

10 September 2014

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 2014.

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 2014

Tigers Realm Coal Limited

Corporate Directory

DIRECTORS

Antony Manini (Chairman)

Owen Hegarty

Craig Wiggill

Andrew Gray

Ralph Morgan

Tagir Sitdekov

COMPANY SECRETARY

David Forsyth

PRINCIPAL & REGISTERED OFFICE

Level 7, 333 Collins St

Melbourne, Victoria, 3000

Tel: 03 8644 1300

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AUDITORS

KPMG

147 Collins Street

Melbourne, Victoria 3000

BANKERS

ANZ Banking Group Limited

100 Queen St,

Melbourne, Victoria 3000

Tigers Realm Coal Limited

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Tigers Realm Coal Limited

Review of operations

For the six month period ended 30 June 2014

Highlights for the period include the following:

During the six months to 30 June 2014, the Group focused on:

- The completion of the equity raising for \$60.973 million (before costs).
- Advancement of the Bankable Feasibility Study in relation to Project F at the Amaam North coking coal resource;
- Increase in the Resource Estimate at Amaam; and the
- Purchase of the Sea Port and Coal Terminal at Beringovsky.

Equity Raising Completed

During the period the Group successfully completed the equity raising which had been announced in December 2013. The equity raising consisted of placements of 365,876,275 shares at a share price of \$0.165 per share, to raise \$60.370 million, and a Share Purchase Plan to existing shareholders which resulted in the issue of 3,651,569 shares at a share price of \$0.165 per share to raise \$0.603 million.

These proceeds are being applied towards the funding of the Bankable Feasibility Study (“BFS”) at Project F (located at Amaam North), further drilling at Amaam and Amaam North, and the commencement of development and construction of Project F. These funds will also be applied to compliance and corporate costs.

The equity raising has resulted in two new significant investors coming on to the Company’s shareholder base, being the Baring Vostock Private Equity Fund V, and the Russian Direct Investment Fund.

Amaam North – Advancement of the Bankable Feasibility Study

Work on the BFS has continued during the period, with progress made on the key aspects of the project, including mine planning, coal washability, infrastructure design and cost estimation.

A milestone in the permitting of the project was met with the company being awarded a “Discovery Certificate” over Project F. This followed the successful completion of the “Expertise” process (the independent Governmental technical review of the prefeasibility study and statement of Russian Reserves). An application for an Exploration and Extraction (Mining) licence over Project F was lodged with Rosnedra (Russian Federal Subsoil Agency).

Amaam – Resource Estimate

The Company announced an upgrade of the Resource estimate for Amaam following the completion of the 2013 drilling programme. TIG’s Resource consultant, Resolve Geological Pty Ltd, has estimated a total of 464 Mt of Coal Resources at Amaam. This represents a 52Mt increase over the previous Resource Estimate reported. The Resource includes 78 Mt of Indicated Resources and 386 Mt of Inferred Resources (JORC 2012).

Beringovsky – Purchase of the Sea Port and Coal Terminal at Beringovsky

On 10 June 2014 the Group announced the acquisition of the Beringovsky Port and Coal Terminal, located 35 kilometres from Amaam North. The acquisition was made through the purchase of a 100% interest in Port Ugolny LLC for \$5.461 million (US\$5.100 million). Port Ugolny LLC operates the trade sea port at Beringovsky in Chukotka Autonomous District in the Far East of the Russian Federation. The acquisition gives the Group management rights over the operations of the port. The port is fully operational and equipped with infrastructure, warehouses and office buildings.

Subsequent events include the following:

On 7 July 2014 the Company announced that 1,000,000 share options had lapsed and had been removed from the Company’s option register.

On 25 August 2014 the Company announced that it has entered into a US\$5.000 million, two year finance lease arrangement to assist in the supply of a small fleet of mobile equipment to commence early stage development at Project F on the Amaam North tenement. Additional costs of the acquisition of mining vehicles and equipment will be financed from TIG’s cash reserves.

On 1 September 2014 the Group announced that an extension of the Exploration Licence over the Amaam tenement until 1 December 2017 has been granted by Rosnedra, and registered by Dalnedra (the Branch of Rosnedra for the Far Eastern Federal District based in Khabarovsk).

On 2 September 2014 the Company announced that 24,606,100 share options had lapsed and had been removed from the Company’s option register.

Tigers Realm Coal Limited

Directors' Report

For the six month period ended 30 June 2014

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 2014.

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 BSc (Hons), FAusIMM, FSEG	Non-Executive Chairman
Mr Owen Hegarty BEc (Hons), FAusIMM	Non-Executive Director
Mr Craig Wiggill BSc Eng	Non-Executive Director
Mr Andrew Gray ^a BEng (Hons), MBA	Non-Executive Director
Mr Ralph Morgan ^b BA, MPhil	Non-Executive Director
Mr Tagir Sitdekov ^b MBA	Non-Executive Director
Mr David Forsyth FGIA, FCIS, FCPA	Company Secretary
Former Directors	
Dr Bruce Gray ^c MB, BS, MS, PhD, FRACS	Non-Executive Director
Mr Craig Parry ^d Bsc (Hons) MAusIMM	Managing Director & Chief Executive Officer
Mr Brian Jamieson ^e FCA	Independent Non-Executive Director

- (a) Appointed as a director on 28 March 2014. During the period from 25 October 2013 to 28 March 2014 Mr Andrew Gray was the nominated Alternate Director for Dr Bruce Gray who resigned on 28 March 2014.
- (b) Appointed as a director on 1 April 2014.
- (c) Resigned as a director on 28 March 2014.
- (d) Resigned as a director on 5 May 2014. Mr Parry remains as the Chief Executive Officer of the Company.
- (e) Resigned as a director on 5 May 2014.

