

Tigers Realm Coal Limited

(ABN 50 146 752 561)

Interim Financial Report

For the six months ended 30 June 2016

Tigers Realm Coal Limited

Corporate Directory

DIRECTORS

Craig Wiggill (Chairman)

Owen Hegarty

Bruce Gray

Ralph Morgan

Tagir Sitdekov

COMPANY SECRETARY

David Forsyth

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Tigers Realm Coal Limited

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Tigers Realm Coal Limited
Directors Report
For the six months ended 30 June 2016

1. Directors and Company Secretary

The Directors and Company Secretary of the Company are:

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

The Directors have been in office since 1 January 2016.

2. Directors' meetings

During the six month period to 30 June 2016, 8 Directors' meetings were held for Tigers Realm Coal Limited ("TIG or "TRC").

3. Principal activities

The principal activity of the Group is the identification, exploration, and future development of coal deposits in the Far East of the Russian Federation.

4. Review of Operations

Business Strategies and Group Objectives

The Group's exploration and evaluation activities continue with the aim of future development in relation to its two well-located large coking coal projects in the Far East of the Russian Federation:

- Amaam: a large-scale coking coal project targeted for up to 6.5Mtpa of production from dedicated new infrastructure; and
- 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.

The Amaam Project continues to be a core asset of the Group. The Project is a long life project, with capacity for up to 6.5Mtpa of high quality coking coal product from a combination of open pit and underground mining over the 20 year life of mine. It involves constructing a coal handling and preparation plant ("CHPP") and associated infrastructure, a coal terminal with loading facilities on the nearby Arinay Lagoon and an all-weather 25km rail line or road to connect them. A Feasibility Study ("FS") was released in April 2013 and since then the Group has completed further drilling and exploration activities, updated the resource estimate and obtained an Exploration Licence Extension. The Exploration Licence Extension granted in September 2014, for a further 3 years, was an important achievement as it provides the necessary security of tenure to enable the Company to continue its resource drilling programs, feasibility studies and works required to convert its Coal Resource to Extraction and Exploration (Mining) Licences.

Tigers Realm Coal Limited

Directors Report

For the six months ended 30 June 2016

Business Strategies and Group Objectives (Continued)

During the six months to 30 June 2016, the Group has continued to focus on the following:

- Financing the development of the Amaam North Fandyushkinsky Field Licence AND 15813 TE ("Project F");
- Further drilling at Amaam North and the completion of the Phase One Project F Feasibility Study Update;
- Required project design work;
- Permitting works;
- Consolidation and enhancement of the relationship with Amaam and Amaam North Project partners; and
- Operation of Beringovsky Port and Coal Terminal ("Port Ugolny").

The Group has the following objectives for the second half of 2016:

- Complete the fully underwritten 1 for 1 pro-rata non-renounceable entitlement offer of TIG ordinary shares ("New Shares") at an offer price of A\$0.026 per New Share (Offer Price) to raise up to A\$23.3 million ("Entitlement Offer") and commence those works necessary to implement the strategy espoused in the Project F Feasibility Study Update;
- Commence coal mining late in the fourth quarter of 2016;
- Complete the Exploration and Mining Licence actualisation process and obtain regulatory approval for changes to the timing and extent of drilling required on all Licences;
- Complete the drilling and other activities required to maintain tenure of all Exploration and Mining Licences; and
- Continue operations of Port Ugolny.

Operating Performance

The Group is currently in the exploration and evaluation stages of its two main coking coal projects in the Far East of Russia. As a consequence the Group has no operating income or expenditure relating to coal production.

For the six month period ended 30 June 2016 the Group had a net loss of \$4.438 million (six months to 30 June 2015: loss \$96.233 million) and at 30 June 2016 had net equity of \$5.254 million (31 December 2015: \$8.981 million).

The Group's cash balance decreased by \$4.666 million over the six month period to 30 June 2016 from \$7.074 million to \$2.408 million. The Group had no bank debt. An equipment finance lease was entered into with Caterpillar in August 2014 to acquire a small fleet of mobile equipment to commence early stage development at Project F. The finance lease liability outstanding as at 30 June 2016 is USD \$1.974 million (AUD \$2.654 million). During the six month period ended 30 June 2016 cash outflows from operations were \$3.524 million (six months to 30 June 2015: outflows of \$6.599 million).

Financial Position

Bering Royalty Agreement liability

After the assessment of the fair value of the Bering Royalty Agreement liability at 30 June 2016, the Group recorded no change from its value of \$Nil at 31 December 2015 (31 December 2015: decrease by \$37.261 million).

Write-down of assets

The Group made an assessment of impairment conditions and concluded that neither are further asset write offs subsequent to 31 December 2015 warranted nor reversal of write offs made in prior period required. This conclusion was reached based on the existence of impairment conditions and the value in use assessment, as reflected by the CGUs net present values of estimated future cashflows.

Tigers Realm Coal Limited
Directors Report
For the six months ended 30 June 2016

Operational Highlights for the six months to 30 June 2016

Amaam North – Project F

TIG's winter exploration works at Project F were completed in early April. During the season, the following works were completed:

- 564 metres of grade control drilling in the start-up area for production from Project F Phase One;
- 1,733 metres of drilling to provide coking coal samples for potential customers;
- 2,586 metres of drilling in the Project F eastern extension area (the Keleniy block);
- Mining of 2 x 500 tonne parcels of coal for Russian Coal Quality certificates and for the provision of thermal coal and coking coal samples to potential customers; and
- Trenches in locations identified as potential quarries to identify materials required for the road construction.

During April 2016, TIG completed trial mining (trenching) works in the initial Project F mining area along a completed grade control drilling line. Approximately 1,000 tonnes of coal was mined and one tonne of sample was taken from stockpiles and delivered to laboratories for coking and thermal coal test work. To date, TIG has dispatched and/or is in the process of dispatching coking coal samples to five potential customers in Japan, Korea and Taiwan. Additional thermal coal samples are being dispatched to other potential customers in Japan and Korea.

