Tribeca Global Natural Resources Limited

ACN 627 596 418

Appendix 4D
Interim Financial Report
for the half-year ended
31 December 2020

Interim report

This interim financial report is for the reporting half-year ended 31 December 2020. The Company commenced operations on 12 October 2018, following its successful listing on ASX. This is the third interim reporting for the Company.

Results for announcement to the market

	31 December 2020 $	31 December 2019 $	Movement $	Movement %
Profit from ordinary activities	45,048,853	7,303,086	37,745,767	516.85
Profit from ordinary activities after tax attributable to members	30,217,822	3,043,364	27,174,458	892.91
Basic earnings per share	0.49	0.05	0.44	880.00
Diluted earnings per share	0.49	0.05	0.44	880.00

Dividends

There were no dividends paid or proposed during the period.

Dividend reinvestment plan

There is currently no dividend reinvestment plan in place.

Net tangible assets	31 December 2020 $	30 June 2020 $	31 December 2019 $
Net tangible assets (per share) before tax	2.05	1.37	2.45
Net tangible assets (per share) after tax	2.18	1.69	2.45

Brief explanation of results

The Company's NTA increased on a post-tax basis by +29.23% per share for the half year ending December 2020. By comparison, the MSCI ACWI Commodity Producers Index gained 17.17% over the same period with the performance of the Company's portfolio driven by bottom-up stock picking and top-down commodity selection. The December quarter in particular saw a very strong contribution from the portfolio's "Clean Green Energy" exposures such as uranium, base metals and battery metals. Positions exposed to "fiscal stimulus and infrastructure" also fared well with diversified producers and bulk commodity producers benefiting from the strength in iron ore and coal prices, while oil & gas was supported by the agreement amongst OPEC+ members to unwind their production cuts more slowly than originally planned. The Company's private credit related exposure, which includes both direct investments and the Company's holding in the Tribeca Global Natural Resources Credit Fund had a material negative impact on the Company's NTA as a result of its credit exposure to the Paringa Group. Subsequent to Paringa related writedowns as announced to the market in June and August 2020 respectively, the portfolio's private credit exposure contributed positively to performance on the back of upward valuations of several underlying positions.

Audit

This report is based on the Interim Financial Report which has been subject to independent review by the auditors, Ernst & Young. All the documents comprise the information required by the Listing Rule 4.2A.

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Interim Financial Report for the half-year ended 31 December 2020

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Directors	Bruce Robert Loveday *Chairman and Independent Director*
	Gregory John Clarke *Independent Director* (resigned 1 January 2021)
	Judith Anne Mills *Independent Director* (resigned 1 January 2021)
	Benjamin James Cleary *Non-independent Director*
	Rebecca O'Dwyer *Independent Director* (appointed 4 January 2021)
	David Aylward *Non-independent Director* (resigned 23 October 2020)
	Todd Warren *Non-independent Director* (appointed 23 October 2020)
Company Secretary	Ken Liu
Investment Manager	Tribeca Global Resources Pty Ltd Level 23, 1 O'Connell Street Sydney NSW 2000 www.tribecaip.com
Registered Office	Level 23, 1 O'Connell Street Sydney NSW 2000 +61 (2) 9640 2600
Administrator	Citco Fund Services (Australia) Pty Ltd 45 Clarence Street Sydney NSW 2000

Custodian	Morgan Stanley & Co. International plc. 25 Cabot Square, Canary Wharf, London E14 4QA United Kingdom UBS AG, Australia branch Chifley Tower 2 Chifley Square Sydney NSW 2000 Australia
Share Registrar	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: 1300 737 760 (inside Australia) or 61 2 9290 9600 (outside Australia)
Auditors	Ernst & Young 200 George St Sydney NSW 2000
Stock Exchange	Australian Securities Exchange (ASX) The home exchange is Sydney ASX code: TGF

Directors' Report

The Directors (the "Directors") present their report together with the interim financial report of Tribeca Global Natural Resources Limited (the "Company") for the half-year ended 31 December 2020.