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

Tigers Realm Coal Limited

Directors' Report (continued)

For the six month period ended 30 June 2014

2. Directors' meetings

During the six month period to 30 June 2014, seven 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 Group is currently in the exploration and development stages of its two main coking coal projects in the Far East of the Russian Federation. As a consequence the Group has no operating income or expenditure relating to coal production. Expenditure on exploration and development activity is capitalised, and operating expenditure consists of administration, staff and corporate costs.

Operating Performance

The operating loss after income tax of the Group for the six month period ending 30 June 2014 was \$19.551 million (2013: loss \$18.670 million). Operating activities incurred cash outflows from operations for the period of \$1.446 million (2013: outflows of \$5.728 million). There were cash outflows from exploration and evaluation expenditure of \$13.888 million for the period (2013: outflows of \$7.638 million). The Group has no bank debt. As at 30 June 2014 the Group had a cash position of \$39.258 million, (December 2014: \$3.749 million).

The Group's performance in meeting its strategy during the half year period is evidenced by the completion of further project activities and milestones.

The Amaam North Project F provides a low capex, low opex, path to the early production of coal:

- In the period the Group continued to advance the completion of a Bankable Feasibility Study ("BFS") on Project F, which is due for completion later in 2014;
- Further drilling and exploration activity has been completed during the half year period; and
- In June the Group completed the acquisition of Port Ugolny LLC which operates the Sea Port and Coal Terminal at Beringovsky, located 35km to the east.

The Amaam Project continues to be a core asset of the Group:

- During the period the Group completed further drilling and exploration activities;
- The Coal Resource estimate for the Amaam Project was upgraded during the period to 464 Mt coal resources. The Resource includes 78 Mt of Indicated Resources and 386 Mt of Inferred Resources;
- The Amaam 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; and
- The project involves the construction of a coal handling and preparation plant and associated infrastructure, and a coal terminal with loading facilities on the nearby Arinay Lagoon and an all-weather 25km rail line or road to connect them.

Tigers Realm Coal Limited

Directors' Report (continued)

For the six month period ended 30 June 2014

5. Operating and financial review (continued)

Financial Position

The Group's financial position improved in 2014 with the successful completion of an equity raising for \$60.973 million before costs in March 2014. These funds enabled the Group to continue with the development and exploration activities, and to progress the work on the BFS on Project F at Amaam North. Further details of this equity raising are contained in the section of this Directors' Report entitled "Significant Changes in the state of affairs".

As a consequence of the successful equity raising during the period, the Group's cash balance has had a net increase by \$35.509 million over the period to \$39.258 million at 30 June 2014. During 2014 the Group invested significant funds in the completion of further drilling and technical studies at both the Amaam and Amaam North coal deposits.

The Group has invested \$5.461 million (US\$5.100 million) in the acquisition of a new subsidiary in Russia, Port Ugolny LLC. This new subsidiary operates the Sea Port and Coal Terminal at the Port of Beringovsky in Chukotka, in the Far East of the Russian Federation, and will form an integral part of the transport infrastructure to move coal from the Group's coal deposits to the end users.

In addition to the acquisition of Port Ugolny, during the period a further \$0.450 million was invested in plant and equipment to advance the Projects. The most significant increase in non-current assets is the increase in capitalised exploration, evaluation and development expenditure, where an additional \$10.678 million was incurred in advancing the Projects during the period.

An increase in intangible assets of \$4.170 million arising from the purchase of Port Ugolny during the period, has been offset by the negative impacts of foreign exchange movements on these assets, which are non-cash movements.

There has been a \$13.510 million increase in the royalty agreement liability arising from the revaluation of that liability at year end, again offset partially by the impact of foreign exchange movements. Again, this movement in the royalty agreement liability is a non-cash movement.

Business Strategies and Group Objectives

The Group is exploring and developing two well-located large coking coal projects in the Far East of the Russian Federation:

- Amaam: a world-class, large scale coking coal project targeted for up to 6.5Mtpa of production from dedicated new infrastructure; and
- Amaam North: low cost starter project providing fast track to production and earnings utilising existing infrastructure and supporting development of the entire Amaam Coking Coal Field

There is further exploration upside across both of these two major coking coal basins.

The business objectives for 2014 include the completion of further drilling at Amaam and Amaam North to grow and update the Resource bases for these projects. Priority has been given to the further development of Project F at Amaam North, with

- the completion of the Bankable Feasibility Study ("BFS");
- completion of mine project design;
- progressing the application for a mining licence; and the
- commencement of development and construction of Project F, following completion of the BFS.