During the six months to 30 June 2016, the Company also:

- Completed the acquisition of the land lease contracts over the road route and other infrastructure areas;
- Collected rock samples from quarries along the road route which have been analysed at a geotechnical laboratory to identify the best road-building and construction material sources;
- Submitted an application to take part in a closed tender for coal supply to Chaunskaya Power Station in Pevek from 2016 to 2018. As part of this, coal tests were completed and certificates of the mined coal in compliance with GOST (Russian Federal Government Technical Standards) standards were received. TIG has now pre-qualified for future tenders. TIG will not participate in tenders for 2016 supply but plans to participate in the tenders for 2017 onwards; and
- Commenced the tendering process for supply contracts to procure mobile equipment and required construction and other services for Project F Phase One, the processes largely completed as of the date of this report.

The Company also focused on the completion of aspects of mine permitting and the provision of formal notifications to regulatory bodies with respect to Project F commencement of operations in the 4th quarter of 2016.

Amaam North Project F Feasibility Study Update

On 12 April 2016 the Company detailed the increase in Coal Reserves at Project F to the ASX and on 22 April 2016 issued a summary of the Project F Feasibility Study Update (the "Update") to the market, the Update aimed at moving the project forward at a low initial cost.

The increase in Coal Reserves at Project F announced on 12 April resulted in an increase in Run of Mine ("ROM") reserves from 9.2Mt to 21.4Mt and product coal reserves ("Marketable Reserves") from 6.7Mt to 16.1Mt (in accordance with JORC Classification), as follows:

Project F Run of Mine ("ROM") Reserves:

JORC Classification	ROM Coking Coal	ROM Thermal Coal	ROM Total
Proved Reserves	9.4	-	9.4
Probable Reserves	7.8	4.2	12.0
ROM Total	17.2	4.2	21.4

Project F Marketable Reserves:

JORC Classification	Product Coking Coal	Product Thermal Coal	Product Total
Proved Reserves	6.1	-	6.1
Probable Reserves	5.8	4.2	10.0
Product Total	11.9	4.2	16.1

"Phase One" of Project F's development leverages off the mine fleet and infrastructure already at site, and targets Seam 4 near surface reserves to produce a low ash and low sulphur thermal product and some unwashed coking coal from the base of oxidation to around 16m depth. The Phase One Feasibility Study estimates that approximately 3.8 Mt of sales can be achieved at a stripping ratio of less than 3:1 (bcm waste : t product).

Tigers Realm Coal Limited

Directors Report

For the six months ended 30 June 2016

Operational Highlights for the six months to 30 June 2016 (continued)

Amaam North Project F Feasibility Study Update (continued)

The key outcomes of the update to the Project F Feasibility Study are as follows:

- A 140% increase in Product (Marketable) Coal Reserves, from December 2014, to 16.1 Mt, of which 6.1 Mt are Proved and 10.0 Mt are Probable. Run of Mine (ROM) Coal Reserves total 21.4 Mt;
- LOM marketable production of 18.9 Mt, comprising 13.4 Mt of semi-hard coking coal and 5.5 Mt of thermal coal;
- Potential for a low cost start up to production - Project F Phase One:
 - Ramp up of expected production and sales to a rate of 600,000 tonnes per annum over 2 years;
 - Coal mining to commence late in the fourth quarter of 2016, with first sales in 2017;
 - Construction of a low cost preliminary road;
 - Use of the existing TIG CAT mining fleet - 70t excavator, five 40t trucks, two D10N bulldozers (all near surface material is either free dig or rip/doze), grader and other ancillary equipment;
 - Additional mining and crushing equipment, 40t excavator for coal mining, 70t excavator dedicated to waste handling, coal sizer at Port;
 - Coal haulage fleet – acquisition of eight 6 x 4 wheel drive trucks with load capacity of between 28 to 32t;
 - Existing exploration camp to be the operations base, with additional facilities for maintenance of mining equipment, supervision and upgrades to exploration camp for additional staff;
 - Maintenance of coal haulage and stockpile fleet to be undertaken at TIG's existing maintenance and warehousing facilities in the port;
 - Minimal upgrades at the port including three additional barges, barge loading system refurbishment, and the port operated on contract basis; and
 - The initial capital cost of Phase One is estimated to be A\$ 8.8 million, with further capital expenditure of A\$133 million required to achieve an estimated coal 1Mtpa production and sales.

Underwritten Non Renounceable Rights Offering

On 29 June 2016, the Company announced the launch of a 1 for 1 pro-rata non-renounceable entitlement offer of TIG ordinary shares ("New Shares") at an offer price of A\$0.026 per New Share ("Offer Price") to raise up to A\$23.3 million ("Entitlement Offer").

The Entitlement Offer is being fully underwritten by the Company's substantial shareholders BV Mining Holding Limited ("BVMHL"), Hanate Pty Ltd as trustee for Hanate Trust ("Hanate"), an entity controlled by Bruce Gray, and Limited Liability Company RDIF Investment Management.

The details of the shares issued as of the date of this report are disclosed in Section 6 of this Directors Report.

Joint Venture Heads of Agreement ("HOA")

On 29 June 2016, TIG signed two HOAs with its joint venture partners - one in relation to the Amaam North Project, the other in relation to the Amaam Project. The new conditions described in the HOAs will improve Amaam North Project's value and fundability and simplify ongoing corporate and approval processes for the Amaam Project.

