray taking up his full entitlement. The remaining A\$26.361 million were raised in January 2021.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

4. Review of operations (continued)

Significant Business Risks

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

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

Country Risk

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

COVID-19 Pandemic

The COVID-19 Pandemic has made a profound impact on global economic activity. Measures enacted by numerous governments in response to COVID-19 led to a sharp drop in demand for both metallurgical and thermal coal and, consequently, a substantial decrease in coal prices. While a certain level of market recovery in TIG's key markets has been observed over the last several months and COVID-19 vaccines are beginning to become broadly available, substantial uncertainties remain. Supply chain disruptions have been severe, and the time required for their restoration is still not known. Additionally, mutations of the COVID-19 virus have been observed, and the extent to which currently-available vaccines will provide protection against these mutations is not yet clear. In general, the COVID-19 Pandemic demonstrated the ability of an unforeseen health crisis to have a materially negative impact on the global economy. A continuation of the measures that have been put in place in response to COVID-19 or the enactment of new measures in response to COVID-19 or some other threat to public health could have a negative impact on TIG's business, and that impact could be material.

Uncertainty in estimation of Mineral Resources and Reserves

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

In November 2020 TIG has announced the results of a new JORC report with respect to Amaam North – Project F. Compared to the coal reserves set out in the 2019 Annual Report TIG's Recoverable Reserves increased by 2.8 million tonnes ("Mt") to 23.8Mt (15.0Mt proved and 8.8Mt probable) while Marketable Reserves decreased by 0.34Mt to 15.4Mt (9.8mt proved and 5.6mt probable). TIG's Amaam North Resources decreased by 23.4Mt to 85.6Mt.

Project Assessment and Development Risk

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

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

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

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

Tigers Realm Coal Limited

Directors' report (continued)

For the year ended 31 December 2020

4. Review of operations (continued)

Operational Risks

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

- General Economic Risks: TIG's ability to obtain funding for the projects, financial performance and ability to execute its business strategy will be impacted by a variety of global economic, political, social, stock market and business conditions. Deterioration or an extended period of adversity in any of these conditions could have an adverse impact on TIG's financial position and/or financial performance.
- Coal Market and Demand: TIG intends to earn future profits from the production and sale of coal and a decline in prices or lower demand for coal than expected by TIG may adversely impact the feasibility of the Company's development and mine plans, and the economic viability of the projects. The Company faces commodity price risk when valuing its projects, having adopted long-term sales price estimates in accordance with independent third-party external forecasts, validated against long-term market expectations.
- Exchange Rate Variations: Significant changes in the Australian / US Dollar, US Dollar / Russian Rouble and the Australian Dollar / Russian Rouble exchange rates may have a significant impact on TIG's ability to fund the capital expenditure required to construct these projects.

Climate-related risks

The introduction of new and/or more stringent carbon pricing mechanisms in Russia, and/or the Group's key coal importing countries such as China and Japan may reduce the cost competitiveness of coal as an energy source. Further, changes in government policy relating to either coal consumption or energy generation in large Asian economies could impact the longer-term outlook for global coal demand. Changes in the longer-term global coal demand outlook could have an impact on the Group's future coal revenues and the recoverability of undeveloped coal reserves.

Capital Management

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

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

As previously disclosed, in December 2020 the Company launched an entitlement offer to raise A\$43.512 million. As of 31 December the Company raised A\$17.151 million during the institutional component of an entitlement offer. A further funds of A\$26.361 million were received after the Offer closed on 14 January 2021.

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

Licenses, Permits and Titles

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

For Project F Amaam North, the Mining Licence was granted in December 2014 and work has been completed in obtaining all relevant Construction and Commissioning Permits. In 2019 Rosnedra, the Russian natural resource licensing authority, approved a Mining and Excavation Plan ("TPRM") for the integrated development of the Fandyushkinskoe and Zvonkoye license areas. The 2021 mine plan already includes production from both areas.

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

There are also a number of conditions and regulatory requirements that TIG must satisfy with respect to its tenements to maintain its interests in those tenements in good standing, including meeting specified drilling and reporting commitments.

Tigers Realm Coal Limited

Directors' report (continued)

For the year ended 31 December 2020

4. Review of operations (continued)

Licenses, Permits and Titles (continued)

There is a risk that TIG may fail to obtain or be delayed in obtaining the licences, permits and approval, or meet the conditions required to maintain its interests in the tenements. In the event that TIG fails to obtain, or delays in obtaining such licenses, permits and approvals occur, and there arises a failure to meet tenement licence commitments, such events may adversely affect TIG's ability to proceed with the projects as currently planned.

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

5. Significant changes in the state of affairs

In the opinion of the Directors, except as disclosed in the review of operations, there were no further significant changes in the Group's state of affairs during the financial period ended 31 December 2020 not otherwise reflected in the accompanying consolidated financial statements.

6. Events subsequent to reporting date

Entitlement Offer

As previously discussed, on 16 December 2020 TIG launched a fully underwritten 1 for 1.4 pro-rata accelerated renounceable entitlement offer at a price of A\$0.008 per share to raise up to A\$43.512 million. The institutional entitlement offer closed on 17 December 2020 raising gross proceeds of approximately A\$17.151million (US\$12.7million) with Dr. Bruce Gray taking up his full entitlement. The retail component of the offer opened on 20 December 2020 and was completed on 4 January 2021. The retail offer raised approximately A\$3.684 million (US\$2.8 million). On 11 January 2021 the Shortfall Bookbuild was completed. The Bookbuild process was managed and fully underwritten by CLSA Australia Pty Ltd and sub-underwritten by Dr. Bruce Gray. Pursuant to his sub-underwriting agreement, 2.7 billion additional shares were issued to Dr. Gray, increasing his overall shareholding in the TIG to 59.95%. In total TIG raised A\$43.512 (US\$32) million.

Proceeds from the 2020 Entitlement Offer will be used to fund the construction and commissioning of the CHPP, working capital and transaction costs, as follows:

- A\$27 million (US\$20 million) for the development of the CHPP, as follows:
 - Design works - A\$1.2 million (US\$0.9 million);
 - Civil works – A\$8.8 million (US\$6.5 million);
 - Equipment supply and construction – A\$14.7 million (US\$10.8 million); and
 - Contingency – A\$2.3 million (US\$1.8 million)
- A\$15 million (US\$11 million) for working capital
- A\$1.5 million (US\$1 million) for transaction and other costs

Shareholder loan

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

7. Dividends paid or recommended

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

8. Likely developments

In 2021, TIG plans to proceed with the construction of the CHPP. TIG expects commissioning works to be completed by August 2021 to allow some SHCC product to be sold before the close of the 2021 shipping season.

Ongoing enhancement of port, road and other mine infrastructure is expected during 2021. Amaam North expansion and funding alternatives will continue to be investigated further. The Group will progress exploration, appraisal and development of its Amaam project.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

9. Environmental regulation

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

10. Directors' interests

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

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

11. Share Options

Options granted to directors, executives and employees of the Company

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

During the year ended 31 December 2020, there were no options issued, 6,976,000 options lapsed and 11,463,000 forfeited, bringing options issued over ordinary shares in the Company to 9,907,000 at 31 December 2020 (For the year ended 31 December 2019: no options issued and 3,594,000 options lapsed and 1,729,000 options forfeited, thus bringing the options issued over ordinary shares in the Company to 28,346,000).

Unissued shares under options

Unissued shares under options as of the date of this report are detailed in Note 24 to the consolidated financial statements.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

12. Remuneration report – audited

This remuneration report, which forms part of the directors' report, sets out the remuneration information for Tigers Realm Coal Limited's non-executive directors and other key management personnel ("KMP") for the financial year ended 31 December 2020.

(a) Details of key management personnel

Name	Position	Commencement Date
Directors		
Craig Wiggill	Chairman (Non-Executive)	20 November 2012
Bruce Gray	Director (Non-executive)	1 October 2015
Owen Hegarty	Director (Non-executive)	8 October 2010
Ralph Morgan	Director (Non-executive)	1 April 2014
Tagir Sitdekov	Director (Non-executive)	1 April 2014
Nikolay Ishmetov	Alternate Director for Mr Sitdekov	1 July 2017
David Swan	Director (Non-executive)	26 August 2020
Senior Executives		
Dmitry Gavrilin	Chief Executive Officer	1 June 2018
Dale Bender	Chief Financial Officer	1 October 2018
Scott Southwood	General Manager Marketing	13 October 2013
Sergey Efanov	General Manager Operations	15 November 2017
David Forsyth	Company Secretary	8 October 2010

(b) Changes to key management personnel

Directors

On 26 August 2020 Ralph Morgan resigned as Non – Executive Director of The Company.

On 26 August 2020 David Swan was appointed as Non – Executive director of the Company.

There were no changes to either Directors or to the Alternate Director during 2019.

Executives

There were no changes to Executives during 2020 and 2019.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

12. Remuneration report – audited (continued)

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

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

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

(d) Consequence of performance on shareholder wealth

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

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

	2020	2019	2018	2017	2016
Net profit/(loss) attributable to equity holders of the parent (<i>A\$ million</i>)	\$(15.616)	\$(18.715)	\$10.959	\$(6.213)	\$(10.511)
Closing share price (<i>A\$</i>)	\$0.01	\$0.01	\$0.04	\$0.057	\$0.073

(e) Remuneration policy and structure for senior executives

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

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

- Fixed Remuneration, which is the total base salary and includes employer superannuation contributions. The fixed remuneration reflects the job level, role, responsibilities, knowledge, experience and accountabilities of the individual executive and is set at a level which is competitive, aligned with the business needs and based on current market conditions in the mining industry and countries in which the Company does business.
 Compensation levels are reviewed each year by the Nomination and Remuneration Committee to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the remuneration policy. The review process considers individual and overall performance of the Group.
- Short-Term Incentive ("STI"), which is at-risk remuneration. This is an annual incentive award based on the achievement of pre-determined Company and individual objectives. These short-term incentives are available to executives and other eligible participants and are at the discretion of the Board. The STI is an at-risk bonus, which is payable subsequent to Board ratification of recommendations made by the Remuneration and Nomination Committee each year.
- Long-Term Incentive ("LTI") Program is at-risk remuneration. Under the LTI Program employees, at the discretion of the Board, are offered options over ordinary shares in the Company under the Company's Option Plan.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

12. Remuneration report – audited (continued)

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

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

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

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

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

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

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

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

(f) Employment contracts

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

The employment contracts provide for the payment of performance-related bonuses under the STI programme and participation, where eligible, in the Company Option Plan under the LTI Program. The maximum bonus payable under the STI programme is up to 50% of total remuneration for senior executives. The Group can elect to pay these bonuses in cash or by means of issuance of shares.

