

21 August 2013

Manager Company Announcements
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney, NSW 2000

Re: Interim Financial Report

Dear Sir/Madam,

We attach for release to the market Tigers Realm Coal Limited's (ASX: TIG) Interim Financial Report for the six months ended 30 June 2013.

Yours faithfully,



David J. Forsyth
Company Secretary
Tigers Realm Coal Limited

Tigers Realm Coal Limited
(ABN 50 146 752 561)

Interim Financial Report
30 June 2013

Tigers Realm Coal Limited

Corporate Directory

DIRECTORS

Antony Manini (Chairman)
Craig Parry (Managing Director)
Owen Hegarty
Brian Jamieson
Craig Wiggill

COMPANY SECRETARY

David Forsyth

PRINCIPAL & REGISTERED OFFICE

Level 7, 333 Collins St
Melbourne, Victoria, 3000
Tel: 03 8644 1300
Fax: 03 9620 5444
Email: IR@tigersrealmcoal.com

AUDITORS

KPMG
147 Collins Street
Melbourne, Victoria 3000

BANKERS

ANZ Banking Group Limited
100 Queen St,
Melbourne, Victoria 3000

LEGAL ADVISORS

Clayton Utz
Level 18, 333 Collins St
Melbourne, Victoria 3000

Tigers Realm Coal Limited
Contents

Table of Contents

Review of operations 3

Directors’ report 4

Consolidated interim statement of financial position 8

Consolidated interim statement of comprehensive income 9

Consolidated interim statement of changes in equity 10

Consolidated interim statement of cash flows 12

Condensed notes to the consolidated interim financial statements 13

Directors’ declaration 32

Lead auditor’s independence declaration 33

Lead auditor’s review report..... 34

Tigers Realm Coal Limited

Review of operations

For the six month period ended 30 June 2013

Highlights for the period include the following:

During the six months to 30 June 2013, the Group focused on:

- completion of the Pre-Feasibility Study in relation to the Amaam coking coal resource;
- continuation of the large exploration programme at Amaam and Amaam North in the Chukotka District in Russia; and the
- commencement of a Pre-feasibility study at Amaam North.

Equity Raising Completed

On 22 February 2013 the Company concluded a placement of 106,000,000 fully paid ordinary shares to raise gross proceeds of \$21.200 million at a price of \$0.20 per share. The placement price represented a 7.3% discount to the volume weighted average price over the five days trading up to and including 19 February 2013. The placement was organised in two tranches, with the initial tranche of \$12.500 million for 62,733,452 shares issued on 1 March 2013. The second tranche of \$8.700 million for 43,266,548 shares issued following approval at the Annual General Meeting on 23 April 2013. As part of the placement the Directors subscribed for 1,500,000 shares.

Amaam – Pre-Feasibility Study

On 15 April 2013 the Group announced the completion of Pre-feasibility Study (“PFS”) on the Amaam Coking Coal project, which confirms the strong project economics and highlights the potential for a large scale long life open pit mine with dedicated transport infrastructure.

Amaam – Mining Licencing Approved

The Group’s Russian operating company, Northern Pacific Coal Company (“NPCC”) was granted an Exploration and Extraction Licence (“Mining Licence”) over part of the existing exploration licence on 27 March 2013 by Chukotnedra, the Chukotka branch of the Russian Federal Subsoil Agency (“Rosendra”). This completes a major step in permitting of a mining project at the Amaam deposit covered by the Licence.

Amaam – Ownership Increased to 60%

The issuance of the Mining Licence enabled the Group to increase its beneficial ownership in the Amaam project from 40% to 60%. The Group’s ownership interest will move to 80% upon completion of the Bankable Feasibility Study in 2014.

Amaam – Approval of Port and Coal Terminal

On 3 April 2013 the Group announced that its proposal to construct a coal terminal at Arinay Lagoon to service the Amaam Project has been included in the Russian Federal Government’s Scheme of the Territorial Planning. The achievement of this key milestone supports TIG’s plan to proceed with the detailed design and engineering phase of the Arinay coal terminal development as part of the Amaam bankable feasibility study.

Amaam North – Confirmation of Coking Coal Deposit

On 23 April 2013 the Group announced the successful completion of the initial drilling programme at Amaam North. The drilling programme consisted of forty holes totalling 3,087 metres which confirmed the continuity of coal seams with a shallow dip over a strike length of 3.1 kilometres, and 600 metres down-dip from the sub-crop. The drilling revealed cumulative coal seam thicknesses ranging from 2 metres to 11 metres, with approximate depth of cover from 5 metres to 115 metres.

Subsequent events include the following:

On 4 July 2013 the Group announced the delineation of an initial JORC compliant coking coal Resource of 26.8 million tonnes, including Measured and Indicated Resources of 11.8 million tonnes for Project F at Amaam North. This initial Resource at Project F represents a small part of the Amaam North tenement with thick, near surface, shallow dipping coking coal seams. A Pre-feasibility Study is underway, on Project F, with completion scheduled for the end of September 2013.

On 18 July 2013 the Group paid US\$0.450 million for the acquisition of 100% of Nagornaya Investments Limited (“Nagornaya”), a Cyprus based entity. Nagornaya holds an option agreement to purchase mining and infrastructure assets in the Chukotka Autonomous District in Far Eastern Russia, and is negotiating with the Government of the Chukotka Autonomous District to purchase some of these assets.

Tigers Realm Coal Limited

Directors' Report

For the six month period ended 30 June 2013

The Directors present their report together with the interim financial report of the Group, being Tigers Realm Coal Limited ("the Company" or "TIG") and its controlled entities, for the six month period ended 30 June 2013.

1. Directors and Company Secretary

The Directors and Company Secretary of the Company at any time during or since the end of the interim period are:

Name	Role
Mr Antony Manini ^a BSc (Hons), FAusIMM, FSEG	Non-Executive Chairman
Mr Craig Parry ^b Bsc (Hons) MAusIMM	Managing Director & Chief Executive Officer
Mr Owen Hegarty BEc (Hons), FAusIMM	Non-Executive Director
Mr Brian Jamieson FCA	Independent Non-Executive Director
Mr Craig Wiggill BSc Eng	Non-Executive Director
Mr David Forsyth FCIS, FCPA	Company Secretary

(a) Mr Manini moved from Executive Chairman to Non-Executive Chairman on 1 July 2013.

(b) Mr Craig Parry was appointed as Managing Director on 1 July 2013.

The Directors have been in office since the start of the six month period to the date of this report unless otherwise stated.