The primary issues addressed in the HOA in respect of the Amaam North Project are:

Conditional to TIG successfully completing its fund raising and commencing development of Project F Phase 1:

- TIG will acquire its partner's 20% interest in the Amaam North project; and
- The existing royalty structure will be redefined as a result of which the royalties payable to TIG's partner are reduced from a maximum of 5% of coal sales revenue as follows:
 - For annual coal sales in excess of 100,000 tonnes per year, annual payments are 1.5% of gross sales revenues for the first five years, 2.25% of gross sales revenues for the three subsequent years, and 3% of gross sales revenues thereafter;
 - Under certain circumstances, TIG may elect to pay up to 50% of the amount due for any year in TIG shares;
 - Irrespective of the amount paid, annual payments will cease after 2036; and
 - Total royalty payments are capped at US\$25 million and are accrued and payable for a period of no more than 20 years from the date of executing the documentation to realise the HOA.

The HOA over the Amaam Project covers amendments to the Amaam SHA to improve processes governing the joint partners' decision to develop and mine coal at the Amaam Project and corporate reporting and board processes, work program approval and other management processes.

Tigers Realm Coal Limited

Directors Report

For the six months ended 30 June 2016

Operational Highlights for the six months to 30 June 2016 (continued)

Projects' Licence Actualisation Update

Work on "Actualisation" (a process to bring all Licence holders into compliance with new legislation) of the Company's exploration and mining licences continued as follows:

- Project F Mining Licence AND15813TE - this Licence was granted following recent changes to legislation (and does not need to be "actualised");
- Amaam North (Alkatvaam) Exploration Licence AND01203TP - during the six months to 30 June 2016 the Company was granted a two year extension of the Licence to the end of December 2018;
- Amaam Exploration Licence AND13867TP - the Company is still waiting for a response to its application for actualisation, which seeks to defer TIG's obligations on the currently approved activities; and
- Amaam Mining Licence AND01225TE - the Company is still waiting for a response to its application for actualisation, which seeks to defer TIG's obligations on the currently approved activities.

Beringovsky – Port and Coal Terminal

Following pre-season maintenance, the Port reopened on 14 June 2016. Coal, from Nagornaya Mine stockpiles and cargo shipments commenced almost immediately. To 30 June 2016, 6 ships were registered. Total volumes of cargo handled by 30 June 2016 were coal of 4,894 tonnes and other cargo of 578 tonnes.

Summary of the Co-operation Agreement with Chukotka Government

During the International Economic Forum held in St Petersburg in June, TIG and the Government of Chukotka (Chukotka Autonomous Region, or CAO) signed an agreement to strengthen their co-operation in developing the Beringovksy coking coal basin and constructing the transport, logistics and energy infrastructure to support TIG's projects. Further details are disclosed on the Company's website.

4. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016. The Company is an entity to which the class order applies.

5. Corporate Governance

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 administering 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 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.

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.

Tigers Realm Coal Limited

Directors Report

For the six months ended 30 June 2016

5. Corporate Governance (continued)

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.

6. Events subsequent to reporting date

Entitlement Offer Allotment

On 3 August 2016, pursuant to the Entitlement Offer, 570,099,821 ordinary shares were issued and allotted to those shareholders who took up their entitlement in accordance with the terms of the Entitlement Offer and a further 44,900,743 unconditional underwriting shares, being the Hanate Group's portion of the Entitlement Offer shortfall for which no shareholder approval was required, the total shares issued and allotted being 615,000,564 (collectively known as "the Allotment"). Subsequent to the Allotment, total authorised and issued shares of the Company are 1,510,835,499. In consideration for the Allotment, the Company has received \$15.990 million.

Unallotted Entitlement Offer Shares

On 3 August 2016, pursuant to the Entitlement Offer, the Company has received applications for 593,601,293 New Shares from those shareholders who took up their entitlement in accordance with the terms of the Entitlement Offer, of which 570,099,821 ordinary shares were issued and allotted and 23,501,472 shares to be issued subject to shareholders' approval.

Underwriting Agreement and Entitlement Offer Shares subject to Shareholder Approval

In accordance with s 606 of the Corporations Act, of the shortfall in shares subject to the Underwriting Agreement, 120,893,457 shares of the underwriting obligations of BVMHL and 75,992,714 shares of the Hanate Pty Ltd underwriting obligations are subject to shareholders' approval. Furthermore, 23,501,472 of BVMHL's Entitlement Offer shares are also subject to shareholders' approval. Furthermore, 93,396,204 shares of RDIF's underwriting obligations in accordance with the Underwriting Agreement are subject to shareholders' approval as a result of the RDIF Investment Mandate. The underwriting shares and the BVMHL Entitlement offer shares subject to shareholders' approval are collectively known as the Conditional Shares. Accordingly, on 19 August 2016, a notice of meeting was issued to shareholders informing them of a shareholders' meeting to be held on 19 September 2016 to approve the issue and allotment of these Conditional Shares and commensurately receive the related equity of \$7.302 million.

Finance Leases

On 19 July 2016, the Group entered into two finance leasing arrangements in accordance with which it acquired the rights to 8 Scania trucks. The value of the trucks subject to the finance leases was Russian Rubles ("RUB") 81.165 million (A\$1.706 million). The value of advance payments made was RUB 28.407 million (A\$0.597 million) and total lease payments from inception through to 2020 are RUB 105.678 million (A\$2.221 million).

Lapse of Options

On 29 July 2016 TIG announced that 5,402,500 options lapsed and had been removed from the Company's option register.

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. Environmental regulation

The Group's exploration and development activity in Russia is subject to Federal and Regional Environment 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.

Tigers Realm Coal Limited
Directors Report
For the six months ended 30 June 2016

9. Directors' interests

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

	Tigers Realm Coal Limited	
	Ordinary shares	Options over ordinary shares
OL Hegarty	19,213,559	3,500,000
C Wiggill	1,200,000	2,500,000
B Gray	302,009,151	-
R Morgan	-	1,500,000
T Sitdekov	-	1,500,000

10. Share Options

Options granted to directors and employees of the Company

During the interim financial period, no additional options were issued to directors or to employees as part of the Company option plan, nor were there options which lapsed, were forfeited or exercised. Options issued over ordinary shares in the Company as at 30 June 2016 were 31,406,000.