Further details of the business objectives for 2014 are included in Section 9 of this Directors' Report "Likely Developments".

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.

Tigers Realm Coal Limited

Directors' Report (continued)

For the six month period ended 30 June 2014

7. Significant changes in the state of affairs

- On 16 January 2014 the short term unsecured loan facility of \$0.500 million with a Director, Mr Antony Manini was cancelled. The loan facility was not utilised by the Group. On 16 January 2014 the short term unsecured loan facility of \$0.500 million with a Director, Mr Owen Hegarty was cancelled. The loan facility was not utilised by the Group.
- On 14 February 2014 the short term unsecured loan facility with Tigers Realm Minerals Pty Limited ("TRM") was increased by \$0.500 million to \$2.500 million.
- The Company announced an upgrade of the Resource estimate for Amaam on 27 February 2014. Following the completion of the 2013 drilling programme, TIG's Resource consultant, Resolve Geological Pty Ltd, has estimated a total of 464 Mt of Coal Resources at Amaam. This represents a 52Mt increase over the previous Resource Estimate reported in November 2012. The Resource includes 78 Mt of Indicated Resources and 386 Mt of Inferred Resources (JORC 2012).
- On 21 March 2014 the Company held an extraordinary general meeting to obtain shareholder agreement to the completion of the equity raising of \$62.020 million in the form of fully paid ordinary shares at a price of \$0.165 per share. The \$0.165 share price represents a 5.8% discount to the five day volume weighted average trade price of TIG's shares prior to the trading halt announcement date on 5th December 2013. The equity raising consisted of the following elements.
 - A placement of 219,263,985 fully paid ordinary shares to raise gross proceeds of \$36.179 million to Baring Vostok Private Equity Fund V, through BV Mining Holding Limited (BVMHL);
 - A placement of 99,000,000 fully paid ordinary shares to raise gross proceeds of \$16.335 million to the Russian Direct Investment Fund (RDIF);
 - A placement of 47,612,290 fully paid ordinary shares to raise gross proceeds up to \$7.856 million to existing and new shareholders. Of this placement amount, 23,484,848 shares were issued on 3 March 2014 raising gross proceeds of \$3.875 million.
 - A Share Purchase Plan to existing shareholders for 10,000,000 shares to raise gross proceeds of up to \$1.650 million.

The proceeds net of transaction costs are being applied towards funding the BFS at Project F (located at Amaam North), further drilling at Amaam and Amaam North and the commencement of development and construction of Project F following completion of the BFS. Part of the balance of funds will be applied to compliance and corporate costs associated with the projects and the costs of the offer.

- At the Extraordinary General Meeting on 21 March 2014, shareholders approved the acquisition by Dr Bruce Gray, a Director, of a relevant interest in the 55,730,814 shares held by TRM under an Option Deed between Hanate Pty Ltd, (a company controlled by Dr Gray), and TRM.
- On 28 March 2014 Dr Bruce Gray resigned as a Non-executive Director of the Company, and Mr Andrew Gray was appointed as a Non-executive Director of the Company.
- On 1 April 2014 Mr Ralph Morgan and Mr Tagir Sitdekov were appointed as Non-executive Directors of the Company. On 14 April 2014 the \$2.500 million short term unsecured loan facility with Tigers Realm Minerals Pty Limited was cancelled. The loan facility was not utilised by the Group, and the facility was not interest bearing.
- On 24 April 2014 the Share Purchase Plan to existing shareholders was completed with subscriptions of \$0.603 million being received, which resulted in the allotment of 3,651,569 shares at a price of \$0.165 per share.
- On 5 May Mr Brian Jamieson resigned as an Independent Non-Executive Director of the Company, and Mr Craig Parry resigned as Managing Director of the Company. Mr Parry remains as Chief Executive Officer of the Company.
- On 4 June 2014 the Company issued 3,000,000 share options; being 1,000,000 share options to each of the new directors of the Company; Mr Andrew Gray, Mr Ralph Morgan and Mr Tagir Sitdekov.
- On 10 June 2014 the Group announced the acquisition of the Beringovsky Port and Coal Terminal, located 35 kilometres from Amaam North. The acquisition was made through the purchase of a 100% interest in Port Ugolny LLC for \$5.461 million (US\$5.100 million). Port Ugolny LLC operates the trade sea port at Beringovsky in Chukotka Autonomous District in the Far East of the Russian Federation.
- On 20 June 2014 the Company announced that 3,000,000 share options had lapsed and had been removed from the Company's option register.

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 2014.

Tigers Realm Coal Limited

Directors' Report (continued)

For the six month period ended 30 June 2014

8. Events subsequent to reporting date

Subsequent to 30 June 2014 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 7 July 2014 the Company announced that 1,000,000 share options had lapsed and had been removed from the Company's option register.
- On 25 August 2014 the Company announced that it has entered into a US\$5.000 million, two year finance lease arrangement to assist in the supply of a small fleet of mobile equipment to commence early stage development at Project F on the Amaam North tenement. Additional costs of the acquisition of mining vehicles and equipment will be financed from TIG's cash reserves.
- On 1 September 2014 the Group announced that an extension of the Exploration Licence over the Amaam tenement until 1 December 2017 has been granted by Rosnedra, and registered by Dalnedra (the Branch of Rosnedra for the Far Eastern Federal District based in Khabarovsk).
- On 2 September 2014 the Company announced that 24,606,100 share options had lapsed and had been removed from the Company's option register.