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

(g) Remuneration of Executive and Non-Executive Directors

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

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

In addition to being eligible for a fixed base fee, all non-executive Directors are entitled to 9.50 per cent in superannuation contributions. No retirement or other long-term benefits are provided to any Director other than superannuation. Non-Executive Directors can claim reimbursement of out-of-pocket expenses incurred on behalf of the Company. During the year ended 31 December 2020, the base fee for Directors was \$30,000 per annum. The Chairman is entitled to A\$100,000 per annum and a per diem of the AUD equivalent of British Pounds Sterling (“GBP”) 1,000 is payable whilst travelling in respect of the Group’s business. In addition to the base fee, A\$20,000 per annum is also payable to the Director who performs the duties of Chairman of the Audit, Risk and Compliance Committee. With the exception of the independent Chairman and Chairman of the Audit, Risk and Compliance Committee, all directors waived their director fee entitlements for the year ended 31 December 2020.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

12. Remuneration report – audited (continued)

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

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

	Short – term			Post-employment	Share - based payments		
Name	Cash Salary and fees A\$	Non-Monetary Benefits (1) A\$	STI bonus (2) A\$	Super-annuation A\$	LTI (3) A\$	Total Remuneration A\$	Proportion of remuneration comprising options %
2020							
Non-executive Directors							
C Wiggill	115,380	-	-	10,961	-	126,341	0.00%
B Gray	-	-	-	-	-	-	0.00%
O Hegarty	-	-	-	-	-	-	0.00%
R Morgan	-	-	-	-	-	-	0.00%
T Sitdekov	-	-	-	-	-	-	0.00%
D Swan	18,274	-	-	1,736	-	20,010	0.00%
Sub total	133,654	-	-	12,697	-	146,351	
Other key management personnel							
D Gavrilin	449,685	-	144,830	-	-	594,515	0.00%
D Bender	284,948	-	86,898	-	-	371,846	0.00%
S Southwood	167,704	-	43,450	-	6,060	217,214	2.79%
D Forsyth	189,196	-	-	-	4,669	193,865	2.41%
S Efanov	326,392	-	130,348	-	8,869	465,609	1.90%
Sub total	1,417,925	-	405,526	-	19,598	1,843,049	
Total key management							
Personnel	1,551,579	-	405,526	12,697	19,598	1,989,400	

1. Includes the value of fringe benefits and other allowances.
2. In respect of 2020. Part of the 2020 bonuses is planned to be paid in TIG's shares.
3. In accordance with the requirements of Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year (i.e. options granted under the LTI programme that remained unvested during 2020). The fair value of equity instruments is determined at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not necessarily related to or indicative of the benefit (if any) that senior executives may ultimately realise should the equity instruments vest. The fair value of the options at the date of their grant has been determined in accordance with AASB 2 Share-based Payments. All options granted under the LTI programme are equity settled.

During the year ended 31 December 2020, other than the remuneration detailed above, key management personnel were neither entitled to nor did they receive loans or other benefits.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

12. Remuneration report – audited (continued)

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

	Short – term			Post-employment	Share - based payments		
Name	Cash Salary and fees A\$	Non-Monetary Benefits (1) A\$	STI bonus (2) A\$	Super-annuation A\$	LTI (3) A\$	Total Remuneration A\$	Proportion of remuneration comprising options %
2019							
Non-executive Directors							
C Wiggill	152,895	-	-	12,639	-	165,534	0.00%
B Gray	-	-	-	-	-	-	0.00%
O Hegarty	-	-	-	-	-	-	0.00%
R Morgan	-	-	-	-	-	-	0.00%
T Sitdekov	-	-	-	-	-	-	0.00%
Sub total	152,895	-	-	12,639	-	165,534	
Other key management personnel							
D Gavrilin	467,212	-	-	-	-	467,212	0.00%
D Bender	346,498	-	-	-	-	346,498	0.00%
S Southwood	185,332	-	-	-	26,649	211,981	12.57%
D Forsyth	94,039	-	-	-	20,521	114,560	17.91%
S Efanov	389,490	-	-	-	38,986	428,476	9.10%
Sub total	1,482,571	-	-	-	86,156	1,568,727	
Total key management							
Personnel	1,635,466	-	-	12,639	86,156	1,734,261	

1. Includes the value of fringe benefits and other allowances.
2. In respect of 2019.
3. In accordance with the requirements of Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year (i.e. options granted under the LTI programme that remained unvested during 2019). The fair value of equity instruments is determined at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not necessarily related to or indicative of the benefit (if any) that senior executives may ultimately realise should the equity instruments vest. The fair value of the options at the date of their grant has been determined in accordance with AASB 2 Share-based Payments. All options granted under the LTI programme are equity settled.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

12. Remuneration report – audited (continued)

(i) Analysis of performance related elements of remuneration

The following table shows the relative proportions of remuneration packages of the Executive Directors and KMP during the year ended 31 December 2020, that are linked to performance and those that are fixed. The STI and LTI components of each of the Senior Executive's remuneration are contingent upon the achievement of the performance criteria.

Name	Fixed Annual Remuneration (including superannuation contributions) %	At Risk - STI as percentage of Total Remuneration %	At Risk - LTI as percentage of Total Remuneration (1) %	At Risk - Total as percentage of Total Remuneration %
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2020

Other key management personnel

Dmitry Gavrilin, CEO	75.64	24.36	-	24.36
Dale Bender, CFO	76.63	23.37	-	23.37
Scott Southwood, General Manager Marketing	77.21	20.00	2.79	22.79
David Forsyth, Company Secretary	97.59		2.41	2.41
Sergey Efanov, General Manager Project F	70.10	28.00	1.90	29.9

2019

Other key management personnel

Dmitry Gavrilin, CEO	100.0	-	-	-
Dale Bender, CFO	100.0	-	-	-
Scott Southwood, General Manager Marketing	87.4	-	12.6	12.6
David Forsyth, Company Secretary	82.1	-	17.9	17.9
Sergey Efanov, General Manager Project F	90.9	-	9.1	9.1

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

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

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

12. Remuneration report – audited (continued)

(j) Analysis of bonuses included in remuneration

During and in respect of the years ended 31 December 2020 and 2019, there were A\$405,526 and Nil, respectively, in short-term incentive (STI) cash bonuses awarded as remuneration to key management personnel.

(k) Share Options granted as remuneration

During the year ended 31 December 2020 and 2019, there were no options granted to key management personnel. Further details of the Option Plan are included in Note 24 to the consolidated financial statements.

During the year ended 31 December 2020, 5,281,000 options over ordinary shares vested (For the year ended 31 December 2019 2,721,000 options over ordinary shares vested) as follows:

	Number of options vested during year	Grant date	Fair value of option at grant date A\$	Exercise price per option A\$	Vesting date Start	Vesting date finish	Expiry date
2020							
Executives							
S Southwood	1,633,000	18/10/2017	0.031	0.08	18/10/2017	18/10/2020	18/10/2022
D Forsyth	1,258,000	18/10/2017	0.031	0.08	18/10/2017	18/10/2020	18/10/2022
S Efanov	2,390,000	18/10/2017	0.031	0.08	18/10/2017	18/10/2020	18/10/2022
2019							
Executives							
S Southwood	842,000	18/10/2017	0.031	0.08	18/10/2017	18/10/2019	18/10/2022
D Forsyth	648,000	18/10/2017	0.031	0.08	18/10/2017	18/10/2019	18/10/2022
S Efanov	1,231,000	18/10/2017	0.031	0.08	18/10/2017	18/10/2019	18/10/2022

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

12. Remuneration report – audited (continued)

(k) Analysis of Movement in Share Options

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

Name	Held at 1 January	Granted as remun- eration	Exerci- sed during year	Forfeited/ Lapsed during year	Held at 31 December	Vested at 31 December		
						Total	Exercisable	Not exercisabl e
2020								
Directors								
C Wiggill	1,500,000	-	-	(1,500,000)	-	-	-	-
B Gray	-	-	-	-	-	-	-	-
O Hegarty	1,500,000	-	-	(1,500,000)	-	-	-	-
R Morgan	500,000	-	-	(500,000)	-	-	-	-
T Sitdekov	500,000	-	-	(500,000)	-	-	-	-
Other key management personnel								
D Forsyth	2,670,000	-	-	(764,000)	1,906,000	1,906,000	1,906,000	-
S Southwood	3,975,000	-	-	(1,500,000)	2,475,000	2,475,000	2,475,000	-
S Efanov	3,621,000	-	-	-	3,621,000	3,621,000	3,621,000	-
2019								
Directors								
C Wiggill	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000	-
B Gray	-	-	-	-	-	-	-	-
O Hegarty	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000	-
R Morgan	500,000	-	-	-	500,000	500,000	500,000	-
T Sitdekov	1,500,000	-	-	(1,000,000)	500,000	500,000	500,000	-
Other key management personnel								
D Forsyth	3,752,000	-	-	(1,082,000)	2,670,000	1,412,000	1,412,000	-
S Southwood	3,975,000	-	-	-	3,975,000	2,342,000	2,342,000	-
S Efanov	3,621,000	-	-	-	3,621,000	1,231,000	1,231,000	-

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

12. Remuneration report – audited (continued)

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

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

	Value of options granted during year A\$	Value of options exercised during year A\$	Value of options lapsed during year A\$	Remuneration consisting of options for the year %
2020				
Directors				
C Wiggill	-	-	(38,500)	0.0
B Gray	-	-	-	0.0
O Hegarty	-	-	(38,500)	0.0
R Morgan	-	-	(17,500)	0.0
T Sitdekov	-	-	(17,500)	0.0
	-	-	-	0.0
Other Key Management Personnel				
D Forsyth	-	-	(42,020)	2.41%
S Southwood	-	-	(82,500)	2.79%
S Efanov	-	-	-	1.90%
2019				
Directors				
C Wiggill	-	-	-	0.0
B Gray	-	-	-	0.0
O Hegarty	-	-	-	0.0
R Morgan	-	-	-	0.0
T Sitdekov	-	-	(43,000)	0.0
	-	-	-	0.0
Other Key Management Personnel				
D Forsyth	-	-	(35,706)	17.91%
S Southwood	-	-	-	12.57%
S Efanov	-	-	-	9.10%