The Company's option plan offers individuals the opportunity to acquire options over 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.

11. 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 of 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 entered into an agreement with the Directors and certain Officers to indemnify these individuals against any claims and related expenses, which arise as a result of their work in their respective capacities.

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

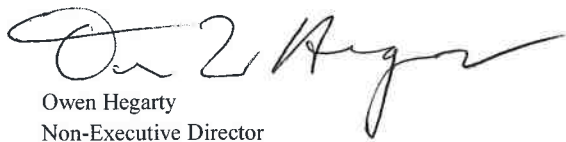
12. Auditor's Independence Declaration

The auditor's independence declaration is set out on page 27 and forms part of the Directors' report for the interim period ended 30 June 2016.

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

Dated at Melbourne this 9th day of September 2016.

Signed in accordance with a resolution of the Directors:


Owen Hegarty
Non-Executive Director

Tigers Realm Coal Limited
Condensed consolidated interim statement of financial position
As at 30 June 2016

	Note	30 June 2016 \$'000	31 December 2015 \$'000
Current Assets			
Cash and cash equivalents	13	2,408	7,074
Trade and other receivables	14	1,338	1,428
Prepayments		437	578
Other current assets		840	857
Total current assets		5,023	9,937
Non-current assets			
Other receivables	14	703	717
Property, plant and equipment	15	3,158	2,909
Total non-current assets		3,861	3,626
Total assets		8,884	13,563
Current Liabilities			
Trade and other payables		736	410
Lease liability	17	2,100	2,296
Employee benefits	16	240	154
Total current liabilities		3,076	2,860
Non-current liabilities			
Lease liability	17	554	1,722
Total non-current liabilities		554	1,722
Total liabilities		3,630	4,582
Net assets		5,254	8,981
Equity			
Share capital	19	150,882	151,185
Reserves		34,367	32,009
(Accumulated losses)		(150,989)	(146,963)
Total equity attributable to equity holders of the Company		34,260	36,231
Non-controlling interest		(29,006)	(27,250)
Total equity		5,254	8,981

The notes on pages 16 to 25 are an integral part of the condensed consolidated interim financial report.

Tigers Realm Coal Limited

Condensed consolidated interim statement of comprehensive income For the six months ended 30 June 2016

	Note	30 June 2016 \$'000	30 June 2015 As Restated* \$'000
Other income		27	49
Share based payments	20	(216)	(977)
Administrative expenses	10	(814)	(2,801)
Exploration and evaluation expenses		(3,113)	(5,113)
Interest expense		(158)	-
Other expenses		(249)	(351)
Gain on revaluation of royalty agreement liability	18	-	36,769
Write-down of assets	11	-	(148,264)
Results from operating activities		(4,523)	(120,688)
Net foreign exchange gain		115	1,057
Finance income		-	3
Net finance income		115	1,060
(Loss) before income tax		(4,408)	(119,628)
Income tax (expense)/benefit		(30)	23,395
Net (Loss) from continuing operations		(4,438)	(96,233)
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		798	7,234
Total comprehensive loss for the period		(3,640)	(88,999)
Net (Loss) is attributable to:			
Owners of the Company		(3,769)	(75,455)
Non-controlling interest		(669)	(20,778)
(Loss) for the period		(4,438)	(96,233)
Total comprehensive (loss) attributable to:			
Owners of the Company		(1,884)	(68,585)
Non-controlling interest		(1,756)	(20,414)
Total comprehensive (loss) for the period		(3,640)	(88,999)
(Loss) per share (cents per share)			
Basic (loss) per share (cents)	12	(0.42)	(8.44)
Diluted (loss) per share (cents)	12	(0.42)	(8.44)

The notes on pages 16 to 25 are an integral part of the condensed consolidated interim financial report.

* The comparative statement for the six months to 30 June 2015 has been restated to show the effects of the voluntary change in accounting policy adopted in 2015. Refer to Note 6.

Tigers Realm Coal Limited
Condensed consolidated interim statement of changes in equity
For the six month period ended 30 June 2016

	Share Capital	(Accumulated Losses)	Share based payments reserve	Foreign Currency Translation Reserve	Other Reserve	Total	Non- controlling Interest	Total
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2016	151,185	(146,963)	6,355	7,072	18,582	36,231	(27,250)	8,981
Net (Loss) for the period	-	(3,769)	-	-	-	(3,769)	(669)	(4,438)
Other comprehensive income/(loss) for the period	-	-	-	1,885	-	1,885	(1,087)	798
Total comprehensive income/(loss) for the period	-	(3,769)	-	1,885	-	(1,884)	(1,756)	(3,640)
Transactions with owners, recorded directly in equity								
Costs of raising equity	(303)	-	-	-	-	(303)	-	(303)
Share based payment transactions	20	-	216	-	-	216	-	216
Total transactions with owners	(303)	-	216	-	-	(87)	-	(87)
Other changes in equity	-	(257)	-	257	-	-	-	-
Balance at 30 June 2016	150,882	(150,989)	6,571	9,214	18,582	34,260	(29,006)	5,254

Tigers Realm Coal Limited
Condensed consolidated interim statement of changes in equity (continued)
For the six month period ended 30 June 2016

	Share Capital	(Accumulated Losses)	Share based payments reserve	Foreign Exchange Reserve	Other Reserve	Total	Non-controlling Interest	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2015	151,185	(60,793)	5,235	7,286	18,582	121,495	(6,395)	115,100
Net (Loss) for the period	-	(75,455)	-	-	-	(75,455)	(20,778)	(96,233)
Other comprehensive income for the period	-	-	-	6,870	-	6,870	364	7,234
Total comprehensive income/(loss) for the period	-	(75,455)	-	6,870	-	(68,585)	(20,414)	(88,999)
Transactions with owners, recorded directly in equity								
Share based payment transactions	20	-	-	977	-	-	977	-
Total transactions with owners		-	-	977	-	-	977	-
Balance at 30 June 2015	151,185	(136,248)	6,212	14,156	18,582	53,887	(26,809)	27,078

The notes on pages 16 to 25 are an integral part of the condensed consolidated interim financial report.