9. Likely developments

The Group will progress the development of the projects at Amaam and Amaam North, with further drilling and exploration activity on the tenements held by entities in Russia. The Group will continue minerals exploration on the tenements in the Russian Federation held by entities in which it has a controlling interest. The developmental objectives for the Group in 2014 are to:

- Announce a Resource upgrade for Project F at Amaam North;
- Announce a Resource upgrade for Amaam;
- Complete the BFS for Project F at Amaam North;
- Advance the Amaam North mining licence application;
- Undertake key tasks for the Amaam BFS and the Arinay Port BFS;
- Continue drilling to meet exploration licence commitments;
- Continue drilling to grow and upgrade the Resource base; and
- Commence early development work on Project F.

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 2014 is as follows:

	Tigers Realm Coal Limited	
	Ordinary shares	Options over ordinary shares
A. Manini	19,787,183	10,631,000
O. Hegarty	17,015,144	6,315,500
C. Wiggill	600,000	1,000,000
A. Gray	-	1,000,000
R. Morgan	-	-
T. Sitdekov	-	1,000,000

During the period the 1,000,000 Options over ordinary shares granted to Mr R Morgan were transferred to BV Mining Holding Limited.

Tigers Realm Coal Limited
Directors' Report (continued)
For the six month period ended 30 June 2014

11. Share options

During the interim financial period, an additional 3,000,000 options were issued to directors as part of the Company option plan, and 3,000,000 options were forfeited, thus bringing the options issued over ordinary shares in the Company to 49,547,100 as at 30 June 2014.

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	3,000,000
Employees	-
Total	3,000,000

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.

13. Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 35 and forms part of the Directors' report for the interim period ended 30 June 2014.

Dated at Melbourne this 9th day of September 2014.

Signed in accordance with a resolution of the Directors:



Antony Manini
Chairman

Tigers Realm Coal Limited

Condensed consolidated interim statement of financial position

As at 30 June 2014

	Note	30 June 2014 \$'000	31 December 2013 \$'000
Current Assets			
Cash and cash equivalents		39,258	3,749
Trade and other receivables		2,340	1,602
Prepayments		1,112	3,964
Other current assets		496	492
Total current assets		43,206	9,807
Non-current assets			
Deferred exploration, evaluation and development	15	43,933	36,083
Property, plant and equipment	16	7,523	6,627
Intangible assets	17	123,831	127,073
Total non-current assets		175,287	169,783
Total assets		218,493	179,590
Current Liabilities			
Trade and other payables		1,959	3,747
Employee benefits	18	768	1,224
Total current liabilities		2,727	4,971
Non-current liabilities			
Deferred tax liabilities	19	28,568	28,310
Royalty agreement liability	20	31,950	19,994
Total non-current liabilities		60,518	48,304
Total liabilities		63,245	53,275
Net assets		155,248	126,315
Equity			
Share capital	21	151,190	94,416
Reserves		29,162	36,748
(Accumulated losses)		(31,775)	(15,137)
Total equity attributable to equity holders of the Company		148,577	116,027
Non-controlling interest		6,671	10,288
Total equity		155,248	126,315

The condensed notes on pages 15 to 33 are an integral part of these financial statements.

Tigers Realm Coal Limited

Condensed consolidated interim statement of comprehensive income

For the six month period ended 30 June 2014

	Note	30 June 2014 \$'000	30 June 2013 \$'000
Continuing operations			
Other income		-	42
Share based payments	22	(252)	(1,120)
Administrative expenses	11	(3,836)	(3,407)
Gain / (loss) on revaluation of royalty agreement liability	20	(13,510)	(12,869)
Loss on investment		(92)	-
Results from operating activities		(17,690)	(17,354)
Net foreign exchange gain/(loss)		(990)	133
Finance income		15	188
Net finance income/(expense)		(975)	321
Profit/(Loss) before income tax		(18,665)	(17,033)
Income tax (expense)/benefit	12	(886)	(1,637)
Profit/(Loss) for the period		(19,551)	(18,670)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		(8,542)	9,765
Total comprehensive income for the period		(28,093)	(8,905)
Profit/(Loss) is attributable to:			
Owners of the Company		(16,638)	(13,425)
Non-controlling interest		(2,913)	(5,245)
Profit/(Loss) for the period		(19,551)	(18,670)
Total comprehensive income is attributed to:			
Owners of the Company		(24,476)	(3,660)
Non-controlling interest		(3,617)	(5,245)
Total comprehensive income for the period		(28,093)	(8,905)
Earnings / (Loss) per share (cents per share)			
-basic earnings / (loss) per share (cents)	13	(2.307)	(2.828)
-diluted earnings / (loss) per share (cents)	13	(2.307)	(2.828)

The condensed notes on pages 15 to 33 are an integral part of these financial statements.