Directors

The following persons held office as Directors during the period and up to the date of this report:

Bruce Robert Loveday
Independent Chairman

Gregory John Clarke
Independent Director
(resigned 1 January 2021)

Judith Anne Mills
Independent Director
(resigned 1 January 2021)

Rebecca O'Dwyer
Independent Director
(appointed 4 January 2021)

Benjamin James Cleary
Non-independent Director

David Aylward
Non-independent Director
(resigned 23 October 2020)

Todd Warren
Non-independent Director
(appointed 23 October 2020)

Principal activities

The Company was established to provide investors with access to an actively managed and concentrated portfolio of Natural Resources Securities, Credit Positions and Commodity Positions.

To achieve its objective, the Company has appointed Tribeca Global Resources Pty Ltd to act as investment manager ("Investment Manager"). The Investment Manager's investment strategy is an active long/short investment strategy that seeks to benefit from the inherent volatility in the Natural Resources Sector. The investment strategy employs a high conviction approach, leveraging the Investment Manager's bottom-up research and specialist knowledge of the entities and commodities within the Company's investible universe.

There have been no significant changes in the nature of this activity during the period and no change is anticipated in the future.

Dividends

There were no dividends paid or proposed to be paid for the reporting period. Further information in respect of the Company's dividend policy is contained in Section 11.8 of the Company's Prospectus which was issued on 24 August 2018.

Review of operations

The Company was registered with the Australian Securities and Investments Commission (ASIC) on 18 July 2018 and commenced operations on 12 October 2018, following its successful listing on the ASX.

The operating profit before tax was $43,077,290 (31 December 2019: $4,139,035) for the period ended 31 December 2020. The net result after tax was a profit of $30,217,822 (31 December 2019: $3,043,364).

The net tangible asset before tax as at 31 December 2020 was $2.05 (31 December 2019: $2.45) per share.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the period ended 31 December 2020.

Events subsequent to the end of the interim reporting date

The Directors are not aware of any other matter or circumstance not otherwise dealt with in this financial report that has significantly or may significantly affect the Company's operations, the results of those operations or the Company's state of affairs in future years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

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

Bruce Loveday
Independent Chairman
Sydney
23 February 2021

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Auditor's independence declaration to the directors of Tribeca Global Natural Resources Limited

As lead auditor for the review of the half-year financial report of Tribeca Global Natural Resources Limited for the half-year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b. No contraventions of any applicable code of professional conduct in relation to the review.

Ernst & Young

Ernst & Young

Jonathan Pye

Jonathan Pye
Partner
Sydney
23 February 2020

	Note	31 December 2020 $	31 December 2019 $
Investment Income			
Net changes in fair value of financial assets and liabilities at fair value through profit or loss	3	39,561,951	2,949,439
Interest income from financial assets at fair value through profit or loss		30	1,388,154
Interest income from financial assets at amortised cost		590	371,540
Dividend income		5,486,282	2,593,953
Total Investment income		**45,048,853**	**7,303,086**
Expenses			
Management fees	11	795,133	1,180,695
Bank and broker expenses		496,215	303,201
Interest on margin held at broker		251,389	806,960
Directors' fees	11	72,607	34,791
Audit fees		65,918	33,339
Administration fees		39,975	39,975
Dividends on securities held short		24,962	571,446
Professional fees		15,097	35,323
Other expenses		210,267	158,321
Total expenses		**1,971,563**	**3,164,051**
Profit before income tax		**43,077,290**	**4,139,035**
Income tax expense	12	(12,859,468)	(1,095,671)
Net profit after income tax		**30,217,822**	**3,043,364**
Other comprehensive income for the period, net of tax		–	–
Total comprehensive profit for the period		**30,217,822**	**3,043,364**
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share	10	0.49	0.05
Diluted earnings per share	10	0.49	0.05

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

	Note	31 December 2020 $	30 June 2020 $
Assets			
Current assets			
Cash and cash equivalents		7,001,398	806,199
Amounts due from brokers	8	34,336,710	33,844,424
Financial assets at fair value through profit or loss	3	159,898,202	90,795,768
Manager loan	11	–	371,276
Trade and other receivables	6	473,032	273,764
Total current assets		201,709,342	126,091,431
Non-current assets			
Deferred tax asset	12	9,440,890	22,300,359
Manager loan	11	–	216,578
Total non-current assets		9,440,890	22,516,937
Total assets		**211,150,232**	**148,608,368**
Liabilities			
Current liabilities			
Amounts due to brokers	8	74,741,098	39,985,687
Financial liabilities at fair value through profit or loss	3	1,714,093	3,530,989
Redemptions payable		–	184,233
Trade and other payables	7	357,807	203,604
Total liabilities		76,812,998	43,904,513
Net assets		134,337,234	104,703,855
Equity			
Issued capital		152,434,979	153,019,422
Accumulated losses		(18,097,745)	(48,315,567)
Total equity		**134,337,234**	**104,703,855**
Total liabilities and equity		**211,150,232**	**148,608,368**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