* The comparative statement for the six months to 30 June 2015 has been restated to show the effects of the voluntary change in accounting policy adopted in 2015. Refer to Note 6.

Tigers Realm Coal Limited
Condensed consolidated interim statement of cash flows
For the six months period ended 30 June 2016

	Note	30 June 2016 \$'000	30 June 2015 As Restated* \$'000
Cash flows from operating activities			
Cash receipts from customers		-	22
Interest income		-	3
Exploration and evaluation expenditure		(2,518)	(3,596)
Cash paid to suppliers and employees		(844)	(2,815)
Interest expenses		(162)	(213)
Net cash (used in) operating activities		(3,524)	(6,599)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(825)
Net cash (used in) investing activities		-	(825)
Cash flows from financing activities			
Repayment of finance lease liabilities		(1,000)	(817)
Share issue costs		(42)	-
Net cash from financing activities		(1,042)	(817)
Net movement in cash and cash equivalents		(4,566)	(8,241)
Cash and cash equivalents at beginning of the period		7,074	20,465
Effects of exchange rate changes on cash and cash equivalents		(100)	792
Cash and cash equivalents at the end of the period	13	2,408	13,016

The notes on pages 16 to 25 are an integral part of the condensed consolidated interim financial report.

* The comparative statement for the six months to 30 June 2015 has been restated to show the effects of the voluntary change in accounting policy adopted in 2015. Refer to Note 6.

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2016

1. Reporting entity

Tigers Realm Coal Limited (the “Company” or “TIG”) is a company domiciled in Australia. The address of the Company’s registered office is Level 7, 333 Collins St, Melbourne, 3000. The condensed consolidated interim financial statements as at and for the six months ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the “Group”). The Group is a for-profit entity and primarily involved in coal exploration and evaluation activities and future development.

The consolidated annual financial report of the consolidated entity for the year ended 31 December 2015 is available on request at the Company’s registered office at Level 7, 333 Collins Street, Melbourne, 3000, Victoria, Australia or from the Company’s website at www.tigersrealmcoal.com.

2. Statement of compliance

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

The condensed consolidated interim financial report does not include all of the information and disclosures required for a full annual financial report, and should be read in conjunction with the consolidated annual financial statements as at and for the period ended 31 December 2015.

The condensed consolidated interim financial report was authorised for issue by the Board of Directors on 9 September 2016.

3. Functional and presentation currency

This condensed consolidated interim financial report is 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.

4. Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are consistent with those applied by the Group in its consolidated annual financial report as at and for the year ended 31 December 2015, except for the adoption of the new standards and interpretations as of 1 January 2016, noted below.

The Group has adopted the following amendments to standards, with a date of initial application of 1 January 2016, noted below:

Date issued	Standard/Interpretation	Effective for annual reporting periods beginning on or after
2 Feb 2015	AASB 2015-3 ‘Amendments to Australian Accounting Standards arising from the 1 July 2015 Withdrawal of AASB 1031 Materiality’	
6 Feb 2015	AASB 2015-4 ‘Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent’	1 July 2015

The adoption of these amendments to standards had no impact on the amounts disclosed in the condensed consolidated interim financial statements.

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

5. Use of estimates and judgements

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2015.

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2016

6. Comparatives

The comparative statements for the six months ended 30 June 2015 have been restated to show the effects of the voluntary change in accounting policy in the year ended 31 December 2015. Refer to Note 7 of consolidated annual financial statements as at and for the period ended 31 December 2015 for details.

Where required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

7. Financial risk management framework

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2015.

8. Basis of preparation

The condensed consolidated interim 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. Cost is based on the fair values of the consideration given in exchange for assets.

Going concern basis of accounting

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

For the six month period ended 30 June 2016 the Group had a net loss of \$4.438 million (six months to 30 June 2015: loss \$96.233 million) and the cash outflows from operations were \$3.524 million (six months to 30 June 2015: outflows of \$6.599 million). As at 30 June 2016 the Group had cash and cash equivalents of \$2.408 million (31 December 2015: \$7.074 million) and net current assets of \$1.947 million (31 December 2015: \$7.077 million).

On 29 June 2016, the Company announced the launch of a fully underwritten 1 for 1 pro-rata non-renounceable entitlement offer of TIG ordinary shares to raise up to A\$23.3 million ("Funds from the Entitlement Offer") (refer to Note 19). Upon closing of the entitlement offer and the issuance of unconditional underwriting shares on 4 August 2016, the total shares issued and allotted were 615,000,564 and the Company received \$15.990 million. The receipt of the remaining \$7.302 million is dependent upon the approval by the shareholders of the issuance of conditional shares (securities requiring shareholder approval as a result of regulatory requirements) at an extraordinary shareholders' meeting to be held on 19 September 2016.

Based on the Group's forecast cash flows, the current cash on hand and the Funds from the Entitlement Offer will be sufficient to fund within the next 12 months from the reporting date:

- Realisation of Project F Phase One forecast to be executed in the 12 months;
- Execution of drilling obligations defined in the Group's licences, including where realised, the implementation of the new exploration plans for Amaam and Amaam North under amended Russian mining regulations. This is, however, subject to the completion of all necessary Russian Governmental documentation and review processes and obtaining the regulatory approval for the extension of the Exploration and Mining Licences and the updated exploration plans;
- Continued operations of Beringovsky Port and Coal Terminal ("Port Ugolny"); and
- General working capital requirements and corporate expenses.