Tigers Realm Coal Limited
Condensed consolidated interim statement of changes in equity
For the six month period ended 30 June 2014

	Note	Share Capital \$'000	(Accumulated Losses) \$'000	Share based payments reserve \$'000	Foreign Exchange Reserve \$'000	Other Reserve \$'000	Total \$'000	Non-controlling Interest \$'000	Total \$'000
Balance as at 1 January 2014		94,416	(15,137)	4,711	13,455	18,582	116,027	10,288	126,315
Total comprehensive income for the six months to 30 June 2014									
Profit or loss		-	(16,638)	-	-	-	(16,638)	(2,913)	(19,551)
<i>Other comprehensive income</i>									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Foreign currency translation differences for foreign operations		-	-	-	(7,838)	-	(7,838)	(704)	(8,542)
Total other comprehensive income		-	-	-	(7,838)	-	(7,838)	(704)	(8,542)
Total comprehensive income for the period		-	(16,638)	-	(7,838)	-	(24,476)	(3,617)	(28,093)
Transactions with owners, recorded directly in equity									
Issue of ordinary shares	21	60,973	-	-	-	-	60,973	-	60,973
Costs of raising equity	21	(4,199)	-	-	-	-	(4,199)	-	(4,199)
Share based payment transactions	22	-	-	252	-	-	252	-	252
Total transactions with owners		56,774	-	252	-	-	57,026	-	57,026
Balance at 30 June 2014		151,190	(31,775)	4,963	5,617	18,582	148,577	6,671	155,248

The condensed notes on pages 15 to 33 are an integral part of these financial statements.

Tigers Realm Coal Limited
Condensed consolidated interim statement of changes in equity (continued)
For the six month period ended 30 June 2014

		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 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>									
<i>Items that may be reclassified subsequently to profit or loss</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	21	21,200	-	-	-	-	21,200	-	21,200
Costs of raising equity	21	(349)	-	-	-	-	(349)	-	(349)
Change in ownership interest in subsidiary		-	-	-	-	5,774	5,774	(5,774)	-
Share based payment transactions	22	-	-	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 15 to 33 are an integral part of these financial statements.

Tigers Realm Coal Limited
Condensed consolidated interim statement of cash flows
For the six month period ended 30 June 2014

	Note	30 June 2014 \$'000	30 June 2013 \$'000
Cash flows from operating activities			
Cash receipts from customers		-	42
Transaction costs relating to acquisition of a subsidiary		(141)	-
Cash paid to suppliers and employees		(1,305)	(5,770)
Net cash from / (used in) operating activities	14	(1,446)	(5,728)
Cash flows from investing activities			
Exploration and evaluation expenditure		(13,888)	(7,638)
Acquisition of property, plant and equipment		(527)	(620)
Acquisition of a subsidiary (net of cash acquired)	10	(5,206)	-
Interest received		15	188
Net cash from / (used in) investing activities		(19,606)	(8,070)
Cash flows from financing activities			
Proceeds of issue of shares		60,973	21,200
Share issue costs		(3,317)	(349)
Net cash from / (used in) financing activities		57,656	20,851
Net increase / (decrease) in cash and cash equivalents		36,604	7,053
Cash and cash equivalents at beginning of the period		3,749	8,528
Effects of exchange rate changes on cash and cash equivalents		(1,095)	(164)
Cash and cash equivalents at the end of the period		39,258	15,417

The condensed notes on pages 15 to 33 are an integral part of these financial statements.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements

For the six month period ended 30 June 2014

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 of the Company as at and for the six month period ended 30 June 2014 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 is a for-profit entity and is primarily involved in coal exploration and mining development.

The consolidated annual financial report of the consolidated entity for the year ended 31 December 2013 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 is presented in Australian dollars.

The condensed 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 2013.

The condensed consolidated interim financial report was authorised for issue by the Board of Directors on 9 September 2014.

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 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 2013, except for the adoption of the new standards and interpretations as of 1 January 2014, noted below:

- **Amendments to AASB 132 *Financial Instruments: Presentation* - *Offsetting Financial Assets and Financial Liabilities***

These amendments clarify the meaning of “currently has a legally enforceable right to set-off” and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014.

The adoption of these amendments had no effect on the financial presentation or performance of the Group.

- **Amendments to AASB 124 *Related Party Disclosures* - *Remove Individual Key Management Personnel Disclosures***

These amendments delete from AASB 124 the individual key management personnel disclosure requirement for disclosing entities in relation to equity holdings, loans and other related party transactions. These amendments are effective for annual periods beginning on or after 1 July 2013.

The adoption of these amendments had no impact on the condensed consolidated interim financial statements of the Group, but are expected to impact the disclosures in the annual financial statements.

- **Amendments to AASB 136 *Impairment of Assets* - *Recoverable Amount Disclosure for Non-Financial Assets***

These amendments remove the requirement to disclose the recoverable amount of all cash generating units that contain goodwill or identifiable assets with indefinite lives if there has been no impairment. The amendments require disclosure of the recoverable amount of an asset or cash generating unit when an impairment loss has been recognised or reversed. The amendments also require detailed disclosure of how fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. These amendments are effective for annual periods beginning on or after 1 January 2014.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

4. Significant accounting policies (continued)

- **Amendments to AASB 139 *Financial Instruments: Recognition and measurement* - *Novation of Derivatives and Continuous Hedge Accounting***

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014.