	Issued Capital $	Retained Earnings $	Total Equity $
Balance as at 1 July 2020	153,019,422	(48,315,567)	104,703,855
Profit after income tax	–	30,217,822	30,217,822
Other comprehensive income	–	–	–
Total comprehensive income	153,019,422	(18,097,745)	134,921,677
Transaction with owners in their capacity as owners			
Shares redeemed	(584,443)	–	(584,443)
Balance as at 31 December 2020	**152,434,979**	**(18,097,745)**	**134,337,234**

	Issued Capital $	Retained Earnings $	Total Equity $
Balance as at 1 July 2019	154,190,820	(2,649,851)	151,540,969
Profit after income tax	–	3,043,364	3,043,364
Other comprehensive income	–	–	–
Total comprehensive income	154,190,820	393,513	154,584,333
Balance as at 31 December 2019	**154,190,820**	**393,513**	**154,584,333**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Note	31 December 2020 $	31 December 2019 $
Cash flows from/(used in) operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		150,762,739	2,838,171
Payment for purchase of financial instruments at fair value through profit or loss		(186,327,923)	(29,417,723)
Movement in broker cash		36,667,617	18,192,985
Dividends received		5,469,748	2,578,139
Interest income received		1,034	1,559,736
Interest paid		(235,550)	(800,270)
Dividends paid		(24,962)	(571,446)
Brokerage expenses paid		(496,215)	(303,201)
Management fees paid		(101,681)	(15,259)
Administration fees paid		(32,825)	(32,825)
Other expenses paid		(521,420)	(480,951)
Net cash flows from/(used in) operating activities		**5,160,562**	**(6,452,644)**
Cash flows used in financing activities			
Payment for share buy back	9	(768,676)	–
Net cash flows used in financing activities		**(768,676)**	**–**
Net increase/(decrease) in cash and cash equivalents		**4,391,886**	**(6,452,644)**
Effect of foreign currency exchange rate changes on cash and cash equivalents		1,803,313	(308,690)
Cash and cash equivalents at beginning of period		806,199	54,589,703
Cash and cash equivalents at end of period		**7,001,398**	**47,828,369**
Significant non-cash transactions:			
Management fees offset against manager loan		587,854	1,109,449

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Corporate information and summary of significant accounting policies

The financial statements of Tribeca Global Natural Resources Limited (the "Company") as of 31 December 2020 and for the half-year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 22 February 2021.

The Company is a for-profit entity limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Stock Exchange ("ASX").

The Company was registered with the Australian Securities and Investments Commission ("ASIC") on 18 July 2018 and commenced operations on 12 October 2018, following its successful listing on the ASX.

The Company has been established to provide investors with access to an actively managed and concentrated portfolio of natural resources securities, credit positions and commodity positions.

The Company is managed by Tribeca Global Resources Pty Ltd (the "Investment Manager").

The Investment Manager's investment strategy is an active long/short investment strategy that seeks to benefit from the inherent volatility in the natural resources sector.

The Company's registered office is Level 23, 1 O'Connell Street, Sydney NSW 2000.

Basis of preparation

The interim financial report is for the half-year reporting period ended 31 December 2020 and has been prepared in accordance with *AASB 134 Interim Financial Reporting and the Corporations Act 2001*. It is presented in Australian Dollars ($) and was approved by the Board of Directors on 22 February 2021. The Directors have the power to amend and reissue the financial report.

This interim financial report does not include all the information and disclosures normally included in the annual financial report. Accordingly, this report should be read in conjunction with the Company's annual report for the period ended 30 June 2020 and public announcements made in respect of the Company during the period ended 31 December 2020 in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of financial assets and financial liabilities.

Assets and liabilities with recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the statement of financial position.

Compliance with International Financial Reporting Standards ("IFRS")
The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Reclassification of prior period/year comparative figures

Certain prior year comparatives have been reclassified to conform to the current period's presentation.