If the shareholders do not approve the issuance of conditional shares and the Group is unable to obtain in full the additional funding contemplated by the Entitlement Offer, the Group has the ability and intention, amongst other alternatives and as required, to scale back and defer the development of Project F until such time as it is fully funded. Although the consequences of such a scaling back and deferral of the development of Project F are not favourable in optimising shareholder value, this will, if necessary, enable the Group to continue as a going concern until such time Project F development is fully funded.

Accordingly, the Directors have determined that it is appropriate for the Group to continue to adopt the going concern basis in preparing this financial report, and no adjustments have been made to the carrying value and classification of assets and the amount and classification of liabilities that may be required if the Group does not continue as a going concern.

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2016

9. Segment reporting

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

The accounting policies used by the Group in reporting segments internally are the same as the Group accounting policies. In the six months ended 30 June 2016 the mineral exploration and evaluation activities of the Group are managed in two reportable operating segments outlined below, consistent with how they were managed in the 2015 financial year:

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

	Amaam Project	Amaam North Project	Total Reportable Segments	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2016					
Total segment revenue (including interest revenue)	1	26	27	-	27
Segment expense	(51)	(3,524)	(3,575)	(603)	(4,178)
Depreciation and amortisation	-	(214)	(214)	-	(214)
Interest expense	-	(158)	(158)	-	(158)
Net foreign exchange gain	-	-	-	115	115
Segment result	(50)	(3,870)	(3,920)	(488)	(4,408)
Segment assets	213	7,782	7,995	889	8,884
Segment liabilities	25	3,135	3,160	470	3,630
30 June 2015					
Total segment revenue (including interest revenue)	-	24	24	25	49
Gain on revaluation of royalty agreement liability	36,769	-	36,769	-	36,769
Segment expense	(2,630)	(3,105)	(5,735)	(3,337)	(9,072)
Write-down of assets	(144,638)	(3,626)	(148,264)	-	(148,264)
Depreciation and amortisation	-	(120)	(120)	(47)	(167)
Net foreign exchange gain	-	-	-	1,057	1,057
Segment result	(110,499)	(6,827)	(117,326)	(2,302)	(119,628)
Segment assets	611	7,784	8,395	5,168	13,563
Segment liabilities	33	4,400	4,433	149	4,582

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2016

10. Expenses

Administration expenses

	For six month ended 30 June	
	2016 \$'000	2015 \$'000
Wages and salaries, including superannuation contributions	(179)	(1,340)
Contractors and consultants fees	(320)	(463)
Legal fees and compliance costs	(107)	(125)
Corporate travel costs	(10)	(330)
Accounting and audit fees	(57)	(195)
Office accommodation costs	(55)	(85)
Insurance	(49)	(64)
Other	(37)	(199)
Total	(814)	(2,801)

11. Write-down of assets

Due primarily to a further and significant deterioration in coal price forecasts during the six months to 30 June 2016, the Group has performed an impairment assessment for its Amaam Project CGU and Amaam North Project CGU as at 30 June 2016. Refer to Note 9 for a description of the Amaam Project and the Amaam North Projects' Operations. The methodology used for the impairment assessment is consistent with that disclosed in the consolidated financial statements as at and for the year ended 31 December 2015.

As a result of the recoverable amount analysis performed, the Amaam Project CGU value in use remains \$Nil (31 December 2015 \$Nil).

The carrying value of the Amaam North Project CGU non-current assets is \$3.158 million (31 December 2015 \$2.909 million) represented solely by plant and equipment for which their market value was determinable, the fair value less costs of disposal for these assets being used as the basis for determining their recoverable amount

12. (Loss) per share

	For the six months ended 30 June	
	2016 cents	2015 Cents
(Loss) per share		
Basic (loss) per share – cents	(0.42)	(8.44)
Diluted (loss) per share – cents	(0.42)	(8.44)

Basic and diluted (loss) per share

The calculation of basic and diluted (loss) per share (EPS) at 30 June 2016 was based on the loss attributable to ordinary equity holders of the Company of \$3.769 million (six months to 30 June 2015: loss of \$75.455 million) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2016 of 895,084,897 (six months to 30 June 2015: 894,318,192). The Company had 31,406,000 options over ordinary shares outstanding as at 30 June 2016 (30 June 2015: 62,167,000). The options over ordinary shares could potentially dilute basic earnings per share in the future; however, they have been excluded from the calculation of diluted earnings per share because they are anti-dilutive for the reporting period.

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2016

13. Cash and cash equivalents

	30 June 2016 \$'000	31 December 2015 \$'000
Bank balances	2,408	7,074
Cash and cash equivalents	2,408	7,074

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

14. Trade and other receivables

	30 June 2016 \$'000	31 December 2015 \$'000
Security deposit	1,312	1,338
Other receivables	729	807
	2,041	2,145
Current	1,338	1,428
Non-current	703	717

In 2014, the Group negotiated a bank guarantee in favour of CAT as part of the arrangement to acquire a small fleet of mobile equipment. In 2015, the CAT finance lease payment terms were renegotiated, including the value of the guarantee, which was reduced to US \$0.976 million, AUD \$1.312 million at 30 June 2016 (31 December 2015: AUD \$1.338 million) from an initial amount of US \$1.607 million.

15. Property, plant and equipment

As at 30 June 2016, the carrying value of property, plant and equipment is \$3.158 million, comprised of assets under construction of \$0.117 million and plant and equipment of \$3.031 million. During the six months to 30 June 2016, the Group had additions of \$0.117 million to assets under construction. Plant and equipment at 30 June 2016 of \$3.031 million is comprised of CAT equipment of A\$3.264 million less accumulated depreciation of \$0.233 million.