2. Directors' meetings

During the six month period to 30 June 2013, five Directors' meetings were held for Tigers Realm Coal Limited.

3. Principal activities

The principal activity of the Group is the identification, exploration and development of international coal deposits. There were no significant changes in the nature of the Group's principal activities during the financial period.

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 Class Order 98/0100. The Company is an entity to which the class order applies.

5. Operating and financial review

The operating loss after income tax of the Group for the six month period ending 30 June 2013 was \$18,670 million (2012: loss \$15,389 million). Operating activities incurred cash outflows from operations for the period of \$5,728 million (2012: outflows of \$0.913 million). There were cash outflows from exploration and evaluation expenditure of \$7,638 million for the period (2012: outflows of \$10,443 million). The Group has no bank debt. As at 30 June 2013 the Group had a cash position of \$15,417 million, (December 2012: \$8,528 million).

Tigers Realm Coal Limited
Directors' Report (continued)
For the six month period ended 30 June 2013

6. Dividends paid or recommended

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

7. Significant changes in the state of affairs

- On 22 February 2013 the Group concluded a placement of 106,000,000 fully paid ordinary shares to raise gross proceeds of \$21.200 million at a price of \$0.20 per share.
- On 27 March 2013 the Group received notice that TIG's Russian subsidiary company NPCC has been issued with a Mining Licence over an area within the Amaam tenement. The Mining Licence was issued by Chukotnedra, the Chukotka Branch of the Federal Subsoil Agency (Rosnedra). As a consequence of receiving this Mining Licence, TIG has been able to exercise its right to increase its ownership of NPCC, and the Amaam Coking Coal Project from 40% to 60%.
- On 3 April 2013 the Group announced the completion of a step in the port permitting process for the Amaam project, with the port coal terminal proposal for the construction of a 15 million tonne per annum capacity terminal having been included in the Russian Federal Government's Scheme of Territorial Planning. TIG is now able to proceed with the detailed engineering and design of the coal terminal required for the Amaam Bankable Feasibility Study ("BFS").
- On 8 April 2013 the Group announced the completion of Pre-feasibility Study ("PFS") on the Amaam Coking Coal project, which confirms the strong project economics and highlights the potential for a large scale long life open pit mine with dedicated transport infrastructure.
- On 23 April 2013 the Group announced the successful completion of the initial drilling programme at Amaam North. The drilling programme consisted of forty holes totalling 3,087 metres which confirmed the continuity of coal seams with a shallow dip over a strike length of 3.1 kilometres, and 600 metres down-dip from the sub-crop. The drilling revealed cumulative coal seam thicknesses ranging from 2 metres to 11 metres, with approximate depth of cover from 5 metres to 115 metres.

In the opinion of the Directors there were no further significant changes in the state of affairs of the Group during the interim financial period ended 30 June 2013.

8. Events subsequent to reporting date

Subsequent to 30 June 2013 the following events have occurred which are items, transactions or events considered to be of a material or unusual nature, which in the opinion of the Directors of the Company, are likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years:

- On 4 July 2013 the Group announced the delineation of an initial JORC compliant coking coal Resource of 26.8 million tonnes, including Measured and Indicated Resources of 11.8 million tonnes for Project F at Amaam North. This initial Resource at Project F represents a small part of the Amaam North tenement with thick, near surface, shallow dipping coking coal seams. A Pre-feasibility Study is underway, on Project F, with completion scheduled for the end of September 2013.
- On 18 July 2013 the Group paid US\$0.450 million for the acquisition of 100% of Nagornaya Investments Limited ("Nagornaya"), a Cyprus based entity. Nagornaya holds an option agreement to purchase mining and infrastructure assets in the Chukotka Autonomous District in Far Eastern Russia, and is negotiating with the Government of the Chukotka Autonomous District to purchase some of these assets.
- Mr Craig Parry was appointed as Managing Director on 1 July 2013.

Tigers Realm Coal Limited

Directors' Report (continued)

For the six month period ended 30 June 2013

9. Likely developments

The Group will continue minerals exploration and evaluation activity on the tenements held by entities in Russia in which it has a controlling interest or significant influence.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

10. 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 at 30 June 2013 is as follows:

	Tigers Realm Coal Limited	
	Ordinary shares	Options over ordinary shares
A. Manini	19,687,183	10,631,000
C Parry ^a	4,790,495	10,852,400
O. Hegarty	16,712,114	6,315,500
B. Jamieson	1,021,528	3,000,000
C. Wiggill	500,000	1,000,000

a Note: Craig Parry was appointed as a Director on 1 July 2013.

11. Share options

During the interim financial period, an additional 8,882,000 options were issued to directors and staff members as part of the Company option plan, and 231,550 options were forfeited, thus bringing the options issued over ordinary shares in the Company to 50,147,100 as at 30 June 2013.

The Company 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.

During the period share options were granted to Directors and staff as follows:

	Number of options granted
Directors	4,500,000
Employees	4,382,000
Total	8,882,000

12. 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.

Tigers Realm Coal Limited
Directors' Report (continued)
For the six month period ended 30 June 2013

13. Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 33 and forms part of the Directors' report for the interim period ended 30 June 2013.

Dated at Melbourne this 21st day of August 2013.

Signed in accordance with a resolution of the Directors:



Antony Manini
Chairman

Tigers Realm Coal Limited

Consolidated interim statement of financial position

As at 30 June 2013

	Note	30 June 2013 \$'000	31 December 2012 \$'000
Current Assets			
Cash and cash equivalents		15,417	8,528
Trade and other receivables	17	1,939	907
Prepayments		3,449	1,960
Other current assets		68	44
Total current assets		20,873	11,439
Non-current assets			
Deferred exploration, evaluation and development	18	26,742	18,619
Property, Plant and Equipment	19	4,323	4,168
Intangible assets	20	123,353	108,657
Total non-current assets		154,418	131,444
Total assets		175,291	142,883
Current Liabilities			
Trade and other payables	21	550	1,300
Employee provisions	22	598	605
Finance lease liability		42	-
Total current liabilities		1,190	1,905
Non-current liabilities			
Deferred tax liabilities	23	26,039	21,996
Royalty agreement liability	24	28,305	12,330
Finance lease liability		39	-
Total non-current liabilities		54,383	34,326
Total liabilities		55,573	36,231
Net assets		119,718	106,652
Equity			
Share capital	25	94,416	73,565
Reserves		19,581	2,922
Retained earnings		(16,147)	(2,722)
Total equity attributable to equity holders of the Company		97,850	73,765
Non-controlling interest		21,868	32,887
Total equity		119,718	106,652

The condensed notes on pages 13 to 31 are an integral part of these financial statements.