1. Corporate information and summary of significant accounting policies (continued)

New Standard effective and adopted

Amendments to IAS 1 and IAS 8: *Definition of Material*

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the interim financial statements of, nor is there expected to be any future impact to the Company.

Standards issued but not yet effective

Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

There are no other new standards and amendments to existing standards that are not yet effective for the half-year ended 31 December 2020 that would be expected to have a significant impact in the Company's financial statements.

2. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

2. Significant accounting judgements, estimates and assumptions (continued)

Income Taxes

The Company has recognised deferred tax assets relating to current year tax losses and unrealised losses on investments of $31,469,633 at 31 December 2020 (30 June 2020: $74,334,530). The utilisation of tax losses depends on the ability of the Company to generate future taxable profit. The Company considers that it is probable that future taxable profits will be available to utilise those deferred tax assets. This assessment is supported by the long term performance of a materially similar strategy managed by the Investment Manager and demonstrated by the current recovery of performance this interim period post tax of +29.23% per share. New information may become available that may cause the Company to change its judgement regarding calculation of tax balances, and such changes will impact the profit or loss in the period that such determination is made. However, utilisation of tax losses also depends on the ability of the Company to satisfy certain tests at the time the losses are recouped.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (“DCF”) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

3. Fair value measurements

(a) Fair value estimation

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm’s length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

For assets and liabilities that are measured at fair value on a recurring basis, the Company identifies transfers between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole), and deems transfers to have occurred at the beginning of each reporting period.

3. Fair value measurements (continued)

(b) Fair value hierarchy

AASB 13 Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

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

The following tables present the Company's assets and liabilities measured and recognised at fair value at 31 December 2020 and 30 June 2020.

31 December 2020	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets at fair value through profit or loss				
Equity securities	146,998,894	–	500,000	147,498,894
Debt securities	–	–	60,000	60,000
Investment in other fund	–	–	10,087,537	10,087,537
Derivative financial instruments	517,322	1,734,449	–	2,251,771
Total financial assets	**147,516,216**	**1,734,449**	**10,647,537**	**159,898,202**
Financial liabilities at fair value through profit or loss				
Equity securities	(1,565,968)	–	–	(1,565,968)
Derivative financial instruments	–	(148,125)	–	(148,125)
Total financial liabilities	**(1,565,968)**	**(148,125)**	**–**	**(1,714,093)**

3. Fair value measurements (continued)

(b) Fair value hierarchy (continued)

30 June 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value through profit or loss				
Equity securities	76,359,350	–	–	76,359,350
Investment in other fund	–	–	14,104,384	14,104,384
Derivative financial instruments	267,054	64,980	–	332,034
Total financial assets	**76,626,404**	**64,980**	**14,104,384**	**90,795,768**
Financial liabilities at fair value through profit or loss				
Equity securities	(3,462,869)	–	–	(3,462,869)
Derivative financial instruments	–	(68,120)	–	(68,120)
Total financial liabilities	**(3,462,869)**	**(68,120)**	**–**	**(3,530,989)**

During the year ended 30 June 2020, the investment in other fund was transferred from level 2 to level 3 since the underlying investments are illiquid debt and treated as level 3 assets in the underlying fund's portfolio.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the beginning of the reporting period.

Valuation techniques

When fair values of publicly traded equity securities are based on quoted market prices in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy.

In the absence of a quoted price in an active market, managed funds and derivatives are valued using observable inputs such as the market price of underlying investment, forward rates and recently quoted prices from the issuer or comparable issuers. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that the significant inputs are observable, the Company categorises these investments as Level 2.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible). The Company categorises these investments as Level 3.

3. Fair value measurements (continued)

(b) Fair value hierarchy (continued)

Valuation techniques (continued)

The Company held three (30 June 2020: one) Level 3 positions at period end which were fair valued by the Investment Manager's portfolio management team. The Investment Manager has reviewed the reasonableness of Level 3 valuation and is satisfied that it fairly represents the value of the asset held by the Company as at 31 December 2020 and 30 June 2020.