The adoption of these amendments has had no material impact on the financial statements or performance of the Group as there were no novated derivatives during the current period. These amendments would be considered for future novations.

- **Investment Entities – Amendments to AASB 10, 12, 127**

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under AASB 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments are effective for annual periods beginning on or after 1 January 2014.

These amendments are not relevant to the Group, as none of the entities in the Group qualify to be an investment entity under AASB 10.

- **Interpretation 21 *Levies***

Interpretation 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Interpretation 21 is effective for annual periods beginning on or after 1 January 2014.

The adoption of Interpretation 21 had no material impact on the financial position or performance of the Group.

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

5. Significant accounting estimates and judgements

The preparation of condensed consolidated 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 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 and for the year ended 31 December 2013.

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 2013.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

8. Basis of preparation

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

Going concern basis of accounting

The condensed 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 2014 the Group had a net loss of \$19.551 million (June 2013: loss \$18.670 million) and had net equity of \$155.248 million (December 2013: \$126.315 million). The net loss includes the impact of the loss of \$13.510 million (2013 loss of \$12.869 million) on the revaluation of the Royalty agreement liability (refer note 20).

As at 30 June 2014 the Group had cash and cash equivalents of \$39.258 million (December 2013: \$3.749 million). It had current assets of \$43.206 million (December 2013: \$9.807 million) and current liabilities of \$2.727 million (December 2013: \$4.971 million).

During the six month period ended 30 June 2014 the cash outflow from operations was \$1.446 million (30 June 2013: outflows of \$5.728 million). There were cash outflows from investing activities of \$19.606 million (30 June 2013: outflows of \$8.070 million) for the period. There were cash inflows from financing activities of \$57.656 million (30 June 2013: inflows of \$20.851 million).

During the six month period ended 30 June 2014 the Company completed the following fund raising activities to meet its working capital requirements. In December 2013 the Company announced a fund raising of \$60.973 million through the issue of 365,876,275 new shares at \$0.165 per share. The terms of the fund raising were amended in January 2014 and was subject to shareholder approval and satisfaction of other conditions completed in March 2014. Shareholder approval was received at an Extraordinary General Meeting held on 21 March 2014.

The fund raising completed in April 2014 was made up of the following components:

- a \$36.179 million placement to Baring Vostok Fund V, through BV Mining Holding Limited, with the issue of 219,263,985 shares;
- a \$16.335 million placement to the Russian Direct Investment Fund with the issue of 99,000,000 shares;
- a \$7.856 million placement to new and existing sophisticated and institutional shareholders with the issue of 47,612,290 shares; and
- \$0.603 million through a Share Purchase Plan for existing shareholders for the issue of 3,651,569 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 support 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 general working capital requirements and corporate expenses through to at least 30 September 2015;
- Fund the completion of the Bankable Feasibility Study ("BFS") for Project F at Amaam North;
- Commence development and construction work at Project F following completion of the Project F BFS; and
- Complete further drilling and technical studies at its Amaam Project and at its Amaam North Project.

The ability of the Group to fund the ongoing working capital requirements of beyond 30 September 2015 is uncertain. Accordingly a material uncertainty exists in regards to the ability of the Group to continue to operate as a going concern beyond 30 September 2015 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 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.

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 statements (continued)

For the six month period ended 30 June 2014

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 2014 the mineral exploration activities of the Group are managed in the two reportable operating segments outlined below. In 2013 the mineral exploration activities of the Group were managed in one reportable operating segment, the Amaam Project, and Other. The Amaam Segment has now been split into two reporting segments the Amaam Project and the Amaam North Project to reflect the current management approach. Comparative information for 2013 has been restated to reflect the split of the Amaam Segment into for the Amaam Project and Amaam North Project.

2014

Amaam Project	The Amaam Project is located in the Bering Basin in Chukotka province, Russia and consists of the Amaam tenement.
Amaam North Project	The Amaam North Project is located in the Bering Basin in Chukotka province, Russia and consists of 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). This is not a reportable segment.

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	Amaam North Project	Total Reportable Segments	Other	Total
30 June 2014	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue (including interest revenue)	-	-	-	15	15
Segment expense	(13,513)	(138)	(13,651)	(3,996)	(17,647)
Depreciation and amortisation	-	-	-	(43)	(43)
Net foreign exchange gain / (loss)	-	-	-	(990)	(990)
Segment result	(13,513)	(138)	(13,651)	(5,014)	(18,665)
Segment assets	155,194	23,617	178,811	39,682	218,493
Segment liabilities	(59,044)	(2,116)	(61,160)	(2,085)	(63,245)
30 June 2013					
Total segment revenue (including interest revenue)	42	-	42	188	230
Segment expense	(12,869)	-	(12,869)	(4,493)	(17,362)
Depreciation and amortisation	-	-	-	(34)	(34)
Net foreign exchange gain / (loss)	-	-	-	133	133
Segment result	(12,827)	-	(12,827)	(4,206)	(17,033)
Segment assets	153,223	6,138	159,361	15,930	175,291
Segment liabilities	(54,507)	(145)	(54,652)	(921)	(55,573)

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

9. Segment reporting (continued)

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 2014		30 June 2013	
	Revenues	Non-current assets	Revenues	Non-current assets
	\$'000	\$'000	\$'000	\$,000
Europe & Russia	-	174,997	42	154,114
Australasia	15	290	188	304
Total	15	175,287	230	154,418

10. Acquisition of a subsidiary

On 6 June 2014 the Group completed the acquisition of Port Ugolny LLC ("Port Ugolny"). The Group has acquired a 100% ownership interest in Port Ugolny.