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

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

12. Remuneration report – audited (continued)

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

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

	Options granted		Vested during year	Forfeited/ Lapsed during year	Vesting date start	Vesting date finish
	Number	Grant date				
Directors						
C Wiggill	1,000,000	11/06/15	-	(1,000,000)	11/06/15	11/06/16
	500,000	11/06/15	-	(500,000)	11/06/15	11/06/17
O Hegarty	1,000,000	11/06/15	-	(1,000,000)	11/06/15	11/06/16
	500,000	11/06/15	-	(500,000)	11/06/15	11/06/17
R Morgan	500,000	11/06/15	-	(500,000)	11/06/15	11/06/17
T Sitdekov	500,000	11/06/15	-	(500,000)	11/06/15	11/06/17
Executives						
D Forsyth	382,000	17/04/15	-	(382,000)	17/04/15	17/04/16
	382,000	17/04/15	-	(382,000)	17/04/15	17/04/17
	648,000	18/10/17	-	-	18/10/17	18/10/19
	1,258,000	18/10/17	1,258,000	-	18/10/17	18/10/20
S Southwood	750,000	17/04/15	-	(750,000)	17/04/15	17/04/16
	750,000	17/04/15	-	(750,000)	17/04/15	17/04/17
	842,000	18/10/17	-	-	18/10/17	18/10/19
	1,633,000	18/10/17	1,633,000	-	18/10/17	18/10/20
S Efanov	1,231,000	18/10/17	-	-	18/10/17	18/10/19
	2,390,000	18/10/17	2,390,000	-	18/10/17	18/10/20

13. Indemnification and insurance of Officers

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

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

14. Rounding and ASIC relief

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

15. Audit and non-audit services

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

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

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

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

16. Proceedings on behalf of the Company

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

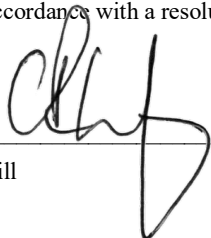
17. Auditor's Independence Declaration

The auditor's independence declaration is included on page 80 and forms part of the Directors' report for the year ended 31 December 2020.

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

Dated at Melbourne this 24th day of February 2021.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'CW', is written over a horizontal line.

Craig Wiggill
Director

Type text here

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

Corporate governance statement

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

This Corporate Governance Statement is current as at 24 February 2021 and has been approved by the Board. A description of the Group's corporate governance practices are set out below. Where changes have occurred during the 2020 year the dates of these changes are shown. These corporate governance practices have been in place since the Company was listed on the ASX on 29 August 2011. Copies of the corporate governance documents mentioned in this statement are available on the Company's website.

Principle 1: Lay solid foundations for management and oversight

Role of the Board

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

The Board is responsible for:

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

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

Board Committees

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

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

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

Management Performance Evaluation

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

Tigers Realm Coal Limited

Directors' report (continued)

For the year ended 31 December 2020

Corporate Governance Statement (continued)

Principle 2: Structure of the Board

Composition of the Board

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

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

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

At the date of this report the Board meets the Good Corporate Governance Recommendations in that the majority of Directors should be independent. Currently three of the five Directors are independent: Craig Wiggill, David Swan and Owen Hegarty.

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

Board Skills

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

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

Experience and Competencies

Coal Industry Experience

Strategy, leadership and risk management

Commercial, trading and marketing

Financial analysis and capital markets experience

Corporate Governance and regulatory

Project development and construction

Stakeholder communication and engagement

Safety, environment and social responsibility

Professional Qualifications

Engineering

Finance/Economics

Accounting

Director Independence

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

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

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

Tigers Realm Coal Limited

Directors' report (continued)

For the year ended 31 December 2020

Corporate Governance Statement (continued)

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

Independent Professional Advice

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

Chairman

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

Orientation Program

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

Nomination and Remuneration Committee

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

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

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

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

A performance evaluation of the Board, its committees and the Directors was completed for 2020. The outcomes of the evaluation were discussed and considered by all the Directors and specific performance goals were agreed upon for the coming year.

Principle 3: Promote ethical and responsible decision making

Code of Conduct

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

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

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

Corporate Governance Statement (continued)

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

Whistleblowers' Policy

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

Securities Trading

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

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

Workplace Diversity

The Board is committed to having an appropriate blend of diversity on the Board, and in the Group's senior executive positions. The Group values diversity and recognises the benefits it can bring to the Group's ability to achieve its goals. The Group has adopted a diversity policy which outlines the Group's diversity objectives in relation to gender, age, cultural background and ethnicity. The Group has not established specific measurable gender and diversity objectives due to the start-up nature of its situation in the exploration and development of coking coal projects. However, the Group remains committed to recruiting the best candidates for roles at all levels within the Group at every operation. As at 31 December 2020, women comprised 15% (31 December 2019: 17%) of employees throughout the Group. There are currently no female members of the Board.

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

Principle 4: Safeguard integrity in financial reporting

Audit, Risk and Compliance Committee

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

All members of the Committee are financially literate and have an appropriate understanding of the mining industry. The Chairman, Mr David Swan has relevant qualifications with a Bachelor of Commerce from the University of WA, being a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and a Member of the Institute of Chartered Accountants in England and Wales ('ICAEW') and relevant experience gained through being non-executive director and audit committee chairman of London AIM Listed companies Central Asia Metals plc and Sunrise Resources plc. Mr Owen Hegarty has relevant qualifications with a Bachelor of Economics (Hons) and experience by virtue of being a director on other ASX listed companies. Mr Tagir Sitdekov has relevant qualifications with an MBA (University of Chicago Booth School of Business, London) and experience as a CFO at power generating company OJSC Sochi TES (a subsidiary of RAO Unified Energy System of Russia), and prior to that role he was a Senior Consultant at Creditanstalt Investment Bank for 2 years. Mr Craig Wiggill has extensive experience in the global mining industry including over 25 years in the coal sector, the majority of his experience being within the Anglo-American Plc group.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

Corporate Governance Statement (continued)

Principle 4: Safeguard integrity in financial reporting (continued)

Audit, Risk and Compliance Committee

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

The main responsibilities of the Committee are to:

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

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

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

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

CEO and CFO certification

The Chief Executive Officer and the Chief Financial Officer have declared in writing to the Board in accordance with Section 295 of the *Corporations Act 2001* that the financial records of the Company for the financial year have been properly maintained, and that the Company's financial reports for the financial year ended 31 December 2020, comply with accounting standards and present a true and fair view of the Company's financial condition and operational results. The statement is required both annually and semi-annually.

The Board has received and is satisfied with certification provided by the CEO and CFO that the Group's risk management and internal control systems are sound and operated effectively in all material aspects in relation to financial reporting risks for the financial year ended 31 December 2020.

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

Corporate Governance Statement (continued)

Principle 4: Safeguard integrity in financial reporting (continued)

External auditor

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

The Company and the Committee policy is to appoint external auditors who clearly demonstrate quality and independence. Deloitte has provided an independence declaration to the Board for the financial year ended 31 December 2020. The Committee has considered the nature of the non-audit and assurance related services provided by the external auditor during the year and determined that services provided and the amount paid for those services are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Committee has examined detailed material provided by the external auditor and by management and has satisfied itself that the standards of auditor independence and associated issues have been fully complied with.

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

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

Principle 5: Make timely and balanced disclosure

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

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

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

Principle 6: Shareholder communications

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

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

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

Principle 7: Recognise and manage risk

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

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

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

Tigers Realm Coal Limited
Directors' report (continued)
For the year ended 31 December 2020

Corporate Governance Statement (continued)

Principle 8: Remunerate fairly and responsibly

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

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

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

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

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

Tigers Realm Coal Limited
Consolidated statement of financial position
As at 31 December 2020

	Note	31 December 2020 A\$'000	31 December 2019 A\$'000
Current Assets			
Cash and cash equivalents	12	18,879	4,716
Trade and other receivables	14	9,844	10,196
Inventories	15	20,275	28,805
Prepayments		1,356	2,936
Other assets		7	20
Total current assets		50,361	46,673
Non-current assets			
Inventories	15	2,854	-
Property, plant and equipment	16	32,545	41,100
Total non-current assets		35,399	41,100
Total assets		85,760	87,773
Current Liabilities			
Trade and other payables	17	3,879	13,976
Advances received		-	3,186
Lease liability	20	2,407	5,197
Loans payable	18	1,830	29,393
Royalty liability	21	922	690
Other financial liabilities	22	605	779
Employee benefits	19	1,437	1,263
Total current liabilities		11,080	54,484
Non-current liabilities			
Trade and other payables	17	115	134
Lease liability	20	5,522	9,234
Royalty liability	21	17,141	13,296
Other financial liabilities	22	1,612	2,889
Provision for site restoration		496	403
Total non-current liabilities		24,886	25,956
Total liabilities		35,966	80,440
Net assets		49,794	7,333
Equity			
Share capital	23	246,594	173,108
Reserves		10,277	25,660
(Accumulated losses)		(187,316)	(171,700)
Total equity attributable to equity holders of the Company		69,555	27,068
Non-controlling interest		(19,761)	(19,735)
Total equity		49,794	7,333

The notes on pages 37 to 78 are an integral part of these consolidated financial statements.

Tigers Realm Coal Limited
Consolidated statement of comprehensive income
For the year ended 31 December 2020

	Note	31 December 2020 A\$'000	31 December 2019 A\$'000
Revenue from coal sales	7	47,889	50,141
Mining and related costs of coal sold		(33,850)	(27,592)
Transshipment and other port costs		(14,366)	(18,009)
Gross margin on coal sold		(327)	4,540
Administrative and other operating expenses	8	(6,027)	(8,991)
Share based payments	24	(52)	(248)
Exploration and evaluation expenses		(159)	(310)
Change in provisions for inventories	15	-	(3,363)
Write off of property, plant and equipment	16	(254)	(460)
Royalty expense	21	(5,690)	(6,304)
Other income		324	294
Results from operating activities		(12,185)	(14,842)
Net foreign exchange (loss)/gain		(655)	932
Finance income		-	6
Finance costs		(2,785)	(4,880)
Net finance costs		(3,440)	(3,942)
Loss before income tax		(15,625)	(18,784)
Income tax expense	10	(17)	(44)
Net Loss		(15,642)	(18,828)
Other comprehensive (loss)/income			
Items that may subsequently be reclassified to the profit or loss			
Foreign currency translation differences for foreign operations		(15,435)	4,012
Total comprehensive loss for the period		(31,077)	(14,816)
Net Loss is attributable to:			
Owners of the Company		(15,616)	(18,715)
Non-controlling interest		(26)	(113)
Net Loss for the period		(15,642)	(18,828)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(31,051)	(14,965)
Non-controlling interest		(26)	149
Total comprehensive loss for the period		(31,077)	(14,816)
Loss per share (cents per share)			
basic loss per share (cents)	11	(0.22)	(1.05)
diluted loss per share (cents)	11	(0.22)	(1.05)

The notes on pages 37 to 78 are an integral part of these consolidated financial statements.