The changes in investments measured at fair value for which the Company has classified as having significant Level 3 inputs to determine fair value are as follows:

	31 December 2020 $	30 June 2020 $
Beginning value	14,104,384	20,159,567
Purchases	560,000	2,933,112
Transfer in	–	27,166,904
Unrealised loss	(4,016,847)	(36,155,199)
Ending value	**10,647,537**	**14,104,384**

Net change in unrealised loss attributable to Level 3 investments held by the Company as at 31 December 2020 was $4,016,847 (30 June 2020: $36,155,199).

Quantitative information regarding the valuation techniques and significant unobservable inputs used for the Company's investments that are categorised within Level 3 of the fair value hierarchy are as follows:

Description	Fair Value as at 31 December 2020 $	Valuation Technique	Unobservable Input
Investment in other fund	10,087,537	Net Asset Value approach	Unit price
Unlisted equity securities	500,000	Price of recent investment	Transaction price
Unlisted debt securities	60,000	Price of recent investment	Transaction price
Total	**10,647,537**		

3. Fair value measurements (continued)

(b) Fair value hierarchy (continued)

Valuation techniques (continued)

Description	Fair value as at 30 June 2020 $	Valuation technique	Unobservable input
Investment in other fund	14,104,384	Net Asset Value approach	Unit price
Total	**14,104,384**		

The carrying amounts of all financial instruments other than those measured at fair value on a recurring basis are considered to represent a reasonable approximation of their fair values.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2020 and 30 June 2020 is as shown below:

31 December 2020 Description	Input	Sensitivity used	Effect on fair value
Tribeca Global Natural Resources Credit Fund	Unit price	7%	+/-706,128
Northam Resources Pre IPO	Transaction price	7%	+/-35,000
Mycolivia Group Convertible Note	Transaction price	7%	+/-4,200

30 June 2020 Description	Input	Sensitivity used	Effect on fair value $
Tribeca Global Natural Resources Credit Fund	Unit price	7%	+/-987,307

3. Fair value measurements (continued)

(b) Fair value hierarchy (continued)

The table below shows realised and unrealised components of the account:

	31 December 2020 $	31 December 2019 $
Net realised gain on financial assets and liabilities at fair value through profit or loss	5,751,960	390,620
Net realised (loss)/gain on derivative contracts	(533,938)	561,028
Net unrealised gain on financial assets and liabilities at fair value through profit or loss	30,734,330	2,186,412
Net unrealised gain on derivative contracts	1,806,286	120,069
Net realised and unrealised gain/(loss) on foreign exchange currency transactions	1,803,313	(308,690)
Net changes in fair value of financial assets and liabilities at fair value through profit or loss	**39,561,951**	**2,949,439**

4. Derivative contracts

Typically, derivatives serve as a component of the Company's investment strategy and are utilised primarily to structure the portfolio or individual investments to economically match the investment objective of the Company.

Futures contracts

A futures contract obligates the Company to receive or deliver a specific instrument at a specified price on an agreed future date. Subsequent changes in the daily valuation of open contracts are recognised in net changes in fair value of financial assets and liabilities at fair value through profit or loss in the statement of profit or loss and other comprehensive income. Realised gains and losses are recorded in the statement of profit or loss and other comprehensive income when a contract is closed. The futures contracts are collateralised by cash and amounts due from broker. As at 31 December 2020, the notional principal amounts for futures contracts were $4,603,535 (30 June 2020: $Nil).

Option contracts

Option contracts are derivative financial instruments that give the buyer, in exchange for a premium payment, the right, but not the obligation, to either purchase from (call option) or sell to (put option) the writer a specified underlying instrument at a specified price on or before a specified date. The Company enters into option contracts to meet the requirements of its risk management and trading activities. Any realised and unrealised gains and losses are included in net changes in fair value of financial assets and liabilities at fair value through profit or loss in the statement of profit or loss and other comprehensive income. The total notional amount of option contracts outstanding as at 31 December 2020 amounts to $84,575 (30 June 2020: $2,482,057).

4. Derivative contracts (continued)

Swap agreements

Swap agreements ("swaps") represent agreements that obligate two parties to exchange a series of cash flows at specified intervals based upon, or calculated by reference to, changes in specified prices or rates for a specified amount of an underlying asset or otherwise determined notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Therefore, amounts required for the future satisfaction of the swap may be greater or less than the amount recorded. The realised gain/loss depends upon the prices at which the underlying financial instruments of the swap is valued at the swaps settlement date and is included in net changes in fair value of financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income. Swaps, which are not dealt in or traded through a clearing firm or an exchange, will be valued on the basis of the latest available counterparty valuation. The total notional amount of equity swaps outstanding as at 31 December 2020 amounts to $8,731,847 (30 June 2020: $507,819).