Tigers Realm Coal Limited

Consolidated interim statement of comprehensive income

For the six month period ended 30 June 2013

	Note	30 June 2013 \$'000	30 June 2012 \$'000
Continuing operations			
Other income	11	42	-
Exploration and evaluation expenses		-	(43)
Share based payments	26	(1,120)	(973)
Administrative expenses	12	(3,407)	(3,098)
Gain / (loss) on revaluation of royalty agreement liability	24	(12,869)	2,702
Results from operating activities		(17,354)	(1,412)
Net foreign exchange gain/(loss)	13	133	(82)
Finance income	13	188	174
Net finance income/(expense)		321	92
Profit/(Loss) before income tax		(17,033)	(1,320)
Income tax (expense)/benefit	14	(1,637)	(831)
Profit/(Loss) from continuing operations		(18,670)	(2,151)
Discontinued operation			
Loss from discontinued operation (net of tax)	10	-	(13,238)
Profit/(Loss) for the period		(18,670)	(15,389)
Other comprehensive income			
Foreign currency translation differences for foreign operations		9,765	(788)
Total comprehensive income for the period		(8,905)	(16,177)
Profit/(Loss) is attributable to:			
Owners of the Company		(13,425)	(16,754)
Non-controlling interest		(5,245)	1,365
Profit/(Loss) for the period		(18,670)	(15,389)
Total comprehensive income is attributed to:			
Owners of the Company		(3,660)	(17,542)
Non-controlling interest		(5,245)	1,365
Total comprehensive income for the period		(8,905)	(16,177)
Earnings / (Loss) per share (cents per share)			
-basic earnings / (loss) per share (cents)	15	(2.828)	(4.604)
-diluted earnings / (loss) per share (cents)	15	(2.828)	(4.604)

The condensed notes on pages 13 to 31 are an integral part of these financial statements.

Tigers Realm Coal Limited

Consolidated interim statement of changes in equity

For the six month period ended 30 June 2013

		Share Capital	Retained Earnings	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 2013		73,565	(2,722)	2,627	295	-	73,765	32,887	106,652
Total comprehensive income for the six months to 30 June 2013									
Profit or loss		-	(13,425)	-	-	-	(13,425)	(5,245)	(18,670)
<i>Other comprehensive income</i>									
Foreign currency translation differences for foreign operations		-	-	-	9,765	-	9,765	-	9,765
Total other comprehensive income		-	-	-	9,765	-	9,765	-	9,765
Total comprehensive income for the period		-	(13,425)	-	9,765	-	(3,660)	(5,245)	(8,905)
Transactions with owners, recorded directly in equity									
Issue of ordinary shares	25	21,200	-	-	-	-	21,200	-	21,200
Costs of raising equity	25	(349)	-	-	-	-	(349)	-	(349)
Change in ownership interest in subsidiary	20	-	-	-	-	5,774	5,774	(5,774)	-
Share based payment transactions	26	-	-	1,120	-	-	1,120	-	1,120
Total transactions with owners		20,851	-	1,120	-	5,774	27,745	(5,774)	21,971
Balance at 30 June 2013		94,416	(16,147)	3,747	10,060	5,774	97,850	21,868	119,718

The condensed notes on pages 13 to 31 are an integral part of these financial statements.

Tigers Realm Coal Limited
Consolidated interim statement of changes in equity (continued)
For the six month period ended 30 June 2013

	Share Capital \$'000	Retained Earnings \$'000	Share based payments reserve \$'000	Foreign Exchange Reserve \$'000	Total \$'000	Non-controlling Interest \$'000	Total \$'000
Balance as at 1 January 2012	64,406	17,057	1,768	672	83,903	31,422	115,325
Total comprehensive income for the six months to 30 June 2012							
Profit or loss	-	(16,754)	-	-	(16,754)	1,365	(15,389)
<i>Other comprehensive income</i>							
Foreign currency translation differences for foreign operations	-	-	-	(788)	(788)	-	(788)
Total other comprehensive income	-	-	-	(788)	(788)	-	(788)
Total comprehensive income for the period	-	(16,754)	-	(788)	(17,542)	1,365	(16,177)
Transactions with owners, recorded directly in equity							
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	96	96
Share based payment transactions	-	-	973	-	973	-	973
Total transactions with owners	-	-	973	-	973	96	1,069
Balance at 30 June 2012	64,406	303	2,741	(116)	67,334	32,883	100,217

The condensed notes on pages 13 to 31 are an integral part of these financial statements.

Tigers Realm Coal Limited

Consolidated interim statement of cash flows

For the six month period ended 30 June 2013

	Note	30 June 2013 \$'000	30 June 2012 \$'000
Cash flows from operating activities			
Cash receipts from customers		42	-
Cash paid to suppliers and employees		(5,770)	(913)
Net cash from (used in) operating activities	16	(5,728)	(913)
Cash flows from investing activities			
Exploration and evaluation expenditure		(7,638)	(10,443)
Acquisition of property, plant and equipment		(620)	(1,927)
Acquisition of a subsidiary (net of cash acquired)		-	(380)
Interest received	13	188	174
Net cash from (used in) investing activities		(8,070)	(12,576)
Cash flows from financing activities			
Proceeds of issue of shares		21,200	-
Share issue costs		(349)	-
Net cash from (used in) financing activities		20,851	-
Net increase / (decrease) in cash and cash equivalents		7,053	(13,489)
Cash and cash equivalents at beginning of the period		8,528	21,030
Effects of exchange rate changes on cash and cash equivalents		(164)	(34)
Cash and cash equivalents at the end of the period		15,417	7,507

The condensed notes on pages 13 to 31 are an integral part of these financial statements.

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statement

For the six month period ended 30 June 2013

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 consolidated interim financial statements of the Company as at and for the six month period ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and jointly controlled entities. The Group primarily is involved in coal exploration and mining development.

The consolidated annual financial report of the consolidated entity for the year ended 31 December 2012 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 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 consolidated interim financial report is presented in Australian dollars.

The consolidated interim financial report does not include all of the information 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 2012.

The consolidated interim financial report was authorised for issue by the Board of Directors on 21 August 2013.

3. Functional and presentation currency

This 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 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 consolidated interim financial report are consistent with those applied by the Group in its consolidated annual financial report as at and for the year ending 31 December 2012, except for the adoption of the new standards and interpretations as of 1 January 2013, noted below:

- **AASB 10 Consolidated Financial Statements**

AASB 10 establishes a new control model that applies to all entities. It replaces part of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-122 *Consolidation – Special Purpose Entities*.