Tigers Realm Coal Limited
Consolidated statement of changes in equity
For the year ended 31 December 2020

	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 2019		173,747	(152,985)	7,053	8,300	6,309	42,424	(19,884)	22,540
Net loss		-	(18,715)	-	-	-	(18,715)	(113)	(18,828)
Other comprehensive income		-	-	-	3,750	-	3,750	262	4,012
Total comprehensive loss for the period		-	(18,715)	-	3,750	-	(14,965)	149	(14,816)
Share based payments	24	-	-	248	-	-	248	-	248
Costs of raising equity		(639)	-	-	-	-	(639)	-	(639)
Balance at 1 January 2020		173,108	(171,700)	7,301	12,050	6,309	27,068	(19,735)	7,333
Net loss		-	(15,616)	-	-	-	(15,616)	(26)	(15,642)
Other comprehensive loss		-	-	-	(15,435)	-	(15,435)	-	(15,435)
Total comprehensive loss for the period		-	(15,616)	-	(15,435)	-	(31,051)	(26)	(31,077)
Issue of ordinary shares		75,380	-	-	-	-	75,380	-	75,380
Share based payments	24	-	-	52	-	-	52	-	52
Costs of raising equity		(1,894)	-	-	-	-	(1,894)	-	(1,894)
Balance at 31 December 2020		246,594	(187,316)	7,353	(3,385)	6,309	69,555	(19,761)	49,794

The notes on pages 37 to 78 are an integral part of these consolidated financial statements.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

Consolidated statement of cash flows
For the year ended 31 December 2020

	Note	31 December 2020 A\$'000	31 December 2019 A\$'000
Cash flows from operating activities			
Cash receipts from customers		47,792	50,057
Cash paid to suppliers and employees		(55,916)	(65,025)
Exploration and evaluation expenditure		(85)	(343)
Interest and financing costs paid		(2,781)	(4,350)
Income taxes paid		(314)	(408)
Net cash used in operating activities	13	(11,304)	(20,069)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(9,244)	(6,026)
Proceeds from the disposal of restricted financial instruments		-	1,049
Net cash used in investing activities		(9,244)	(4,977)
Cash flows from financing activities			
Proceeds from issue of shares		42,272	3,240
Repayment of lease liabilities		(3,870)	(7,249)
Proceeds from other financial liabilities		-	4,373
Repayment of other financial liabilities		(653)	(480)
Proceeds from borrowings		-	46,141
Repayment of borrowings		-	(20,445)
Net cash generated by financing activities		37,749	25,580
Net movement in cash and cash equivalents		17,201	534
Cash and cash equivalents at beginning of the period		4,716	3,554
Effects of exchange rate changes on cash and cash equivalents		(3,038)	628
Cash and cash equivalents at the end of the period	12	18,879	4,716

Non-cash financing activities for the year ended 31 December 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 2019 Entitlement Offer. The loan payable to BV Mining Holdings Limited was settled in full and loan payable to Dr Bruce Gray of A\$14.641 million was partially settled.

Non-cash investing activities for the years ended 31 December 2020 and 2019: Leasing transactions

During the year ended 31 December 2020, the Group executed a lease arrangement with equipment vendor for the acquisition of 100kt barge (31 December 2019, the Group executed a number of 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 18.137 million (A\$0.319 million) (2019: RUB 730.248 million (A\$16.210 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 cost of the right of use asset and commensurately the lease liability upon initial recognition was RUB 23.593 million (A\$0.481 million).

Tigers Realm Coal Limited

Notes to the consolidated financial statements

For the year ended 31 December 2020

1. Reporting entity

Tigers Realm Coal Limited (the “Company” or “TIG”) is a company domiciled in Australia. During the year ended 31 December 2020, the Company’s registered office was 151 Wellington Parade South, East Melbourne, 3002, Australia 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 consolidated financial statements as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the “Group”). The Group is a for-profit entity and primarily is involved in coal exploration and evaluation, mining, port and sales activities.

2. Basis of preparation

(a) Statement of compliance

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

The consolidated financial statements were authorised for issue by the Board of Directors on 24th February 2021.

(b) Basis of preparation

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Further details on how the Group estimates fair values of an asset or a liability are included in Note 5.

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

(c) Significant accounting judgements, estimates and assumptions

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

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

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

- Note 3 – Going concern basis of accounting
- Note 9 – Carrying value of non-current assets
- Note 22 – Royalty liability

3. Significant accounting policies

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

(a) Going concern basis of accounting

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

For the year ended 31 December 2020, the Group incurred a net loss of A\$15.642 million (2019: a net loss of A\$18.828 million) and had net cash outflows from operating activities of A\$11.304 million (2019: net cash outflows from operating activities of A\$20.069 million).

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

Significant accounting policies (continued)

(a) Going concern basis of accounting

As at 31 December 2020, the Group had cash and cash equivalents of A\$18.879 million (31 December 2019: A\$4.716 million) and net current assets of A\$39.281 million (31 December 2019 net current liabilities of A\$7.811 million). As of 31 December 2020, the Company has no unused, available credit lines (31 December 2019: Nil).

During the year ended 31 December 2020, 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 16 December 2020, TIG launched a fully underwritten 1 for 1.4 pro – rata accelerated renounceable entitlement offer at a price of A\$0.008 per share to raise up to A\$43.512 million. The institutional entitlement offer closed on 17 December 2020 raising gross proceeds of A\$17.151 million with the Company's largest shareholder Dr. Bruce Gray taking up his full entitlement. As disclosed in Note 35 the entitlement offer closed on 14 January 2021. In total the Group raised A\$43.512 million.
- In October 2020, TIG signed a GBP 5.5 million (A\$10 million) contract for supply of a modular CHPP with UK based Derek Parnaby Cyclones International Limited. Fabrication and works under the contract are proceeding on schedule for delivery to Beringovsky in June 2021. Detailed engineering works and preparation for civil construction are well underway. The construction of the CHPP should enable the Company to sell a higher-value product of a consistent quality into the 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.
- On 5 June 2020, a 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, the Group had received A\$13.039 million.
- During 2020, the Group has significantly improved its loading capacity and efficiency of its port operations efficiency: the Group loaded 760kt by its own barges at a cost significantly lower than that incurred in 2019. An average loading rate by TIG's barges increased from 3.3kt per day during the 2019 shipping season to an average 6.5kt per day during 2020 shipping season and the average cost of loading decreased from A\$16.19 to A\$6.95 per tonne.

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

- Actual 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:

- 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 the 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 would be materially different from those assumptions utilised in the cash flow forecasts;

Tigers Realm Coal Limited

Notes to the consolidated financial statements

For the year ended 31 December 2020

Significant accounting policies (continued)

(a) Going concern basis of accounting (continued)

- Coal shipments have been forecast after consideration of actual historic port operating performance and those climactic and other conditions which would be reasonably expected to occur and influence the Group's shipping capabilities; and
- Licence Compliance obligations for both the Amaam and Amaam North tenements have been planned for and are expected to be achieved with minimal risk of non-compliance with licence terms and conditions. There is, therefore, a reasonable expectation that the Group will continue to be compliant with licence drilling obligations.

Accordingly, the Directors have determined that it is appropriate for the Group to continue to adopt the going concern basis in preparing these consolidated financial statements.

(b) Basis of consolidation

(i) Subsidiaries

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

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

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

(ii) Business combinations

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

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

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

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

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

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

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

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

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

3. Significant accounting policies (continued)

(b) Basis of consolidation

(iii) Non-controlling interests

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

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

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

(iv) Loss of control

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

(c) Foreign currency

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

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

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

(iii) Foreign operations

For the purpose of presenting these consolidated financial statements, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Company's functional currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

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

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

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

3. Significant accounting policies (continued)

(d) Financial instruments

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

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

(i) Financial assets

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

The Group has the following financial assets:

- **Trade and other receivables.**

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

- **Cash and cash equivalents**

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

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

(ii) Financial liabilities

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

- **Trade and other payables**

Liabilities are recognised for amounts to be paid in the future for goods and services provided to the Group prior to the end of the reporting period and are stated at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

- **Leases**

Leases to be paid in accordance with a payment schedule based on the contractual agreements.

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

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

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

3. Significant accounting policies (continued)

(e) Share capital

Ordinary shares

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

(f) Intangible assets

(i) Mineral Rights

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

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

(ii) Goodwill

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

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

(iii) Other intangible assets

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

(iv) Subsequent expenditure

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

(v) Amortisation

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

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

(g) Impairment of financial assets (including receivables)

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

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

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

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

3. Significant accounting policies (continued)

(g) Impairment of financial assets (including receivables) (continued)

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

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

(h) Provisions

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

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

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

(i) Leases

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

(j) Exploration and evaluation costs

Exploration and evaluation expenditure comprises costs directly attributable to:

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

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

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

3. Significant accounting policies (continued)

(k) Goods and services tax

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

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

(l) Other significant accounting policies

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

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4. Application of new and revised accounting standards

(a) New and amended standards adopted

The Group has adopted all the following new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 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 other Standards and amendments has had no impact on the Group's consolidated financial report.

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

(b) Standard and interpretations in issue not yet adopted

A number of new standards, amendments to standards and interpretations are issued but not yet effective for annual periods beginning after 1 January 2020 and have not been applied in preparing these consolidated financial statements.

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	Applicable to annual reporting periods beginning on or after 1 January 2021
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an investor and its Associate or Joint Venture;	Applicable to annual reporting periods beginning on or after 1 January 2022
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	Applicable to annual reporting periods beginning on or after 1 January 2022
AASB 17 Insurance Contracts and AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts	Applicable to annual reporting periods beginning on or after 1 January 2023
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	Applicable to annual reporting periods beginning on or after 1 January 2023

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

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5. Determination of fair values

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

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

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

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

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

(a) Financial assets and liabilities

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

Further information about the assumptions made in measuring fair values is included in Note 25.