16. Employee Benefits

	30 June 2016 \$'000	31 December 2015 \$'000
Annual Leave	137	75
Provision for other employee costs	103	79
	240	154

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2016

17. Lease Liability

The terms and conditions of the finance leases are as follows:

	Currency	Interest rate	Year of maturity	Value at inception \$'000	30 June 2016	
					Carrying amount \$'000	Carrying amount \$'000
Finance lease liabilities	US\$	9.95%	2017	10,095	US\$ 1,974	A\$ 2,654
Total interest bearing liabilities				10,095	US\$ 1,974	A\$ 2,654

In September 2015, the terms of the CAT finance lease payment schedule and the security deposit were renegotiated, as a result of which the term of the lease was extended until 2017 and the terms of the guarantee changed and the sum reduced. Details of the guarantee are presented in Note 14.

18. Royalty Agreement Liability

	30 June 2016 \$'000	31 December 2015 \$'000
Opening balance of royalty agreement liability	-	37,261
Fair value adjustment to royalty agreement liability	-	(40,468)
Effect of movement in exchange rates	-	3,207
Total royalty agreement liability recognised at end of year	-	-

The royalty agreement liability represents the fair value of the option inherent in the Bering Royalty Agreement, concluded between the Group and Bering (the 20% shareholder of Eastshore and in turn its wholly owned subsidiary NPCC), the holder of the Amaam Project exploration license. In accordance with terms of the Bering Royalty Agreement, if Bering fails to fund its proportion of expenditure after completion of the bankable feasibility study, it has an option to dilute its 20% shareholding in exchange for a maximum royalty of 2% of gross sales revenue from the sale of coal produced from the Amaam Project.

This option inherent in the Bering Royalty Agreement is measured at fair value. As at 30 June 2016, the fair value of the liability was \$Nil and the valuation technique used in measuring the fair value was consistent with the one disclosed in the consolidated financial statements as at and for the year ended 31 December 2015.

TIG's focus remains on obtaining funding to enable the development of Project F, which resulted the Amaam Project BFS completion date being extended a further 24 months to 1 January 2023, with production expected to commence from 2023. This is the expiry date for the option and represents the point in time that the option-holder (Bering) must make an initial funding decision.

19. Share capital

	30 June 2016 \$'000	31 December 2015 \$'000
Share Capital	164,901	164,901
Costs of raising equity	(14,019)	(13,716)
	150,882	151,185

The Company does not have authorised capital or par value in respect of its issued shares. All issued share are fully paid. All shares rank equally with regard to the Company's residual assets.

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2016

19. Share capital (continued)

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.

On 29 June 2016 the Company announced the launch of a fully underwritten 1 for 1 pro-rata non-renounceable entitlement offer of TIG ordinary shares (New Shares) at an offer price of A\$0.026 per New Share (Offer Price) to raise up to A\$23.3 million (the "Entitlement Offer"). In accordance with the terms of the Underwriting Agreement, BV Mining Holdings Limited, Hanate Pty LTD and RDIF Investment Management agreed to underwrite any shortfall arising from the Entitlement Offer. For details of Entitlement Offer shares which have been allotted as of the date of this report, refer to Note 25, Subsequent Events.

Costs of raising equity are recognised when they are incurred.

20. Share based payments

	For the six months ended 30 June	
	2016	2015
	\$'000	\$'000
Expenses arising from share based transactions	<u>216</u>	<u>977</u>

Movements in options on issue:

During the six months ended 30 June 2016, there were no movements in options, options issued over ordinary shares in the Company remaining at 31,406,000 as at 30 June 2016.

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

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2016

21. Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and liabilities, which the Directors consider approximate their fair values.

30 June 2016

	Carrying amount		
	Cash, cash equivalents & receivables	Other financial liabilities	Total
	S'000		
Financial assets not measured at fair value			
Cash and cash equivalents	2,408	-	2,408
Trade and other receivables	2,041	-	2,041
	4,449	-	4,449
Financial liabilities not measured at fair value			
Trade and other payables	-	736	736
Lease liability	-	2,654	2,654
	-	3,390	3,390

31 December 2015

	Carrying amount		
	Loans & Receivables	Other financial liabilities	Total
	S'000		
Financial assets not measured at fair value			
Cash and cash equivalents	7,074	-	7,074
Trade and other receivables	2,145	-	2,145
	9,219	-	9,219
Financial liabilities not measured at fair value			
Trade and other payables	-	410	410
Lease liability	-	4,018	4,018
	-	4,428	4,428

Fair value hierarchy

The Group uses various methods in estimating the fair value of a financial instrument. The different levels are 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 assets or liability that are not based on observable market data (unobservable inputs).

The value of the royalty agreement liability, the only financial instrument measured at fair value, has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

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.

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2016

21. Financial instruments (continued)

The following are the contractual maturities of financial liabilities.

	Contractual cashflows						
	Carrying amount \$'000	Total \$'000	6 mths or less \$'000	6-12 mths \$'000	1-2 yrs \$'000	2-5 yrs \$'000	More than 5 yrs \$'000
30 June 2016							
Non-derivative financial liabilities							
Trade and other payables	736	736	736	-	-	-	-
Lease liability	2,654	2,815	1,140	1,117	558	-	-
	3,390	3,551	1,876	1,117	558	-	-
31 December 2015							
Trade and other payables	410	410	410	-	-	-	-
Lease liability	4,018	4,018	1,148	1,148	1,722	-	-
	4,428	4,428	1,558	1,148	1,722	-	-

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

22. 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 the minimum expenditure requirements. The minimum exploration work required is the performance of a minimum number of drilling metres to be performed over the life of each exploration licence.