Port Ugolny operates the Beringovsky Port and Coal Terminal located 35 kilometres north east of the Amaam North tenements and the proposed Project F mine. Acquisition of Port Ugolny provides the Group with a critical piece of the transport infrastructure required to move coal from the mine to the end users. The Beringovsky Port is fully operational and is equipped with infrastructure, barges, warehouses and office buildings. Historically the Beringovsky Port has handled shipments of coal of up to 700,000 tonnes per annum.

The Group has accounted for the acquisition of Port Ugolny as a business combination effective 6 June 2014 as required under accounting standard AASB 3 *Business Combinations*. In accounting for the business combination, the Group has recognised and measured the fair value of the consideration, the fair value of the assets acquired and liabilities and contingent liabilities assumed at that date.

(a) Consideration transferred

The acquisition of Port Ugolny was completed for a price of \$5.461 million (US\$5.100 million). The acquisition was achieved through a tender process conducted by the vendor, the Government of Chukotka. There was no contingent consideration or other consideration incurred in the acquisition process.

	2014 \$'000
Purchase consideration	
Cash paid	5,461
Total purchase consideration	5,461

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

10. Acquisition of a subsidiary (continued)

(b) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	Carrying Value at acquisition date \$'000	Provisional Fair Value at acquisition date \$'000
Assets		
Cash and cash equivalents	255	255
Other current assets	7	7
Property, plant and equipment	1,283	1,656
Intangible assets	-	3,149
Deferred tax assets	13	13
Other non-current assets	1	1
Total Assets	1,559	5,081
Liabilities		
Trade and other payables	(7)	(7)
Deferred tax liability	(3)	(634)
Total Liabilities	(10)	(641)
Total identifiable net assets acquired at fair value		4,440
Goodwill		1,021
Net assets acquired		5,461

The intangible asset recognised on acquisition are the leasehold rights attributable to the port operating leases for the Beringovsky Port held by Port Ugolny.

The goodwill is attributable to the benefits which will accrue to the Group from gaining control over this key infrastructure asset. The Beringovsky Port is a critical piece of the infrastructure chain which will deliver the Group's coal from the mine to the end user. None of the goodwill recognised is expected to be deductible for tax purposes.

The acquired business contributed revenues of \$0.037 million and a net loss of \$0.021 million to the Group for the period from 6 June 2014 to 30 June 2014.

If the acquisition had occurred on 1 January 2014, management estimates that the consolidated revenue and loss for the period ended 30 June 2014 would have increased by \$0.037 million and (\$0.023) million respectively

(c) Purchase consideration – cash outflow

The outflow of cash to acquire the subsidiary, net of cash acquired.

	For the six months ended 30 June 2014 \$'000
Cash consideration	5,461
Less: Cash balances acquired	(255)
Outflow of cash – investing activities	5,206

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

10. Acquisition of a subsidiary (continued)

(d) Acquisition-related costs

The Group incurred acquisition-related costs of \$0.141 million relating to external legal fees and due diligence costs. In accordance with the requirements of accounting standard AASB 3 *Business Combinations*, these transaction-related costs have been expensed during the period and are included in Administration Expenses in the condensed consolidated interim statement of comprehensive income, and in operating cash flows in the condensed consolidated interim statement of cash flows.

Under AASB 3 *Business Combinations*, the final accounting must be completed within 12 months of the date of acquisition. For the purpose of these financial statements the Group has presented provisional fair values of the assets acquired and liabilities and contingent liabilities assumed.

11. Expenses

	For the six months ended 30 June	
	2014 \$'000	2013 \$'000
Administration expenses		
Wages and salaries, including superannuation	(2,015)	(1,301)
Contractors and consultants	(696)	(1,114)
Travel	(349)	(365)
Accounting and audit	(63)	(135)
Acquisition of subsidiary	(141)	-
Other	(572)	(492)
Total administration expense	(3,836)	(3,407)

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

12. Income tax expense

Numerical reconciliation between tax expense and pre-tax accounting loss

	For the six months ended 30 June	
	2014	2013
	\$'000	\$'000
Profit/(Loss) for the period before tax	(18,665)	(17,033)
Income tax using the domestic corporation tax rate of 30%	(5,600)	(5,110)
Changes in income tax expense due to:		
Effect of tax rates in foreign jurisdictions	2,454	2,288
Other assessable income / non-deductible expenses	(75)	15
Exempt income / non-deductible expenses-royalty liability	1,689	1,608
Current period tax losses for which no deferred tax asset was recognised	2,418	2,836
Total income tax expense on pre-tax net profit / (loss)	886	1,637
Current income tax expense	-	-
Deferred income tax expense	886	1,637
Total income tax expense	886	1,637