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6. Segment reporting

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

The accounting policies used by the Group in reporting segments internally are the same as the Group accounting policies. For the year ended 31 December 2020, the activities of the Group are managed in two reportable operating segments outlined below, consistent with how they were managed in the prior periods:

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

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

	Amaam North Project AS'000	Amaam Project AS'000	Total Reportable Segments AS'000	Other AS'000	Total AS'000
31 December 2020					
Revenue from the shipment and sale of coal	47,889	-	47,889	-	47,889
Finance and other income	-	-	-	-	-
Cost of coal sold	(48,216)	-	(48,216)	-	(48,216)
Change in provisions for inventories	-	-	-	-	-
Exploration and evaluation expenses	(104)	(55)	(159)	-	(159)
Royalty expense	(5,690)	-	(5,690)	-	(5,690)
Finance costs	(2,785)	-	(2,785)	-	(2,785)
Other segment expenses	(1,856)	(76)	(1,932)	(4,732)	(6,664)
Segment result	(10,762)	(131)	(10,893)	(4,732)	(15,625)
Segment assets	85,643	30	85,673	87	85,760
Segment liabilities	(35,847)	(119)	(35,966)	-	(35,966)
31 December 2019					
Revenue from the shipment and sale of coal	50,141	-	50,141	-	50,141
Finance and other income	300	-	300	-	300
Cost of coal sold	(45,601)	-	(45,601)	-	(45,601)
Change in provisions for inventories	(3,363)	-	(3,363)	-	(3,363)
Exploration and evaluation expenses	-	(310)	(310)	-	(310)
Royalty expense	(6,304)	-	(6,304)	-	(6,304)
Finance costs	(4,880)	-	(4,880)	-	(4,880)
Other segment expenses	(5,474)	-	(5,474)	(3,293)	(8,767)
Segment result	(15,181)	(310)	(15,491)	(3,293)	(18,784)
Segment assets	87,591	131	87,722	51	87,773
Segment liabilities	(80,311)	(129)	(80,440)	-	(80,440)

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6. Segment reporting (continued)

Geographical information

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

	2020		2019	
	Revenues	Non-current assets	Revenues	Non-current assets
	A\$'000	A\$'000	A\$'000	A\$'000
Asia	43,188	-	47,949	-
Russia	4,701	35,399	2,192	41,100
Total	47,889	35,399	50,141	41,100

Customer information

Included in revenues from the sale and shipment of coal are revenues of A\$39.373 million (2019: A\$48.649 million) which arose from sales to major customers who individually contributed at least 10% of total revenues from shipment and sales of coal.

7. Revenue

	31 December 2020	31 December 2019
	A\$'000	A\$'000
Revenue from thermal coal sales	28,101	22,776
Revenue from semisoft coal sales	13,204	21,822
Revenue from shipment of coal	6,584	5,543
	47,889	50,141

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7. Revenue (continued)

Recognition and measurement: Revenue

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

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

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

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

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

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

8. Administrative and other operating expenses

	31 December 2020 A\$'000	31 December 2019 A\$'000
Wages, salaries and other personnel costs	(3,152)	(3,587)
Legal fees and compliance costs	(527)	(422)
Contractors and consultants' fees	(309)	(898)
Accounting and audit fees	(283)	(265)
Office accommodation costs	(218)	(266)
Taxes and charges	(214)	(441)
Bank charges	(169)	(398)
Travel	(119)	(302)
Insurance	(119)	(48)
ASX listing fees	(112)	(109)
IT and communication costs	(65)	(118)
Depreciation expense	(50)	(474)
Port operating expenses	-	(612)
Other	(690)	(1,051)
	(6,027)	(8,991)

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9. Carrying value of non-current assets

Amaam North Project CGU

During the year ended 31 December 2020, the carrying value of non-current assets of Amaam North Project CGU, net of accumulated depreciation, decreased by A\$8.555 million to A\$32.545 million (As of 31 December 2019 A\$41.100 million) (refer to Note 16 for details).

As at 31 December 2020, the Group concluded that due to:

- Production and sales volumes achieved to date; and
- Progress in the development of the CHPP project during 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 believes that at this 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 current necessity for the reversal of impairment losses recognised in prior periods.

Amaam Project CGU

During the year ended 31 December 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 2020. As the development of the Amaam Project is not expected in the foreseeable future, as at 31 December 2020, the Group concluded that there are no indications that asset write-downs recognised in prior periods for the Amaam Project CGU require reversal.

Recognition and measurement: Non-current assets

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

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

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

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

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10. Income tax expense

A reconciliation between tax expense and accounting profit multiplied by Australia's domestic tax rate for the years ended 31 December 2020 and 2019 is set out below:

	31 December 2020 A\$'000	31 December 2019 A\$'000
Loss before tax	(15,625)	(18,784)
Income tax benefit using the domestic corporation tax rate of 30%	(4,688)	(5,635)
Changes in income tax expense due to:		
Effect of different tax rates of subsidiaries operating in foreign jurisdictions	1,792	2,223
Non-deductible loss resulting from change in royalty agreement liability	670	711
Assessable imputed interest income	-	80
Non-deductible expenses/(non-assessable income)	1,991	2,056
Current period tax losses for which no deferred tax asset was recognised	252	609
Total income tax expense	17	44

	31 December 2020 A\$'000	31 December 2019 A\$'000
Current tax expense	17	44
Deferred tax benefit	-	-
Total income tax expense	17	44

Unrecognised deferred tax assets

	31 December 2020 A\$'000	31 December 2019 A\$'000
Net deferred tax assets not recognised in respect of tax losses	27,120	26,868

As at 31 December 2020 and 2019, no deferred tax assets have been recognised for carried forward tax losses as it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

Recognition and measurement: Income taxes

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

Current tax

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

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10. Income tax expense (continued)

Recognition and measurement: Income taxes (continued)

Deferred tax

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

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

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

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

Tax exposure

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

Tax consolidation

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

The tax losses incurred in Australia do not expire under current tax legislation. In overseas jurisdictions, tax losses can be carried forward for varying periods.

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11. Loss per share

		31 December 2020 Cents	31 December 2019 Cents
Loss per share			
Basic loss per share – cents	a	(0.22)	(1.05)
Diluted loss per share – cents	b	(0.22)	(1.05)

(a) Basic loss per share

The calculation of basic loss per share at 31 December 2020 was based on the loss attributable to ordinary equity holders of the Company of A\$15.616 million (At 31 December 2019: loss of A\$18.715 million) and a weighted average number of ordinary shares outstanding during the period ended 31 December 2020 of 6,967,457,740 (For the year ended 31 December 2019: 1,791,669,870).

(b) Diluted loss per share

The calculation of diluted loss per share at 31 December 2020 and 2019 is the same as basic loss per share. As at 31 December 2020, the Company had 9,907,000 outstanding options over ordinary shares (31 December 2019: 28,346,000 options), which have been excluded from the calculation of diluted earnings per share because they are anti-dilutive for the reporting period.

12. Cash and cash equivalents

	31 December 2020 A\$'000	31 December 2019 A\$'000
Bank balances	18,879	4,716
Cash and cash equivalents	18,879	4,716

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

13. Reconciliation of loss for the year to net cash flows from operating activities

		31 December 2020 A\$'000	31 December 2019 A\$'000
Cash flows from operating activities			
Loss for the period		(15,642)	(18,828)
Adjustments for:			
Foreign exchange loss/(gain)		655	(932)
Share based payments	24	52	248
Royalty expense	21	5,690	6,304
Depreciation expense		8,350	6,166
Change in provisions for inventories		-	3,363
Write off of property, plant and equipment		254	460
Income tax expense	10	17	44
		(624)	(3,175)
Movements in working capital			
Change in trade and other receivables		(2,040)	(7,610)
Change in inventory		(1,083)	(15,270)
Change in other assets		(22)	8
Change in prepayments		891	(1,833)
Change in employee provisions		(470)	(53)
Change in trade and other payables		(7,956)	7,864
Net cash used in operating activities		(11,304)	(20,069)

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14. Trade and other receivables

	31 December 2020 A\$'000	31 December 2019 A\$'000
Trade and other receivables	5,888	3,311
VAT and GST receivable	3,956	6,885
	9,844	10,196

15. Inventories

	31 December 2020 A\$'000	31 December 2019 A\$'000
Coal inventories: net of provision of A\$2.963 million for recognition of inventories at the lower of cost and their net realisable value (At 31 December 2019: A\$4.432 million)	11,095	11,999
Fuel (At 31 December 2019: net of provisions of A\$0.006 million)	1,370	3,900
Other consumables: net of provisions of A\$0.298 million (At 31 December 2019 A\$0.391 million)	10,664	12,906
	23,129	28,805
Current	20,275	28,805
Non-current	2,854	-
Total	23,129	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.

The amount of inventories recognised as an expense during the year ended 31 December 2020 was A\$34.376 million (2019: A\$27.592 million).

Recognition and measurement: Inventories

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

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

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

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

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

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16. Property, plant and equipment

	Assets in construction	Land & Buildings	Mine infrastructure	Plant& Equipment	Fixtures & Fittings	Total
	AS'000	AS'000	AS'000s	AS'000	AS'000	AS'000
<i>Cost</i>						
As at 1 January 2019	3,512	1,705	6,324	13,564	60	25,165
Additions	25,792	544	-	-	30	26,366
Disposals	(377)	-	-	(210)	(2)	(589)
Transfers	(20,180)	204	-	19,957	19	-
Effect of movement in exchange rates	681	235	837	2,607	10	4,370
As at 1 January 2020	9,428	2,688	7,161	35,918	117	55,312
Additions	9,193	1	-	405	61	9,660
Disposals	(173)	-	-	-	(8)	(181)
Transfers	(4,174)	390	-	3,737	47	-
Effect of movement in exchange rates	(2,269)	(692)	(1,717)	(9,052)	(40)	(13,770)
As at 31 December 2020	12,005	2,387	5,444	31,008	177	51,021
<i>Depreciation and impairment</i>						
As at 1 January 2019	-	(212)	(1,715)	(3,694)	(21)	(5,642)
Depreciation charge for the period	-	(580)	(1,486)	(5,020)	(41)	(7,127)
Disposals	-	-	-	83	-	83
Write off	-	-	-	(460)	-	(460)
Effect of movement in exchange rates	-	(50)	(288)	(724)	(4)	(1,066)
As at 1 January 2020	-	(842)	(3,489)	(9,815)	(66)	(14,212)
Depreciation charge for the period	-	(285)	(1,353)	(6,751)	(46)	(8,435)
Disposals	-	-	-	-	3	3
Write off	-	-	-	(254)	-	(254)
Effect of movement in exchange rates	-	237	1,003	3,161	21	4,442
As at 31 December 2020	-	(890)	(3,839)	(13,659)	(88)	(18,476)
Net book value:						
At 31 December 2020	12,005	1,497	1,605	17,349	89	32,545
At 31 December 2019	9,428	1,846	3,672	26,103	51	41,100

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16. Property, plant and equipment (continued)

During the year ended 31 December 2020, CAT D10 bulldozer with a carrying value of RUB 11.598 million (A\$0.254 million) was written-off due to its present condition (2019: three Scania haulage trucks with a carrying value of RUB 11.743 million (A\$0.460 million) were written-off).