Warrants

A warrant is a derivative security that gives the holder the right to purchase securities from the issuer at a specific price within a certain timeframe. Warrants which are traded on an active market are valued at the quoted price. The Company may purchase warrants to speculate on the price movements of the financial instrument underlying the warrant, or for use as an economic hedge against certain equity positions held in the Company's portfolio holdings. The Company purchases warrants through listed markets and some are part of debt securities purchased. Warrants purchased by the Company provide the Company with the opportunity to purchase the underlying asset at an agreed-upon value either on (European style) or at any time before (American style) the expiration of the warrant. The total notional amount of warrants outstanding as at 31 December 2020 amounts to $440,598 (30 June 2020: $64,980).

The Company's derivative financial instruments at 31 December 2020 and 30 June 2020 are detailed below:

	Contract/	Fair values	
31 December 2020	**Notional**	**Assets**	**Liabilities**
	$	**$**	**$**
Commodity future	4,603,535	–	949
Equity option	84,575	84,575	–
Equity swaps	8,731,847	1,726,599	147,176
Warrants	440,598	440,598	–
Total derivatives	**13,860,555**	**2,251,772**	**148,125**

	Contract/	Fair values	
30 June 2020	**Notional**	**Assets**	**Liabilities**
	$	**$**	**$**
Equity option	2,482,057	267,054	–
Equity swaps	507,819	–	68,120
Warrants	64,980	64,980	–
Total derivatives	**3,054,856**	**332,034**	**68,120**

5. Segment information

The Company has identified its operating segments based on the internal reports that are reviewed by the Investment Manager (who is identified as the Chief Operating Decision Makers ("CODM")) in assessing and determining the allocation of resources.

The Company operates in one business segment, being investment in securities.

6. Trade and other receivables

	31 December 2020 $	30 June 2020 $
Dividends receivable	24,104	7,570
Prepaid insurance	365,520	181,081
Other receivables	83,408	85,113
Trade and other receivables	**473,032**	**273,764**

7. Trade and other payables

	31 December 2020 $	30 June 2020 $
Management fees payable	229,357	123,759
Interest payable	54,168	38,329
Audit fees payable	31,733	13,468
Administration fees payable	14,300	7,150
Other payables and accrued expenses	28,249	20,898
Trade and other payables	**357,807**	**203,604**

8. Amounts due from/to brokers

Amounts due from/to broker include cash balances with the clearing brokers, amounts receivable or payable for securities transactions which have not settled during the period.

	31 December 2020 $	30 June 2020 $
Due from brokers		
Cash balances	31,875,669	33,353,550
Receivable for securities sold	2,461,041	490,874
Total	**34,336,710**	**33,844,424**
Due to brokers		
Cash balances	71,694,277	36,504,541
Payable for securities purchased	3,046,821	3,481,146
Total	**74,741,098**	**39,985,687**

Cash balances due from broker mainly include cash from short sales subject to withdrawal restrictions until the related securities are purchased. The Company held no collateral as security or any other credit enhancements.

9. Issued capital

At the initial public offering, the authorised share capital of the Company was $157,500,000 divided into 63,000,000 ordinary shares of $2.50 per share. In March 2020, the Company commenced a share buy back to remain in place for up to 12 months. Issued shares at period end are shown in the table below. All issued ordinary shares are fully paid and are listed on Australian Securities Exchange. The Company's capital is represented by these ordinary shares.

(a) Share capital

	31 December 2020	30 June 2020
Number of ordinary shares	61,500,000	61,946,584

9. Issued capital (continued)

(b) Movements in ordinary share capital

	Number of shares	Issue price	$
31 December 2019			
Opening balance, 1 July 2019	63,000,000	2.50	157,500,000
Closing balance	**63,000,000**		**157,500,000**
31 December 2020			
Opening balance, 1 July 2020	61,946,584		156,328,602
Shares buy back	(446,584)		(584,443)
Closing balance	**61,500,000**		**155,744,159**

Capital management policy

The Board will regularly review the capital structure of the Company and, where the Board considers appropriate, undertake capital management initiates which may involve:

(a) the issue of other shares (through bonus options issues, placement, pro rata issues, etc.); or
(b) the buy-back of its shares.