The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority of voting rights may give control. The adoption of AASB 10 had no effect on the financial position or performance of the Group.

Consequential amendments were also made to other standards via AASB 2011 – 7.

- **AASB 11 Joint Arrangements**

AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG – 113 *Jointly-controlled Entities – Non-monetary Contributions by Venturers*. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportional consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves are accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method.

The adoption of AASB 11 had no effect on the financial position or performance of the Group.

Consequential amendments were also made to other standards via AASB 2011 – 7 and amendments to AASB 128.

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statement

For the six month period ended 30 June 2013

- **AASB 12 Disclosure of Interests in Other Entities**

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structure entities. New disclosures have been introduced regarding the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

The adoption of AASB 12 had no effect on the financial position or performance of the Group.

- **AASB 13 Fair value measurement**

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted.

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

The adoption of AASB 13 had no effect on the financial position or performance of the Group.

Consequential amendments were also made to other standards via AASB 2011 – 8 which may result in additional disclosures around the fair values of financial instruments in the annual financial statements.

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

5. Significant accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The Group makes estimates and assumptions concerning the future. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

In preparing these 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 and for the year ended 31 December 2012.

6. Comparatives

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 2012.

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

8. Basis of preparation

The consolidated interim financial report has been prepared on the historical cost basis except where stated.

Going concern basis of accounting

The consolidated interim financial report has 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 2013 the Group had a net loss of \$18.670 million (June 2012: loss \$15.389 million) and had net equity of \$119.718 million (December 2012: \$106.652 million). The net loss includes the impact of the loss of \$12.869 million (2012 gain of \$2.702 million) on the revaluation of the Royalty agreement liability (refer note 24).

As at 30 June 2013 the Group had cash and cash equivalents of \$15.417 million (December 2012: \$8.528 million). It had current assets of \$20.873 million (December 2012: \$11.439 million) and current liabilities of \$1.190 million (December 2012: \$1.905 million).

During the period ended 30 June 2013 the cash outflow from operations was \$5.728 million (30 June 2012: \$0.913 million). There were cash outflows from investing activities of \$8.070 million (30 June 2012: outflows of \$12.576 million) for the period. There were cash inflows from financing activities of \$20.851 million (30 June 2012: nil).

During the six month period ended 30 June 2013 the Company completed the following fund raising activities to meet its working capital requirements:

On 22 February 2013 the Company concluded a two tranche placement of 106,000,000 fully paid ordinary shares to raise gross proceeds of \$21.200 million at a price of \$0.20 per share. The placement price represented a 7.3% discount to the volume weighted average price over the five days trading up to and including 19 February 2013. The placement was organised in two tranches, with the initial tranche of \$12.500 million being fully completed, with 62,733,452 shares issued on 1 March 2013. The second tranche of \$8.700 million for 43,266,548 shares was approved by shareholders at the Annual General Meeting on 23 April 2013. As part of the placement the Directors subscribed for 1,500,000 shares.

The Directors are satisfied with the Group's current financing position and are of the view that the continued application of the going concern basis of accounting is appropriate due to the following factors:

- Management has reviewed the Group's consolidated cashflow requirements and has satisfied themselves that there is adequate financing in place to meet the planned corporate activities and working capital requirements for at least 12 months following the date of this report;
- In the event that exploration and operating activities exceed the planned cashflow forecasts, or continue beyond 12 months following the date of this report, the Group has the ability to raise additional funds, pursuant to the *Corporations Act 2001*;
- The ability of the Group to scale back certain parts of its exploration activities if required; and
- The Group retains the ability, if required, to wholly or in part dispose of interests in mineral exploration and development assets.

The Directors believe that current cash on hand will be sufficient to:

- Fund corporate expenses and other general working capital requirements through to at least 31 August 2014;
- Fund the completion of the Amaam North pre-feasibility study; and
- Complete further drilling and technical studies at its Amaam Project and at its Amaam North Project.

Additional funding will be required by the Group to continue its activities and complete the Amaam bankable feasibility study and the Amaam North bankable feasibility study.

The ability of the Group to fund the ongoing working capital requirements of the Group beyond 31 August 2014 is uncertain. The Board of Directors is aware, having approved a cash flow forecast, of the Group's working capital requirements and the need to access additional equity funding within the next 12 months. A material uncertainty exists in regards to the ability of the Group to continue to operate as a going concern beyond 31 August 2014 and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. There can be no assurance that the Group will be able to obtain or access additional funding when required, or that the terms associated with the funding will be acceptable to the Directors. If the Group is unable to obtain such additional funding, it may be required to reduce the scope of its operations, which could adversely affect its business, financial condition and operating results.

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

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 those referred to in note 4 to the accounts and in the prior period. In 2013 the mineral exploration activities of the Group are managed in two reportable operating segments. In 2012 the mineral exploration activities of the Group were managed in three reportable operating segments, with the Landazuri Project being discontinued in 2012.

2013

Amaam Project

The Amaam Project is located in the Bering Basin in Chukotka province, Russia and consists of the Amaam tenement and the Amaam North tenement.

Other

Consists of corporate and office expenses primarily incurred at the Group's Melbourne offices, including the costs of liquidating non-operating entities (Indonesia and Spain).

2012

Landazuri Project (Discontinued)

The Landazuri Project in Colombia segment was discontinued in June 2012 when the Group withdrew from the Project.

Management monitors the 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" segment.

	Amaam Project	Other	Landazuri Project (Discontinued)	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2013				
Total segment revenue (including interest revenue)	42	188	-	230
Segment expense	-	(4,493)	-	(4,493)
Depreciation and amortisation	-	(34)	-	(34)
Segment result	42	(4,339)	-	(4,297)
Segment assets	159,361	513	-	159,874
Segment liabilities	(54,636)	(937)	-	(55,573)
30 June 2012				
Total segment revenue (including interest revenue)	-	174	-	174
Segment expense	-	(4,105)	(13,231)	(17,336)
Depreciation and amortisation	-	(8)	(8)	(16)
Segment result	-	(3,939)	(13,239)	(17,178)
Segment assets	128,306	602	2	128,910
Segment liabilities	(35,392)	(745)	(62)	(36,199)

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

9. Segment reporting (continued)

The reconciliation of the segment result to the gain / loss before income tax is as follows:

	For the six months ended 30 June	
	2013	2012
	\$'000	\$'000
Segment result	(4,297)	(17,178)
Net foreign exchange gain / (loss)	133	(82)
Gain / (loss) on revaluation of Royalty Option Liability	(12,869)	2,702
Elimination of discontinued operation	-	13,238
Result before income tax	(17,033)	(1,320)

The reconciliation of the segment assets to total assets is as follows:

	30 June 2013	30 June 2012
	\$'000	\$'000
Segment assets	159,874	128,910
Cash and cash equivalents	15,417	7,506
Total assets per consolidated statement of financial position	175,291	136,416

The reconciliation of the segment liabilities to total liabilities is as follows:

Segment liabilities	55,573	36,199
Other liabilities	-	-
Total liabilities per consolidated statement of financial position	55,573	36,199

Geographical information

The Group manages its business on a worldwide basis but holds assets in two geographic segments, Europe & Russia, and Australasia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the segment. Segment assets are based on the geographical location of the assets.