As disclosed in Note 20, the Group leases various mining and port equipment. The carrying value of these assets as at 31 December 2020 is RUB 626.045 million (A\$11.076 million) (31 December 2019: RUB 858.425 million (A\$19.844 million)).

Recognition and measurement: Property, plant and equipment

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

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

Subsequent costs

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

Depreciation

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

Straight-line basis

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

The estimated useful lives are as follows:

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

Units of production basis

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

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16. Property, plant and equipment (continued)

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

Stripping Costs

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

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

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

17. Trade & other payables

	31 December 2020 A\$'000	31 December 2019 A\$'000
Trade payables and accrued expenses	3,941	14,052
Taxes payable	53	58
	3,994	14,110
Current	3,879	13,976
Non-current	115	134
Total	3,994	14,110

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18. Loans payable

	31 December 2020 A\$'000	31 December 2019 A\$'000
Shareholders' loans payable	1,830	29,393
	1,830	29,393

	31 December 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	280	722
Net effect of movement in exchange rates	71	1,459
Total loans at end of the year	1,830	29,393

Shareholders' loans

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

19. Employee Benefits

Recognition and measurement: Employee benefits

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

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

	31 December 2020 A\$'000	31 December 2019 A\$'000
Provision for annual leave	678	650
Provision for bonuses	546	-
Provision for salary and related costs payable	168	580
Provision for other employment benefits	45	33
	1,437	1,263

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20. Lease Liability

	31 December 2020 A\$'000	31 December 2019 A\$'000
Maturity analysis:		
Payable not later than one year	3,601	7,332
Payable later than one year, not later than five years	6,396	11,128
Payable later than five years	2,762	3,662
	12,759	22,122
Less: future interest	(4,830)	(7,691)
Total lease liabilities	7,929	14,431
Current	2,407	5,197
Non-current	5,522	9,234
	7,929	14,431

Movement in lease liabilities are as follows:

	31 December 2020 A\$'000	31 December 2019 A\$'000
Opening balance of lease liability	14,431	4,749
New lease agreements entered during the year	319	16,210
Lease payments	(3,191)	(7,249)
Net effect of movement in exchange rates	(3,630)	721
Total lease liability recognised at end of year	7,929	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\$11.076 million (31 December 2019: A\$19.844 million) under lease arrangements expiring within one to four years.

During the year ended 31 December 2020, the Group executed a lease arrangement to finance the acquisition of a 100 –tonne barge. The right of use asset and, the lease liability upon initial recognition was A\$0.319 million. During, the year ended 31 December 2019, the Group executed a number of 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 730.248 million (A\$16.210 million).

For the year ended 31 December 2020 the depreciation charge on the leased equipment amounted to A\$5.010 million (2019: A\$3.735 million).

As part of its liquidity management strategy, the Group restructured two of its lease arrangements by extending the lease term from four to five years and three of its lease arrangements by changing the lease payment schedule. As part of the restructuring procedure, equipment with carrying value of A\$1.036 million was pledged.

In 2019 the Group recognised right of use of 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 lease arrangements are as follows:

	Currency	Effective interest rate	Year of maturity
Vendor lease liabilities	RUB	11.79-22.63%	2021-2023
Banking institution lease liabilities	RUB	12.23-15.55%	2024
Russian Financing Company lease liabilities	RUB	19.36-30.30%	2024
Other lease liabilities	RUB	15.2%	2067

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20. Lease Liability (continued)

Recognition and measurement: Leases

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

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

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

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

21. Royalty Liability

	31 December 2020 A\$'000	31 December 2019 A\$'000
Opening balance of royalty liability	13,986	8,240
Royalty expense	5,690	6,304
Payments made during the year	(330)	(618)
Effect of movement in exchange rates	(1,283)	60
Closing balance of royalty liability	18,063	13,986
Current	922	690
Non-current	17,141	13,296
	18,063	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% 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.

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21. Royalty Liability (continued)

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 31 December 2020 (31 December 2019: Nil) in relation to Amaam Project royalty arrangements as the development of the Amaam Project is not expected in the foreseeable future.

Recognition and measurement: Royalty liabilities

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

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

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

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

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22. Other financial liabilities

	31 December 2020 A\$'000	31 December 2019 A\$'000
Current other financial liabilities	605	779
Non – current other financial liabilities	1,612	2,889
	2,217	3,668

Movement other financial liabilities are as follows

	31 December 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	(679)	(480)
Net effect of movement in exchange rates	(772)	(225)
Total other financial liabilities recognised at end of year	2,217	3,668

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

The key terms of the arrangement are as follows:

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

Recognition and measurement: Sale and leaseback transactions

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

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

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

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

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23. Share capital

	31 December 2020	31 December 2019
	A\$'000	A\$'000
Share Capital	263,577	188,197
Costs of raising equity	(16,983)	(15,089)
	246,594	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>			
Issue of ordinary shares – Entitlement Offer 2019	5,822,927,078	0.01	58,229
Issue of ordinary shares – Entitlement Offer 2020	2,143,895,694	0.008	17,151
Closing balance at 31 December 2020	9,758,492,642		263,577

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

(ii) Movements in options on issue

During the year ended 31 December 2020, there were no options issued, 6,976,000 options lapsed and 11,463,000 forfeited, bringing options issued over ordinary shares in the Company to 9,907,000 at 31 December 2020 (For the year ended 31 December 2019: no options issued and 3,594,000 options lapsed and 1,729,000 options forfeited, thus bringing the options issued over ordinary shares in the Company to 28,346,000).

(iii) Entitlement offer

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

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 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 the 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.

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24. Share based payments

(a) Recognised share-based payment expense

	31 December 2020 A\$'000	31 December 2019 A\$'000
Expense arising from equity settled share-based payment transactions	52	248

(b) Description of share-based payment arrangements

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

(b) Description of share-based payment arrangements

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

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

(c) Summary of options granted under the Option Plan

The options outstanding at 31 December 2020 have an exercise price in the range of A\$0.08 to A\$0.113 (2019: A\$0.08 to A\$0.50). The weighted average remaining contractual life for options outstanding at 31 December 2020 is 1.8 years (31 December 2019: 2.2 years). There were no options granted during the year ended 31 December 2020 (year ended 31 December 2019: Nil). There are 9,907,000 vested and exercisable options at 31 December 2020 (31 December 2019: 14,242,000). There were no options exercised during the years ended 31 December 2020 and 31 December 2019.

Movements in outstanding options

	2020		2019	
	Number of Options	Weighted Average Exercise Price A\$	Number of Options	Weighted Average Exercise Price A\$
Balance at the beginning of the year	28,346,000	0.158	33,669,000	0.256
Granted	-	-	-	-
Forfeited/lapsed	(18,439,000)	0.182	(5,323,000)	0.286
Exercised	-	-	-	-
Balance at the end of the year	9,907,000	0.113	28,346,000	0.158
Vested and exercisable at year end	9,907,000	0.113	14,242,000	0.093

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24. Share based payments (continued)

(c) Summary of options granted under the Option Plan

Details of share options outstanding at 31 December 2020 are detailed below:

Date of issue	2020		2019	
	Number of Options	Average Exercise Price	Number of Options	Average Exercise Price
		A\$		A\$
17 April 2015	-	-	1,488,000	0.230
17 April 2015	-	-	1,488,000	0.170
11 June 2015	-	-	2,000,000	0.500
11 June 2015	-	-	2,000,000	0.230
18 October 2017	3,368,000	0.080	7,266,000	0.080
18 October 2017	6,539,000	0.130	14,104,000	0.130
Balance at the end of the year	9,907,000	0.105	28,346,000	0.223

During the year to 31 December 2020, no options were issued, 6,976,000 options lapsed and 11,463,000 forfeited and no options exercised, bringing the options issued over ordinary shares in the Company to 9,907,000 as at 31 December 2020.

(d) Inputs for the measurement of grant date fair values

The grant date fair values of the options granted through the Staff Option Plan utilised assumptions underlying the Black-Scholes methodology to produce a Monte Carlo simulation model which allows for incorporation of the performance hurdles that must be met before the share-based payment vests to the holder. Expected volatility is estimated by considering historic average share price volatility for those options issued since February 2013. Prior to that date, due to the lack of sufficient share price history (TIG was listed on 29 August 2011) the share price volatility was based on the historical volatility of a group of comparable companies, based on their principal activities, for volatility estimation purposes. The expected dividend yield used in the valuation process has been nil. The early exercise provision has been measured using a sell multiple of two times the exercise price. The post-vesting withdrawal rate used in the valuation of the options is nil. The risk-free rate is derived from the yield on Australian Government Bonds of appropriate terms.

The inputs used in the measurement of the fair values at the grant date of the options granted under the Staff Option Plan and outstanding at 31 December 2020 are outlined below:

Option Grant Date	Fair value at grant date (A\$)	Share price at grant date (A\$)	Exercise price	Performance hurdle	Performance period	Expiry date	Risk free interest rate
18 Oct 2017	\$0.031	\$0.060	\$0.080	A	C	18 Jun 2022	2.32%
18 Oct 2017	\$0.030	\$0.060	\$0.130	B	D	18 Jun 2022	2.32%

- A. Performance hurdle: options vest 12 months after grant date.
- B. Performance hurdle: options vest 24 months after grant date.
- C. Performance period: 12 months after grant date.
- D. Performance period: 24 months after grant date

Recognition and measurement: Share based payments

Equity-based compensation is recognised as an expense in respect of the services received.