10. Earnings per share

	31 December 2020 $	31 December 2019 $
Profit after income tax used in the calculation of basic and diluted earnings per share	30,217,822	3,043,364

(a) Basic and diluted earnings per share

	31 December 2020 $	31 December 2019 $
Basic earnings per share attributable to the ordinary equity holders of the Company	0.49	0.05
Diluted earnings per share attributable to the ordinary equity holders of the Company	0.49	0.05

10. Earnings per share (continued)

(b) Weighted average number of shares used as denominator

	31 December 2020	31 December 2019
Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted earnings per share	61,825,775	63,000,000

As at the end of the period, there are no outstanding securities that are potentially dilutive in nature for the Company.

11. Related parties

Tribeca Global Natural Resources Credit Fund

As at 31 December 2020, the Company held an investment in Tribeca Global Natural Resources Credit Fund with fair value of $10,087,537 (30 June 2020: $14,104,384) which represents 20.41% (30 June 2020: 16.70%) of the NAV of the investee fund.

Manager loan

The Company has entered into a loan agreement with the Investment Manager on 24 August 2018. The Investment Manager has agreed to be responsible for the payment of share offer costs that the Company would be normally liable for. These costs will be paid upfront by the Company; however, the Investment Manager will repay the share offer costs to the Company in accordance with the Manager loan.

The Manager loan is an unsecured loan that the Investment Manager may use for working capital purposes. The Investment Manager will use the Manager loan to reimburse the Company for the costs of the share offer.

The Investment Manager is required to repay the Manager loan in monthly instalments over the 40-month term. Each instalment should be equal to at least 1/40th of the total loan amount. If the Investment Manager's repayments remain in arrears, the loan will be subject to a monthly interest at the default interest equal to Reserve Bank of Australia cash rate plus 4% per annum. The Company will have a right to off-set all payments otherwise due to the Investment Manager for so long the Investment Manager is in arrears.

The Investment Manager may repay the Manager loan early as its absolute discretion. The Company has a right of recourse against the Investment Manager for the amounts owed under the Manager loan.

During the period ended 31 December 2020, the total share offer costs paid by the Company amounted to $Nil (31 December 2019: $4,564,386). As at 31 December 2020, the balance of the Company's Manager loan amounted to $Nil. As at 30 June 2020, the balance of the Company's Manager loan amounted to $587,854 presented as current and non-current asset in the statement of financial position amounting to $371,276 and $216,578, respectively.

11. Related parties (continued)

Management fees

In return for the performance of its duties under the investment management agreement, the Investment Manager is entitled to be paid, and the Company must pay to the Investment Manager a management fee equal to 1.5% per annum (plus GST) of the value of the portfolio (calculated on the last business day of each month and paid at the end of each month in arrears).

The management fee is to be paid to the Investment Manager regardless of the performance of the Company. Management fees would increase if the value of the portfolio increases and decrease if the value of the portfolio decreases over the period.

Management fees incurred during the period amounted to $795,133 (31 December 2019: $1,180,695) of which $229,357 (30 June 2020: $123,759) remained payable. For the period ended 31 December 2020, the Investment Manager was paid management fees through reimbursement of the Company's share offer costs.

Directors' fees

Non-executive Directors are entitled to receive Directors' fees of up to $150,000 per annum to be shared among the Directors. For the period ended 31 December 2020, the amount incurred amounted to $72,607 (31 December 2019: $34,791), none of which remained payable (30 June 2020: $Nil).

Performance fees

In return for the performance of its duties as Manager of the Portfolio, the Manager is entitled to be paid and the Company must pay to the Manager (which remuneration is to be obtained for the use and benefit of the Manager) a fee (performance fee) of 20% (plus GST) of A, where A for a performance calculation period is calculated in accordance with the following formula:

A = B - C

Where:

A is the base amount to be used in calculating the performance fee outlined above.

B is the value of the portfolio after payment of management fees, calculated on the last business day of the relevant performance calculation period.

C is the value of the portfolio, after payment of management fees and performance fees, calculated on the last business day of the last performance calculation period in which a performance fee was paid or if no prior performance fee has been paid to the Manager, the value of the portfolio on the commencement date.