	30 June 2013		30 June 2012	
	Revenues	Non-current assets	Revenues	Non-current assets
	\$'000	\$'000	\$'000	\$,000
Europe & Russia	42	154,114	-	125,335
Australasia	188	304	174	62
Total	230	154,418	174	125,397

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

10. Discontinued operation

Prior Period

In June 2012 following the completion of a strategic review of the Group's exploration project portfolio, the Group withdrew from the farm-in option agreements relating to the tenements underlying the Landazuri Project, effectively ending its involvement in operations in Colombia. This will enable the Group to focus its resources on the Amaam project in Russia, which will deliver greater shareholder value.

The Group ceased all operations in Colombia in 2012, and is in the process of liquidating its corporate entity in Colombia

	For the six months ended 30 June	
	2013 \$'000	2012 \$'000
Results of discontinued operation		
Revenue	-	-
Expenses	-	(197)
Results from operating activities		(197)
Tax	-	-
Results of operating activities, net of tax	-	(197)
Impairment adjustment for discontinued operation	-	(13,041)
Loss for the year	-	(13,238)
Basic loss per share (cents)	-	(3.64)
Diluted loss per share (cents)	-	(3.49)

The loss from the discontinued operation in 2012 of \$13.238 million was attributable entirely to the owners of the company. Of the loss from continuing operations in 2012 of \$2.512 million, a loss of \$3.878 million is attributable to the owners of the Company.

	For the six months ended 30 June	
	2013 \$'000	2012 \$'000
Cash flows from (used in) discontinued operation		
Net cash from / (used in) operating activities	-	(197)
Net cash from / (used in) investing activities	-	(2,121)
Net cash flows for the period	-	(2,318)
Effect of closure on the financial position of the Group		
Property, plant and equipment		(1)
Fixed assets		(498)
Trade and other receivables		(248)
Prepayments		(3)
Deferred exploration, evaluation and development		(12,292)
Net assets and liabilities		(13,042)
Consideration received, satisfied in cash		-
Cash and cash equivalents disposed of		-
Net cash inflow		-

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

11. Other income

	For the six months ended 30 June	
	2013	2012
	\$'000	\$'000
Other income	42	-
Other income	42	-

12. Expenses

	For the six months ended 30 June	
	2013	2012
	\$'000	\$'000
Administration expenses		
Wages and salaries, including superannuation	(1,301)	(1,321)
Contractors and consultants	(1,114)	(917)
Travel	(365)	(546)
Accounting and audit	(135)	(26)
Other	(492)	(288)
Total administration expense	(3,407)	(3,098)

13. Finance income / (expenses)

	For the six months ended 30 June	
	2013	2012
	\$'000	\$'000
Finance income / (expense)		
Finance income – external interest income	188	174
Finance income	188	174
Net foreign exchange gain/(loss)	133	(82)
Finance expense	133	(82)
Net finance income / (expense)	321	92

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

14. Income tax expense

Numerical reconciliation between tax expense and pre-tax accounting loss

	For the six months ended 30 June	
	2013	2012
	\$'000	\$'000
Gain/(Loss) for the period before tax	(17,033)	(14,558)
Income tax using the domestic corporation tax rate of 30%	(5,110)	(4,367)
Changes in income tax expense due to:		
Effect of tax rates in foreign jurisdictions	2,288	(412)
Exempt income / non-deductible expenses-royalty liability	1,608	(270)
Non-deductible expenses - other	15	188
Current period tax losses for which no deferred tax asset was recognised	2,836	5,692
Total income tax expense on pre-tax net profit	1,637	831
Current income tax expense	-	-
Deferred income tax expense	1,637	831
Total income tax expense	1,637	831

Unrecognised deferred tax assets

Net deferred tax assets have not been recognised in respect of the following:

Tax losses

Total tax assets not recognised

	30 June 2013	31 December 2012
	\$'000	\$'000
Tax losses	10,862	7,748
Total tax assets not recognised	10,862	7,748

The deferred tax assets not recognised at 31 December 2012 were previously overstated by \$3.632 million. These deferred tax assets not recognised at 31 December 2012 have been restated at \$7.748 million.

The tax losses incurred in Australia do not expire under current tax legislation. In the overseas jurisdictions the tax losses can be carried forward for varying periods. Deferred tax assets have not been recognised for deductible temporary differences or carried forward tax losses because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

15. Earnings / (loss) per share

	For the six months ended 30 June	
	2013 Cents	2012 Cents
Earnings / (loss) per share		
Basic earnings / (loss) per share – cents	(2.828)	(4.604)
Diluted earnings / (loss) per share – cents	(2.828)	(4.604)

(a) Basic earnings / (loss) per share

The calculation of basic earnings per share (EPS) at 30 June 2013 was based on the loss attributable to ordinary equity holders of \$13.425 million (2012 loss of \$16.754 million) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2013 of 474,816,020 (June 2012: 363,939,170)

(b) Diluted earnings / (loss) per share

The calculation of diluted earnings per share at 30 June 2013 is the same as basic earnings per share. The entity had issued 50,147,100 options over ordinary shares (June 2012: 38,512,627). 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.