The fair value of options granted is recognised as an asset or expense with a corresponding increase in equity. The fair value is measured at the grant date and recognised over the period during which the employees became unconditionally entitled to the options. The fair value at the grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the options, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

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25. Risk management and financial instruments

(a) Risk management framework

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

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

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

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

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

(i) Credit risk

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

(ii) Liquidity risk

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

(iii) Market risk

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

(iv) Operational risk

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

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

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25. Risk management and financial instruments (continued)

(b) Capital management

The Company and Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration, evaluation and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, or issue new shares. The Group's focus historically has been to raise sufficient funds through equity to fund its exploration and evaluation activities and expansion. In 2020 the Group conducted two entitlement offers detailed further in Note 23.

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

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

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

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

(c) Financial instruments

The Group holds the following financial instruments:

	31 December 2020 A\$'000	31 December 2019 A\$'000
Financial assets		
Cash and cash equivalents	18,879	4,716
Trade and other receivables	9,844	10,196
	28,723	14,912
Financial liabilities		
Trade and other payables	3,994	14,110
Leases liabilities	7,929	29,393
Loans payable	1,830	14,431
Other financial liabilities	2,217	3,668
	15,970	61,602

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25. Risk management and financial instruments (continued)

(d) Accounting classifications and fair values

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

31 December 2020

Financial assets not measured at fair value

Cash and cash equivalents

Trade and other receivables

Financial liabilities not measured at fair value

Trade and other payables

Loans payable

Lease liabilities

Other financial liabilities

Carrying amount		
Loans & Receivables	Other financial liabilities	Total
AS'000		
18,879	-	18,879
9,844	-	9,844
28,723	-	28,723
-	3,994	3,994
-	1,830	1,830
-	7,929	7,929
-	2,217	2,217
-	15,970	15,970

31 December 2019

Financial assets not measured at fair value

Cash and cash equivalents

Trade and other receivables

Financial liabilities not measured at fair value

Trade and other payables

Loans payable

Lease liabilities

Other financial liabilities

Carrying amount		
Loans & Receivables	Other financial liabilities	Total
AS'000		
4,716	-	4,716
10,196	-	10,196
14,912	-	14,912
-	14,110	14,110
-	29,393	29,393
-	14,431	14,431
-	3,668	3,668
-	61,602	61,602

(e) Credit risk

Exposure to credit risk

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

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

Cash and cash equivalents
Trade and other receivables

Carrying amount	
2020	2019
AS'000	AS'000
18,879	4,716
9,844	10,196
28,723	14,912

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25. Risk management and financial instruments (continued)

Geographical information

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

	Carrying amount 2020 A\$'000	2019 A\$'000
Asia and the Russian Federation	9,844	10,196
Australia	-	-
	9,844	10,196

Counterparty information

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

	2020 A\$'000	2019 A\$'000
Coal customers	5,888	3,311
Other	3,956	6,885
	9,844	10,196

Impairment losses

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

	Gross 2020 A\$'000	Impaired 2020 A\$'000	Gross 2019 A\$'000	Impaired 2019 A\$'000
Not past due	9,844	-	10,196	-
Past due 0-30 days	-	-	-	-
Past due 31-120 days	-	-	-	-
Past due 121 days to one year	-	-	-	-
More than one year	-	-	-	-
	9,844	-	10,196	-

There was no provision for expected credit losses at 31 December 2020 (At 31 December 2019: A\$Nil).

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

25. Risk management and financial instruments (continued)

(f) Liquidity risk

Exposure to liquidity risk

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

The following are the contractual maturities of financial liabilities.

	Contractual cashflows						
	Carrying amount AS'000	Total AS'000	6 months or less AS'000	6-12 months AS'000	1-2 years AS'000	2-5 years AS'000	More than 5 years AS'000
31 December 2020							
Non-derivative financial liabilities							
Trade and other payables	3,994	3,994	3,879	-	-	115	-
Loans payable	1,830	1,864	1,864	-	-	-	-
Lease liabilities	7,929	12,760	1,229	2,372	3,425	2,971	2,763
Other financial liabilities	2,217	3,011	193	781	894	1,143	-
	15,970	21,629	7,165	3,153	4,319	4,229	2,763
31 December 2019							
Non-derivative financial liabilities							
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.

(g) Market risk

(i) Currency risk

Exposure to currency risk

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

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

	USD 2020 AS'000	RUB 2020 AS'000	USD 2019 AS'000	RUB 2019 AS'000
Cash and cash equivalents	8,376	1,466	2,927	1,363
Trade and other receivables	3,966	5,878	1,791	8,405
Trade and other payables	(721)	(3,273)	(4,010)	(10,100)
Loans payable	(1,830)	-	(29,393)	-
Lease liabilities	-	(7,929)	-	(14,431)
Other financial liabilities	-	(2,217)	-	(3,668)
Net exposure	9,791	(6,075)	(28,685)	(18,431)

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

25. Risk management and financial instruments (continued)

(g) Market risk

(i) Currency risk

Exchange rates used

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

	Average rate		Reporting date spot rate	
	2020	2019	2020	2019
USD	1.4483	1.4384	1.2984	1.4273
RUB	0.0200	0.0222	0.0177	0.0225

Sensitivity analysis

A weakening of the AUD, as indicated, against the USD and RUB at 31 December 2020 would have the impact in equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Strengthening		Weakening	
	Equity	Profit or loss	Equity	Profit or loss
	AS'000	AS'000	AS'000	AS'000
31 December 2020				
USD (10% movement)	1,088	1,088	(890)	(890)
RUB (10% movement)	(675)	(675)	552	552
31 December 2019				
USD (10% movement)	2,608	2,608	(3,187)	(3,187)
RUB (10% movement)	1,676	1,676	(2,048)	(2,048)

(i) Commodity price risk

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

(ii) Interest rate risk

Exposure to interest rate risk

Management monitors the exposure to interest rate risk on an ongoing basis. The Group's exposure to interest rate risk relates primarily to its cash and cash deposits. At the reporting date the interest rate profile of the company's and the Group's interest-bearing financial instruments was:

	Carrying amount	
	2020	2019
	AS'000	AS'000
Fixed rate instrument		
Financial assets	-	-
Financial liabilities	(11,976)	(47,492)
	(11,976)	(47,492)
Variable rate instruments		
Cash and cash equivalents	18,879	4,716
Financial liabilities	-	-
	18,879	4,716

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

25. Risk management and financial instruments (continued)

(iii) Interest rate risk (continued)

Interest rates used

The following significant interest rates have been applied.

	Average rate %	Reporting date spot rate %
2020		
Australian cash deposit rate	0.32	0.32
2019		
Australian cash deposit rate	1.50	1.50

Sensitivity analysis

An increase in interest rates, as indicated below, at balance dates would have increased equity and profit and loss by the amounts shown below. This analysis is based on interest rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular exchange rates, remain constant. A reduction in the interest rates would have had the equal but opposite effect to the amounts shown below, on the basis that all other variables remain constant.

	Equity A\$'000	Group Profit or loss A\$'000
31 December 2020		
Australian cash deposit rate (100 basis points increase)	0	0
31 December 2019		
Australian cash deposit rate (100 basis points increase)	6	6

26. Expenditure commitments

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet its licence obligations. In the Russian Federation, this minimum exploration work is defined by the performance of a minimum number of drilling metres over the life of each exploration licence. These obligations are expected to be fulfilled in the normal course of operations. Mining interests may be relinquished or joint ventured to reduce this amount. The various country and state governments have the authority to defer, waive or amend the minimum expenditure requirements. As of and for the year ended 31 December 2020, the Group is in compliance with those exploration obligations defined in the respective licences.

Other commitments

Other commitments of A\$9.050 million are primarily comprised of A\$1,898 million commitments to Chukotsnab and A\$5.123 million commitments to DPCI for the supply of diesel and CHPP equipment, respectively (At 31 December 2019: A\$5.054 million comprised primarily of A\$2.059 million in commitments to Liaoyo Group Co Ltd for the construction of two 500 tonne barges).

Tigers Realm Coal Limited
Notes to the consolidated financial statements
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27. Contingencies

Deed of cross guarantee

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

Tax contingencies in the Russian Federation

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

28. Related parties' disclosure

(a) Identity of related parties

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

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

There were no transactions with other related parties during the years ended 31 December 2020 and 2019.

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

29. Key Management Personnel Disclosures

(a) Compensation of key management personnel

The key management personnel compensation included in "Administration expenses" (see Note 8) and "Share-based payments" (see Note 24) is as follows:

	2020	2019
	A\$	A\$
Short-term employee benefits	1,957,105	1,635,466
Post-employment benefits	12,697	12,639
Share-based payments	19,598	86,156
	1,989,400	1,734,261

(b) Key management personnel compensation disclosures

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

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

	Balance at 1 January	Acquisitions	Sales	Other Changes	Balance at 31 December
2020					
Directors					
C Wiggill	1,200,000	3,900,000	-	-	5,100,000
B Gray	404,246,361	4,741,103,304	-	-	5,145,349,665
O Hegarty	30,412,029	30,000,000	-	-	60,412,029
R Morgan	-	-	-	-	-
T Sitdekov	-	-	-	-	-
D Swan	-	-	-	-	-
Other key management personnel					
S Southwood	-	-	-	-	-
D Forsyth	19,267,673	2,600,000	-	-	21,867,673
D Gavrilin	-	7,246,377	-	-	7,246,377
D Bender	-	-	-	-	-

29. Key Management Personnel Disclosures (continued)

(c) Movements in shares

	Balance at 1 January	Acquisitions	Sales	Other Changes	Balance at 31 December
2019					
Directors					
C Wiggill	1,200,000	-	-	-	1,200,000
B Gray	403,631,641	614,720	-	-	404,246,361
O Hegarty	30,412,029	-	-	-	30,412,029
R Morgan	-	-	-	-	-
T Sitdekov	-	-	-	-	-
Other key management personnel					
S Southwood	136,700	-	(136 700)	-	-
D Forsyth	19,267,673	-	-	-	19,267,673
D Gavrilin	-	-	-	-	-
D Bender	-	-	-	-	-

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

30. Group entities

Significant subsidiaries

	Country of Incorporation	Ownership Interest	
		2020	2019
Parent entity			
Tigers Realm Coal Limited	Australia		
Subsidiaries			
TR Coal International Limited	Australia	100%	100%
Tigers Realm Coal (Cyprus) Pty Ltd	Cyprus	100%	100%
Greaterbay Larnaca Finance (Cyprus) Pty Ltd	Cyprus	100%	100%
Eastshore Coal Holding Limited	Cyprus	80%	80%
Telofina Holdings Ltd	Cyprus	100%	100%
Rosmiro Investments Limited	Cyprus	100%	100%
Anadyrsky Investments Limited	Cyprus	100%	100%
Northern Pacific Coal Company	Russia	80%	80%
Beringpromugol LLC	Russia	100%	100%
Port Ugolny LLC	Russia	100%	100%
Bering Ugol Investments LLC	Russia	100%	100%

31. Parent entity disclosures

As at and throughout the financial year ended 31 December 2020, the parent entity of the Group was Tigers Realm Coal Limited. Information relating to the parent entity follows:

	31 December 2020 A\$'000	31 December 2019 A\$'000
Results of parent entity		
Loss for the period	(52)	(248)
Total comprehensive loss	(52)	(248)
Financial position of parent entity		
Current assets	17,037	3,353
Non-current assets	87,377	28,214
Total assets	104,414	31,567
Current liabilities	-	-
Total liabilities	-	-
Net Assets	104,414	31,567
Total equity of the parent entity comprising		
Share capital	246,594	173,747
Reserves	7,353	7,301
(Accumulated deficit)	(149,533)	(149,481)
Total equity	104,414	31,567

Contingent liabilities of the parent entity

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

Capital commitments of the parent entity

As at 31 December 2020, capital commitments comprised of A\$5.123 million commitments to DPCI for the CHPP equipment.