11. Related parties (continued)

Performance fees (continued)

If the value of the portfolio (after payment of management fees) calculated on the last business day of a performance calculation period is less than:

(a) for the first performance calculation period, the value of the portfolio on the commencement date;
(b) thereafter, the highest value of the portfolio, after payment of management fees and performance fees, calculated on the last business day of any preceding performance calculation period, no performance fee is payable in respect of that performance calculation period. If the amount calculated for A is a negative number, no performance fee is payable in respect of that performance calculation period.

In calculating the performance fee for a performance calculation period, changes in the value of the portfolio as a result of the issue of securities, capital reductions or share buy-backs undertaken by the Company or payment of tax and dividend distribution will be disregarded or adjusted for in a manner determined by the auditor at the conclusion of that performance calculation period.

The auditor of the Company must review the calculation of the performance fee prior to payment.

There was no performance fee incurred during the period. For the period ended the Investment Manager was not paid a performance fee.

12. Income tax

(a) Income tax expense attributable for the period differs from the prima facie amount payable on the operating profit. The difference is reconciled as follows:

	31 December 2020 $	31 December 2019 $
Profit before income tax expense	43,077,290	4,139,035
Prior year temporary difference	(41,514)	(131,616)
Franking credit	90,215	22,059
Foreign tax credit	39,620	34,996
Total	43,165,611	4,064,474
Prima facie income tax expense on the net profit at 30% (2019: 27.5%)	12,949,683	1,117,730
Franking credit	(90,215)	(22,059)
Income tax expense	**12,859,468**	**1,095,671**

12. Income tax (continued)

(b) The major components of income tax expense are:

	31 December 2020 $	31 December 2019 $
Current income tax	2,757,560	165,118
Deferred income tax	10,101,908	930,553
	12,859,468	**1,095,671**

(c) Deferred tax assets relate to the following:

	31 December 2020 $	30 June 2020 $
Opening balance	22,300,359	2,260,322
Tax losses carried forward	(2,841,745)	8,050,784
Unrealised (gain)/loss on investments	(9,895,846)	12,035,642
Costs associated with the issue of shares	(136,932)	(273,863)
Other temporary differences	22,285	12,454
Unfranked dividend	(7,231)	(2,271)
Change in tax rate adjustment	–	217,291
Deferred tax assets	**9,440,890**	**22,300,359**
Movements:		
Opening balance	22,300,359	2,260,322
Credited:		
- directly to profit or loss	(12,859,469)	20,040,037
Closing balance	**9,440,890**	**22,300,359**

13. Contingencies and commitments

The Company had no contingent assets, liabilities or commitments as at 31 December 2020 and 30 June 2020.

14. Significant event during the reporting period

On Saturday 15 August 2020 (Australian date), the Bankruptcy Court for the Western District of Kentucky completed its judgement in regards to the Assets Purchase Agreement submitted by Hartshorne as part of the Chapter 11 Bankruptcy process that commenced 20 February 2020, which the Company had previously reported to the market. The Court's denial of the Asset Purchase Agreement in favour of the creditors, of which the Company is one, including among other assets the coal supply contracts with local utilities will not be assigned. This information was released to the ASX on Monday 17 August 2020. The borrowers' remaining assets are intended to be disposed of through a Plan of Liquidation supervised by the Bankruptcy Court. The estimated financial impact of the judgement consists of ($6,232,810) balance sheet adjustment to financial assets at fair value and a ($6,232,810) profit and loss adjustment to net changes in fair value of financial assets and liabilities at fair value through profit or loss.

15. Events occurring after the reporting period

Effective 1 January 2021, Judith Anne Mills and Gregory John Clarke have resigned as independent non-executive directors of the Company.

Effective 4 January 2021, Rebecca O'Dwyer has been appointed as independent non-executive director of the Company.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

In the Directors' opinion:

(a) the interim financial statements and notes set out on pages 6 to 26 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half-year ended 31 December 2020, 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Bruce Loveday
Independent Chairman
Sydney
23 February 2021

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Independent auditor's review report to the shareholders of Tribeca Global Natural Resources Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Tribeca Global Natural Resources Limited (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Building a better working world

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Ernst & Young

Jonathan Pye
Partner
Sydney
23 February 2021