16. Reconciliation of cash flows from operating activities

	30 June 2013 \$'000	30 June 2012 \$'000
Cash flows from operating activities		
Profit / (loss) for the period	(18,670)	(15,389)
Adjustments for non-cash items:		
Unrealised foreign exchange	(133)	82
Share based payments	1,120	973
Administration expenditure	34	-
Discontinued operation	-	13,042
(Profit) / loss on revaluation of royalty agreement liability	12,869	(2,702)
Income tax expense / (benefit)	1,637	831
	(3,143)	(3,163)
Changes in working capital		
(Increase) / decrease in trade and other receivables	(1,025)	283
(Increase) / decrease in prepayments and other current assets	(1,490)	2,453
(Decrease) / increase in trade and other payables	(70)	(486)
Net cash from (used in) from operating activities	(5,728)	(913)

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

17. Trade and other receivables

	30 June 2013	31 December 2012
	\$'000	\$'000
Other receivables	1,939	907
Trade and other receivables	1,939	907
Current	1,939	907
	1,939	907

18. Deferred exploration, evaluation and development

	30 June 2013	31 December 2012
	\$'000	\$'000
Cost		
Opening balance	18,619	14,289
Expenditure incurred	7,245	16,216
Discontinued operation	-	(12,340)
Effect of movement in exchange rates	878	454
Exploration, evaluation and development	26,742	18,619
Impairment	-	-
Total exploration, evaluation and development	26,742	18,619

The Group's accounting policy is to capitalise expenditure on exploration, evaluation and development on an area of interest basis. The capitalised expenditure is tested for impairment in accordance with accounting standards.

The recoverability of the carrying amounts of exploration, evaluation and development assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

In 2012 the Landazuri Project in Colombia was discontinued, and as consequence the deferred exploration, evaluation and development relating to Landazuri has been taken to the profit or loss in 2012 (refer note 10).

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

19. Property, plant and equipment

	Note	Land & Buildings \$'000	Plant & Equipment \$'000	Fixtures & Fittings \$'000	Total \$'000
30 June 2013					
<i>Cost</i>					
As at 1 January 2013		3,295	1,161	240	4,696
Additions		-	381	-	381
Disposals		-	-	-	-
Transfers		-	-	-	-
Effect of movement in exchange rates		173	61	-	234
As at 30 June 2013		3,468	1,603	240	5,311
<i>Depreciation and impairment</i>					
As at 1 January 2013					
Accumulated Depreciation		(428)	(91)	(9)	(528)
Charge for the period		(281)	(129)	(24)	(434)
Effect of movement in exchange rates		(23)	(3)	-	(26)
As at 30 June 2013		(732)	(223)	(33)	(988)
Net book value: As at 30 June 2013		2,736	1,380	207	4,323
31 December 2012					
<i>Cost</i>					
As at 1 January 2012		3,828	33	1	3,862
Additions		-	1,032	239	1,271
Disposals		(498)	(2)	-	(500)
Transfers		(97)	97	-	-
Effect of movement in exchange rates		62	1	-	63
As at 31 December 2012		3,295	1,161	240	4,696
<i>Depreciation and impairment</i>					
As at 1 January 2012		-	(3)	-	(3)
Charge for the period		(428)	(88)	(9)	(525)
Disposals		-	1	-	1
Effect of movement in exchange rates		-	(1)	-	(1)
As at 31 December 2012		(428)	(91)	(9)	(528)
Net book value: At 31 December 2012		2,867	1,070	231	4,168

On 18 January 2012 the Group completed the acquisition of an additional Bering Basin coking coal tenement in far eastern Russia at Amaam North. This Amaam North tenement is 30 kilometres north of the Group's existing tenement at Amaam. The Group has acquired an 80% interest in Rosmiro Investments Limited which, through its wholly owned subsidiary Beringpromugol LCC, holds the Amaam North tenement, for consideration of \$0.385 million (US\$0.400 million). This acquisition has resulted in the addition of \$0.531 million of mineral rights, refer to note 20.

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

20. Intangible assets

	Note	Goodwill \$'000	Mineral Rights \$'000	Other \$'000	Total \$'000
30 June 2013					
<i>Cost</i>					
As at 1 January 2013		19,843	88,773	53	108,669
Additions		-	-	51	51
Effect of movement in exchange rates		2,690	11,962	-	14,652
As at 30 June 2013		22,533	100,735	104	123,372
<i>Amortisation and impairment</i>					
As at 1 January 2013		-	-	(12)	(12)
Charge for the period		-	-	(7)	(7)
As at 30 June 2013		-	-	(19)	(19)
Net book value: At 30 June 2013		22,533	100,735	85	123,353
31 December 2012					
<i>Cost</i>					
As at 1 January 2012		20,227	89,951	46	110,224
Additions		-	-	7	7
Acquisition of Rosmiro	19	-	531	-	531
Effect of movement in exchange rates		(384)	(1,709)	-	(2,093)
As at 31 December 2012		19,843	88,773	53	108,669
<i>Amortisation and impairment</i>					
As at 1 January 2012		-	-	-	-
Charge for the period		-	-	(12)	(12)
As at 31 December 2012		-	-	(12)	(12)
Net book value: At 31 December 2012		19,843	88,773	41	108,657

Goodwill relates to the Amaam Project and represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable assets acquired and liabilities and contingent liabilities assumed at the date of acquisition.

Other intangible assets consist of computer software.

Amaam – Ownership Increased to 60%

In April 2013 the Group increased its ownership interest in its subsidiary company Eastshore Coal Holding Ltd ("Eastshore") by 20%, moving from 40% interest to a 60% interest. The Group acquired additional shares in Eastshore for an amount of EUR0.001 million. There was no change in the measurement of Goodwill or Mineral Rights as a consequence of the change in beneficial ownership. As a consequence of the change in ownership interest, there was a corresponding decrease in the amount of the non-controlling interest in the Group by \$5.774 million.

This increase in ownership interest was a consequence of the Group's Russian operating company, Northern Pacific Coal Company ("NPCC") being granted an Exploration and Extraction (mining) Licence ("Mining Licence") over part of the existing exploration licence by Chukotnedra, the Chukotka branch of the Russian Federal Subsoil Agency ("Rosendra"). This completes the major step in permitting of a mining project at the Amaam deposit covered by the Licence.