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

32. Deed of cross guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the wholly-owned subsidiary listed below is relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and directors' reports.

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

The entities subject to the Deed of Cross Guarantee are:

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

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

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entity which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee for the year ended 31 December 2020 is set out below.

Statement of comprehensive income and retained earnings

	31 December 2020 A\$'000	31 December 2019 A\$'000
Depreciation expense	-	-
Share based payments	(52)	(248)
Administrative expenses	(718)	(1,060)
Results from operating activities	(770)	(1,308)
Net foreign exchange (loss)/gain	(5,664)	79
Finance expense	(280)	(441)
Finance income	91	93
Net finance expense	(5,853)	(269)
Loss before income tax	(6,623)	(1,577)
Income tax expense	-	-
Net Loss	(6,623)	(1,577)
Other comprehensive income		
Foreign currency translation differences for foreign operations	-	-
Income tax on other comprehensive income	-	-
Total comprehensive loss for the period	(6,623)	(1,577)
Accumulated deficit at beginning of year	(185,705)	(184,128)
Accumulated deficit at end of year	(192,328)	(185,705)

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

32. Deed of cross guarantee (continued)

	31 December 2020 A\$'000	31 December 2019 A\$'000
Current Assets		
Cash and cash equivalents	17,037	630
VAT and other receivables	335	150
Prepayments	42	42
Total current assets	17,414	822
Non-current assets		
Property, plant and equipment	4,481	1
Investments in subsidiaries	81,783	67,180
Total non-current assets	86,264	67,181
Total assets	103,678	68,003
Current Liabilities		
Trade and other payables	815	677
Advances received	-	3,186
Loan payables	1,830	29,393
Employee provisions	46	33
Total current liabilities	2,691	33,289
Total liabilities	2,691	33,289
Net assets	100,987	34,714
Equity		
Share capital	246,594	173,108
Reserves	46,721	47,311
(Accumulated deficit)	(192,328)	(185,705)
Total equity	100,987	34,714

Tigers Realm Coal Limited
Notes to the consolidated financial statements
For the year ended 31 December 2020

33. Non-controlling interest

No change in the non-controlling interests in the Eastshore and the Amaam project occurred during the years ended 31 December 2020 and 2019.

34. Auditors' Remuneration

Details of the amounts paid to the auditor, Deloitte, and related network firms for audit and non-audit services provided during the year are set out below.

	31 December 2020 A\$	31 December 2019 A\$
Audit services:		
Audit and review of financial reports Deloitte Australia	123,245	138,004
Audit and review of financial reports Deloitte Overseas	159,710	143,713
	282,955	281,717
Services other than statutory audit		
<i>Other services</i>		
Taxation compliance and advisory services Deloitte Australia	19,950	-
Taxation compliance services and advisory services Deloitte Overseas	35,944	-
	55,894	-
	338,849	281,717

35. Events after the reporting period

The entitlement offer launched on 16 December 2020 (Refer to Note 18 for further details) closed on 14 January 2021. The Institutional entitlement offer closed on 17 December 2020 raising gross proceeds of approximately A\$17.121million with the Company's largest shareholder Dr. Bruce Gray taking up his full entitlement. The retail component of the offer was completed on 4 January 2021 with very good support from a number of shareholders, including Mr. Paul Little, taking up full and partial entitlements. The retail offer raised approximately A\$3.684 million. On 14 January 2021, the arising Shortfall Bookbuild was completed. The Bookbuild process was managed and fully underwritten by CLSA Australia Pty Ltd and sub-underwritten by Dr. Bruce Gray. Pursuant to his sub-underwriting agreement, 2.7 billion additional shares were issued to Dr. Gray, increasing his overall shareholding in the TIG to 59.95%. In total TIG raised A\$43.5 million.

On 4 February 2021 outstanding balance of shareholder's loan payable and interest accrued thereon in the amount of A\$1.864 million was settled in full.

Tigers Realm Coal Limited

Directors' declaration

For the year ended 31 December 2020

1. In the opinion of the Directors of Tigers Realm Coal Limited ('the Company'):
 - (a) the attached consolidated financial statements and notes that are set out on pages 33 to 78 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the group entities identified in Note 32 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.
3. The Directors have been given the declarations required by Section 259A of the *Corporations Act 2001* from the chief executive officer and the chief financial officer for the financial year ended 31 December 2020.
4. The Directors also draw attention to Note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Dated at Melbourne this 24th day of February 2021.

Craig Wiggill
Director

A handwritten signature in black ink, appearing to be 'CW', is written over a horizontal line. The signature is stylized and cursive.

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

24 February 2021

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

Yours sincerely,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Colin Brown
Partner
Chartered Accountants

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tigers Realm Coal Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

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

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p><i>Estimation of the amount of royalty obligations in relation to Amaam and Amaam North Projects</i></p> <p>As disclosed in Note 21, the Group has entered into a number of royalty arrangements as part of obtaining interests in the Amaam and Amaam North Projects.</p> <p>Management is required to make a number of judgements to estimate the amount of the obligation, including identifying an appropriate methodology, the probability, amount and timing of expected future cash flows from the revenue derived from the sale of coal produced and the discount rate. As the estimate is sensitive to these judgments, there is a risk that changes in key assumptions can have a significant impact on the estimate and therefore reported results.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none">• assessing the Group's methodology to estimate the amount of the obligation, obtaining an understanding of the key processes associated with the preparation of the model supporting the estimate and challenging its appropriateness;• assessing in conjunction with our valuation experts, the reasonableness of key assumptions including forecast coal sales volumes, forecast long-term coal prices, timing of coal sales and the discount rate applied.• performing sensitivity analysis on a number of key assumptions, including coal sales prices and discount rate;• performing an assessment of the historical accuracy of forecasting by the management; and• assessing the appropriateness of the disclosures in the notes to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information which will be included in the Group's annual report for the year ended 31 December 2020 (but does not include the financial report and our auditor's report thereon). We obtained the Directors' Report, Corporate Governance Statement and Shareholder Information, which are to be included in the annual report, prior to the date of this auditor's report. The remaining sections of the annual report are expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and accordingly we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining sections of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in paragraph 12 of the Directors' Report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Tigers Realm Coal Limited, for the year ended 31 December 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Colin Brown
Partner
Chartered Accountants
Brisbane, 24 February 2021

SHAREHOLDER INFORMATION

1. Top 20 Shareholders as at 15 February 2021

		Number of shares	% of Total
1	YEADON INVESTMENTS PTY LTD ATF YEADON TRUST	4,824,423,317	36.96
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,885,101,115	22.10
3	BV MINING HOLDING LIMITED	2,377,541,065	18.21
4	RDIF INVESTMENT MANAGEMENT LLC	1,036,224,898	7.94
5	NAMARONG INVESTMENTS PTY LTD <THE HANSEN INVESTMENT A/C>	735,511,670	5.64
6	PINE RIDGE HOLDINGS PTY LTD <PINE RIDGE SUPERANNUATION FUND A/C>	181,922,857	1.40
7	SHIMMERING BRONZE PTY LIMITED	65,912,029	0.51
8	CO-INVESTMENT PARTNERSHIP I LP	51,811,415	0.40
9	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	32,852,253	0.25
10	CANCELER PTY LTD <CLARENCE SUPER FUND A/C>	29,820,510	0.23
11	NATIONAL NOMINEES LIMITED <DB A/C>	27,119,791	0.21
12	SENNEN TROVE PTY LTD <BETA SUPER FUND A/C>	23,937,359	0.18
13	MS SIMONE PHONHTHEPHA	23,123,779	0.18
14	FOREMOST MANAGEMENT SERVICES PTY LIMITED <SUPER FUND A/C>	22,468,970	0.17
15	MR STEPHEN ALEXANDER CHING	21,300,000	0.16
16	MR GAVIN JEREMY DUNHILL	20,000,000	0.15
17	MASIK ENTERPRISES PTE LTD	20,000,000	0.15
18	ASIPAC GROUP PTY LTD	18,846,246	0.14
19	GP SECURITIES PTY LTD	15,970,960	0.12
20	MR ANDREW JOHN KEMPSON	14,451,451	0.11
	TOTAL	12,428,339,685	95.21

SHAREHOLDER INFORMATION (CONTINUED)

2. Voting rights of ordinary shares

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

3. Distribution of Shareholders and Shareholdings as at 15 February 2021

Holding and Distribution	No. of Holders	Securities	%
1 to 1000	40	3,916	0.00
1001 to 5000	32	108,513	0.00
5001 to 10000	45	390,988	0.00
10001 to 100000	423	21,949,169	0.17
100001 and Over	520	13,031,142,182	99.83
Total	1,060	13,053,594,768	100.00

4. Tigers Realm Coal Substantial Shareholders as at 15 February 2021

Holder	No. of Shares	% of Total
Dr Bruce Gray	7,825,877,288	59.95
BV Mining Holding Limited	2,377,541,065	18.21
RDIF Investment Management LLC *	1,098,398,595	8.41
Namarong Investments Pty Ltd <The Hansen Investment A/C>	735,511,670	5.64

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

5. Shareholdings of less than a marketable parcel as at 15 February 2021

380 holding a total of 9,000,285 shares.

6. Unquoted Securities as at 15 February 2021

9,907,000 unlisted options on issue.