The timing and extent of drilling obligations is currently under a process of review initiated by the Russian Government, through Russian Federal Law 205, whereby all licences are to be "actualised" in 2016. Actualisation is a process where licence holders submit their plans as to the drilling requirements of their respective tenements, which are reviewed and required to be approved by the Russian Government. The Company has, in accordance with the actualisation process submitted its applications and are currently awaiting finalisation of the review and approval process, the result of which is the registration of an amendment to its existing licence.

The licence 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.

Finance Lease Commitments

	30 June 2016 \$'000	31 December 2015 \$'000
Finance Lease		
Lease expenditure contracted and provided for:		
Payable not later than one year	2,257	2,296
Payable later than one year, not later than five years	558	1,722
Payable later than five years	-	-
	2,815	4,018
Future finance charges	(161)	(344)
Total lease liabilities	2,654	3,674
Current	2,100	2,296
Non-current	554	1,722
	2,654	4,018

There are no other commitments as at reporting date.

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2016

23. Contingencies

The Directors are of the opinion that no material contingent obligations exist and therefore provisions for contingencies are not required, this is consistent with prior year.

24. Related parties disclosure

(a) Identity of related parties

The Group has a related party relationship with its subsidiaries, key management personnel and Tigers Realm Minerals Pty Ltd ("TRM"). TRM is a related party as TRM is a substantial shareholder of the Company and as the Group transacted with TRM in the reporting period. Pursuant to a services agreement dated 27 May 2011, TIG has a services agreement with TRM for the provision of services including the secondment of staff and the provision of office accommodation. This agreement was amended during the six months to 30 June 2016, as a result of which TRM provides accommodation services only commencing from 1 June 2016 and transactions are performed on an arm's length basis.

(b) Other related party transactions

	Transactions value period ended 30 June 2016 \$	Balance outstanding as at 30 June 2016 \$	Transactions value period ended 30 June 2015 \$	Balance outstanding as at 31 December 2015 \$
In AUD				
Group				
TRM services provided	(83,779)	-	(365,366)	(27,619)

25. Subsequent events

Entitlement Offer Allotment

On 3 August 2016, pursuant to the Entitlement Offer, the Company has received applications for 593,601,293 New Shares from those shareholders who took up their entitlement in accordance with the terms of the Entitlement Offer, of which 570,099,821 ordinary shares were issued and allotted and 23,501,472 shares to be issued subject to shareholder approval.

Upon closing of the Entitlement Offer, there was a shortfall of 302,233,642 shares. In accordance with the terms of the Underwriting Agreement, 44,900,743 unconditional underwriting shares were issued, being the Hanate Group's portion of the Entitlement Offer shortfall for which no shareholder approval was required. The total shares issued and allotted were 615,000,564 (collectively known as "the Allotment"). Subsequent to the Allotment, total authorised and issued shares of the Company are 1,510,835,499. In consideration for the Allotment, the Company has received \$15.990 million.

Entitlement Offer and Underwriting Agreement Shares subject to Shareholder Approval

In accordance with s 606 of the Corporations Act, of the shortfall in shares subject to the Underwriting Agreement, 120,893,457 shares of the underwriting obligations of BVMHL and 75,992,714 shares of the Hanate Pty Ltd underwriting obligations are subject to shareholder approval. Furthermore, 23,501,472 of BVMHL's Entitlement Offer shares are also subject to shareholder approval. Furthermore, 93,396,204 shares of RDIF's underwriting obligations in accordance with the Underwriting Agreement are subject to shareholder approval as a result of the RDIF Investment Mandate. The underwriting shares and the BVMHL Entitlement offer shares subject to shareholder approval are collectively known as the Conditional Shares. Accordingly, on 19 August 2016, a notice of meeting was issued to shareholders informing them of a shareholders' meeting to be held on 19 September 2016 to approve the issue and allotment of these Conditional Shares and commensurately receive the related equity of \$7.302 million.

Finance Leases

On 19 July 2016, the Group entered into two finance leasing arrangements in accordance with which it acquired the rights to 8 Scania trucks. The value of the trucks subject to the finance leases was Russian Rubles ("RUB") 81.165 million (A\$1.706 million). The value of advance payments made was RUB 28.407 million (A\$0.597 million) and total lease payments from inception through to 2020 are RUB 105.678 million (A\$2.221 million).

Lapse of Options

On 29 July 2016 TIG announced that 5,402,500 options lapsed and had been removed from the Company's option register.

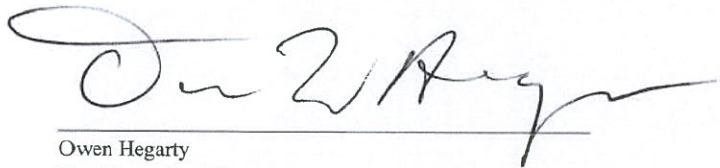
Tigers Realm Coal Limited
Directors' declaration
For the six months ended 30 June 2016

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

- a) the interim condensed consolidated financial report and notes set out on pages 11 to 25 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dated at Melbourne this 9th day of September 2016.



Owen Hegarty
Non-Executive Director

The Board of Directors
Tigers Realm Coal Limited
333 Collins St
Melbourne
VIC 3000

9 September 2016

Dear Board Members,

Tigers Realm Coal Limited

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

As lead audit partner for the review of the financial statements of Tigers Realm Coal Limited for the half-year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Colin Brown
Partner
Chartered Accountants

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

We have reviewed the accompanying half-year financial report of Tigers Realm Coal Limited, which comprises the condensed consolidated statement of financial position as at 30 June 2016, and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 11 to 26.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2016 and their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tigers Realm Coal Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



Auditor's Independence Declaration

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

Conclusion

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

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2016 and of their 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*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Colin Brown
Partner
Chartered Accountants
Brisbane, 9 September 2016