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

21. Trade & other payables

	30 June 2013	31 December 2012
	\$'000	\$'000
Other trade payables and accrued expenses	550	1,300
Other	-	-
	550	1,300
Current	550	1,300
	550	1,300

22. Employee Provisions

	30 June 2013	31 December 2012
	\$'000	\$'000
Annual leave	149	82
Provision for annual bonus	449	523
	598	605

23. Deferred Tax Liabilities

	30 June 2013	31 December 2012
	\$'000	\$'000
The balance comprises temporary differences attributable to:		
Exploration and evaluation assets	5,998	4,348
Mineral rights acquired	17,128	17,128
Effect of movements in exchange rates	2,913	520
Total deferred tax liabilities recognised	26,039	21,996
Deferred tax liabilities to be settled in within 12 months	-	-
Deferred tax liabilities to be settled after 12 months	26,039	21,996
Total deferred tax liabilities recognised	26,039	21,996
Movement in deferred tax liability		
At beginning of period	21,996	20,101
Exploration and evaluation assets	1,650	2,237
Effects of movement in exchange rates	2,393	(342)
At end of period	26,039	21,996

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

24. Royalty Agreement Liability

	30 June 2013	31 December 2012
	\$'000	\$'000
Option liability inherent in the Bering Royalty Agreement		
Value at 1 January	12,330	16,872
Fair value adjustment to option liability	12,869	(4,228)
Effect of movement in exchange rates	3,106	(314)
Total royalty liability recognised	28,305	12,330

The royalty agreement liability arose as a consequence of the shift in control of Eastshore to TRC Cyprus on 6 May 2011 and the resulting consolidation of Eastshore and its 100% owned subsidiary, NPCC.

Applying *AASB 3 Business Combinations* the fair value of the consideration for Eastshore was measured as the fair value of TIG's existing 40% equity interest in Eastshore at 6 May 2011, and in addition, the fair value of the option inherent in the Bering Royalty Agreement, whereby Bering may choose to fund its proportion of the expenditure after completion of the bankable feasibility study or to have its interest diluted in return for a royalty stream.

With regards to the Bering Royalty Agreement, prior to 6 May 2011, TRC Cyprus held a 40% interest in Eastshore and had a right to subscribe for shares equivalent to an additional 40% interest in two tranches subject to achievement of certain milestones, the final milestone being completion of a bankable feasibility study in respect of the area of the Russian Subsoil Licenses or any other subsoil license issued to Eastshore or its controlled subsidiaries ("the Eastshore Group"). If Bering fails to fund its proportion of expenditure after completion of the bankable feasibility study, its remaining 20% shareholding may be diluted in exchange for a maximum royalty of 2% of gross sales revenue from the sale of coal produced from the area of a license held by a member of the Eastshore Group.

The option inherent in the Bering Royalty Agreement whereby Bering may choose to fund its proportion of expenditure after completion of the bankable feasibility study or to have its interest diluted in return for a royalty stream, is deemed to be part of the consideration for TIG obtaining control of Eastshore. As such, the option must be recorded as consideration at fair value in relation to the acquisition.

TIG has used the Black and Scholes formula to value the option, based on the parameters set out in the table below:

Valuation Date	30 June 2013	31 December 2012
Expiry Date	1 January 2015	1 January 2014
Current price (US\$m) (a)	41.81	31.30
Exercise price of option (US\$m) (b)	56.36	36.66
Time to expiration (days)	550	366
Volatility (%/100) (c)	87%	80%
Risk free rate (%/100) (d)	3.20%	2.54%

(a) 20% of Amaam Asset Valuation, post 3% royalty

(b) Net Present Value of 2% Bering royalty stream

(c) TIG share price volatility (2012; Share price volatility based on volatility of comparable public companies).

(d) 20 Year US bond yield

At 30 June 2013 the fair value of the liability was re-valued to \$28.305 million (2012; \$12.330 million). This resulted in a loss being taken to the profit or loss of \$12.869 million (June 2012; profit \$2.702 million). The fair value was recalculated based on information available at 30 June 2013. The Royalty Agreement Liability will be re-valued at each future balance date with any resulting movement being recognised as a gain or loss in the statement of comprehensive income.

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

25. Share capital

	30 June 2013	31 December 2012
	\$'000	\$'000
Share Capital	103,928	82,728
Costs of raising equity	(9,512)	(9,163)
	94,416	73,565

(i) Movements in shares on issue:

	No of shares	Issue price \$	\$'000
Opening balance at 1 January 2012	363,939,170		73,051
Movements in 2012			
Issue of ordinary shares – placement	49,574,472	0.18	8,923
Issue of ordinary shares – Share Purchase Plan	4,709,375	0.16	754
Ordinary shares closing balance at 31 December 2012	418,223,017		82,728
Opening balance at 1 January 2013	418,223,017		82,728
Movements in 2013			
Issue of ordinary shares – placement	106,000,000	0.20	21,200
Closing share capital balance at 30 June 2013	524,223,017		103,928

(ii) Movements in cost or raising equity:

	30 June 2013	31 December 2012
	\$'000	\$'000
Opening balance	(9,163)	(8,645)
Costs incurred	(349)	(518)
Closing balance	(9,512)	(9,163)

Fully paid ordinary shares carry one vote per share at meetings of the Company and are entitled to receive dividends as declared.

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

26. Share based payments

Overall impact of share based payments

	For the six months ended 30 June	
	2013	2012
	\$'000	\$'000
Share options granted – equity settled	1,120	973
Total expense recognised as a share based payment cost	1,120	973

Movements in options on issue:

	Date of issue	Number of options	Exercise price \$	Expiry date
Opening balance as at 1 January 2012		30,821,300		
Issue of options	1 February 2012	2,049,877	0.400	1 February 2017
Issue of options	22 February 2012	2,909,000	0.500	22 February 2017
Issue of options	28 March 2012	3,500,000	0.750	28 March 2017
Issue of options	14 May 2012	250,000	0.320	14 May 2017
Issue of options	12 July 2012	250,000	0.250	12 July 2017
Issue of options	27 July 2012	300,000	0.500	27 July 2017
Issue of options	22 October 2012	500,000	0.195	22 October 2017
Issue of options	12 November 2012	2,000,000	0.250	12 November 2017
Issue of options	12 November 2012	2,000,000	0.500	12 November 2017
Issue of options	12 November 2012	2,000,000	0.750	12 November 2017
Issue of options	12 November 2012	2,000,000	1.000	12 November 2017
Options forfeited		(7,083,527)		
Closing balance as at 31 December 2012		41,496,650		
Issue of options	15 February 2013	375,000	0.250	15 February 2018
Issue of options	15 February 2013	375,000	0.250	15 February 2018
Issue of options	15 February 2013	150,000	0.260	15 February 2018
Issue of options	15 February 2013	150,000	0.260	15 February 2018
Issue of options	15 February 2013	150,000	0.260	15 February 2018
Issue of options	15 February 2013	2,982,000	0.340	15 February 2018
Issue of options	22 March 2013	200,000	0.340	22 March 2018
Issue of options	3 May 2013	1,000,000	0.500	3 May 2018
Issue of options	3 May 2013	3,500,000	0.600	3 May 2018
Options forfeited		(231,550)		
Closing balance as at 30 June 2013		50,147,100		

During the interim financial period, an additional 8,882,000 options were issued to directors and employees as part of the Company option plan, and 231,550 options were forfeited, thus bringing the options issued over ordinary shares in the Company to 50,147,100 as at 30 June 2013.

The Company 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

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

26. Share based payments (continued)

Inputs for the measurement of grant date fair values

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

The share options originally granted prior to the Initial Public Offer on 29 August 2011 were granted with a performance period of 12 months from the date of the IPO, subsequently extended for a 12 month period to 29 August 2013. The Directors have extended the performance period of these options for a further 12 month period to 29 August 2014. As a consequence of this decision these share options have been revalued in accordance with accounting standard requirements.

Inputs used in the measurement of the fair values at grant date of options granted under the Staff Option Plan are outlined below:

Option Grant Date	15/02/13	15/02/13	15/02/13	15/02/13	15/02/13	15/02/13	22/03/13	3/05/13	3/05/13
Fair value at grant date	\$0.056	\$0.079	\$0.111	\$0.056	\$0.079	\$0.115	\$0.100	\$0.064	\$0.065
Share price at grant date	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.20	\$0.17	\$0.17
Exercise price	\$0.25	\$0.25	\$0.26	\$0.26	\$0.26	\$0.34	\$0.34	\$0.50	\$0.60
Performance hurdle	A	A	B	A	A	C	C	B	C
Performance period	D	E	D	D	E	E	E	D	E
Expiry date	15/02/18	15/02/18	15/02/18	15/02/18	15/02/18	15/02/18	22/03/18	3/05/18	3/05/18
Option life in years	5	5	5	5	5	5	5	5	5
Risk Free Interest Rate	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%	3.17%	2.69%	2.69%
Expected Dividend Yield	0%	0%	0%	0%	0%	0%	0%	0%	0%
Volatility	87%	87%	87%	87%	87%	87%	87%	87%	87%
Post-vesting Withdrawal Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%
Early exercise Provision	F	F	F	F	F	F	F	F	F

Note

- A. Performance hurdle: options vest if share price exceeds \$0.50.
- B. Performance hurdle: options vest 12 months after grant date.
- C. Performance hurdle: options vest 24 months after grant date.
- D. Performance period: 12 months after grant date.
- E. Performance period: 24 months after grant date.
- F. Sell price multiple: 2 x exercise price.

During the period Directors and employees were granted options. The grants of these options are:

	Options granted No.
Directors	
T Manini	1,500,000
O Hegarty	1,000,000
B Jamieson	1,000,000
C Wiggill	1,000,000
	4,500,000
Employees	4,382,000
Total	8,882,000

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

27. Exploration expenditure commitments

There are no material commitments as at reporting date.

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. These obligations are expected to be fulfilled in the normal course of operations. Mining interests may be relinquished or joint ventured to reduce this amount. The various country and state governments have the authority to defer waive or amend the minimum expenditure requirements.

28. Contingencies

The Directors are of the opinion that provisions are not required and no material contingent obligations exist.

29. 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 Limited ("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.

(b) Transactions with key management personnel

The key management personnel received cash compensation during the period, and they participated in the Share Option Scheme and were granted options. Refer to note 26.

(c) Other related party transactions

		Transactions value period ended 30 June	Balance outstanding as at 30 June	Transactions value period ended 30 June	Balance outstanding as at 31 December
	Note	2013 \$'000	2013 \$'000	2012 \$'000	2012 \$'000
Group					
TRM services provided	(a)	678	123	112	(27)
Trade prepayment to TRM	(b)	-	-	-	207
Trade receivable from TRM		-	-	(396)	-
Payment to Director	(c)	45	-	-	-

- (a) The Group has a payable to TRM. This outstanding balance is priced on an arms-length basis and is expected to be settled in cash within 12 months of the reporting date. These balances are unsecured.
- (b) The Group has a prepayment to TRM for services under the Service Agreement. This prepayment balance is priced on an arms-length basis and is expected to be utilised within 12 months of the reporting date. These balances are unsecured.
- (c) The Company has signed a 12 month Consultancy Agreement to the value of GBP 50,000 with Thukela Resources Ltd, the nominated consultancy company of the Director, Mr Craig Wiggill. This amount represents the amount paid in full for services provided under that Consultancy Agreement.

Tigers Realm Coal Limited

Condensed notes to the consolidated interim financial statements (continued)

For the six month period ended 30 June 2013

30. Acquisition of business

There were no business combinations completed during the period ended 30 June 2013.

31. Subsequent events

Subsequent to 30 June 2013 the following events have occurred which are items, transactions or events considered to be of a material or unusual nature, which in the opinion of the Directors of the Company, are likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years:

- On 4 July 2013 the Group announced the delineation of an initial JORC compliant coking coal Resource of 26.8 million tonnes, including Measured and Indicated Resources of 11.8 million tonnes for Project F at Amaam North. This initial Resource at Project F represents a small part of the Amaam North tenement with thick, near surface, shallow dipping coking coal seams. A Pre-feasibility Study is underway, on Project F, with completion scheduled for the end of September 2013.
- On 18 July 2013 the Group paid US\$0.450 million for the acquisition of 100% of Nagornaya Investments Limited ("Nagornaya"), a Cyprus based entity. Nagornaya holds an option agreement to purchase mining and infrastructure assets in the Chukotka Autonomous District in Far Eastern Russia, and is negotiating with the Government of the Chukotka Autonomous District to purchase some of these assets.
- Mr Craig Parry was appointed as Managing Director on 1 July 2013.

Tigers Realm Coal Limited

Directors' declaration

1. In the opinion of the Directors of Tigers Realm Coal Limited ('the Company'):
 - a) the consolidated financial statements and notes set out on pages 13 to 31 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 2013 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 21st day of August 2013.



Antony Manini
Chairman



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Tigers Realm Coal Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the interim period ended 30 June 2013 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG



Michael Bray
Partner

Melbourne

21 August 2013



Independent auditor's review report to the members of Tigers Realm Coal Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Tigers Realm Coal Limited, which comprises the condensed consolidated statement of financial position as at 30 June 2013, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the interim period ended on that date, notes 1 to 31 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim 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 interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2013 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As 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 an interim 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.

Independence

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



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim 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 Group's financial position as at 30 June 2013 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter: Material uncertainty regarding continuation as a going concern

Without modification to the conclusion expressed above, attention is drawn to the following matter. As stated in note 8 of the interim financial report, there is material uncertainty as to whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

KPMG

KPMG

Michael Bray
Partner

Melbourne

21 August 2013