Unrecognised deferred tax assets

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

	30 June 2014	31 December 2013
	\$'000	\$'000
Tax losses	15,702	13,010
Total tax assets not recognised	15,702	13,010

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

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

13. Earnings / (loss) per share

	For the six months ended 30 June	
	2014	2013
Earnings / (loss) per share	Cents	Cents
Basic earnings / (loss) per share – cents	(2.307)	(2.828)
Diluted earnings / (loss) per share – cents	(2.307)	(2.828)

(a) Basic earnings / (loss) per share

The calculation of basic earnings per share (EPS) at 30 June 2014 was based on the loss attributable to ordinary equity holders of \$16.638 million (2013 loss of \$13.425 million) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2014 of 721,284,748 (June 2013: 474,816,020)

(b) Diluted earnings / (loss) per share

The calculation of diluted earnings per share at 30 June 2014 is the same as basic earnings per share. The entity had issued 49,527,100 options over ordinary shares (June 2013: 50,147,100). 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.

(c) Weighted average share capital

The weighted average number of ordinary share outstanding during the period has increased significantly due to the completion of an equity raising. The equity raising consisted of placements of 365,876,275 shares at a share price of \$0.165 per share, to raise \$60.370 million, and a Share Purchase Plan to existing shareholders which resulted in the issue of 3,651,569 shares at a share price of \$0.165 per share to raise \$0.603 million (refer note 21).

14. Reconciliation of cash flows from operating activities

	For the six months ended 30 June	
	2014	2013
	\$'000	\$'000
Cash flows from operating activities		
Profit / (loss) for the period	(19,551)	(18,670)
Adjustments for non-cash items:		
Unrealised foreign exchange	990	(133)
Share based payments	252	1,120
Administration expenditure	491	34
(Profit) / loss on revaluation of royalty agreement liability	13,510	12,869
Income tax expense / (benefit)	886	1,637
	(3,422)	(3,143)
Changes in working capital		
(Increase) / decrease in trade and other receivables	66	(1,025)
(Increase) / decrease in prepayments and other current assets	2,921	(1,490)
(Decrease) / increase in trade and other payables	(1,011)	(70)
Net cash from (used in) from operating activities	(1,446)	(5,728)

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

15. Deferred exploration, evaluation and development

	30 June 2014	30 June 2013
	\$'000	\$'000
Cost		
Opening balance	36,083	18,619
Expenditure incurred	10,678	7,245
Effect of movement in exchange rates	(2,828)	878
Exploration, evaluation and development	43,933	26,742
Impairment	-	-
Total exploration, evaluation and development	43,933	26,742

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.

16. Property, plant and equipment

	Land & Buildings	Plant & Equipment	Fixtures & Fittings	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2014				
<i>Cost</i>				
As at 1 January 2014	5,141	2,692	240	8,073
Additions	3	447	-	450
Additions through business combination	1,243	483	-	1,726
Effect of movement in exchange rates	(439)	(228)	-	(667)
As at 30 June 2014	5,948	3,394	240	9,582
<i>Depreciation and impairment</i>				
As at 1 January 2014				
Accumulated Depreciation	(1,049)	(340)	(57)	(1,446)
Charge for the period	(379)	(254)	(24)	(657)
Additions through business combination	(22)	(48)	-	(70)
Effect of movement in exchange rates	88	26	-	114
As at 30 June 2014	(1,362)	(616)	(81)	(2,059)
Net book value: As at 30 June 2014	4,586	2,778	159	7,523
30 June 2013				
<i>Cost</i>				
As at 1 January 2013	3,295	1,161	240	4,696
Additions	-	381	-	381
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				
Charge for the period	(428)	(91)	(9)	(528)
Disposals	(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

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

17. Intangible assets

	<i>Note</i>	Goodwill	Mineral Rights	Other	Total
		\$'000	\$'000	\$'000	\$'000
30 June 2014					
<i>Cost</i>					
As at 1 January 2014		23,193	103,808	104	127,105
Additions		-	-	64	64
Acquisition of a subsidiary		1,021	-	3,149	4,170
Effect of movement in exchange rates		(1,344)	(6,116)	-	(7,460)
As at 30 June 2014		22,870	97,692	3,317	123,879
<i>Amortisation and impairment</i>					
As at 1 January 2014		-	-	(32)	(32)
Charge for the period		-	-	(16)	(16)
As at 30 June 2014		-	-	(48)	(48)
Net book value: At 30 June 2014		22,870	97,692	3,269	123,831
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: As at 30 June 2013		22,533	100,735	85	123,353

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 and Beringovsky Port leasehold rights.

18. Employee benefits

	30 June 2014	31 December 2013
	\$'000	\$'000
Annual leave	346	310
Provision for annual bonus	422	914
	768	1,224

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

19. Deferred Tax Liabilities

The balance comprises temporary differences attributable to:

Exploration and evaluation assets
Mineral rights acquired
Leasehold rights acquired
Total deferred tax liabilities recognised

Deferred tax liabilities to be settled in within 12 months
Deferred tax liabilities to be settled after 12 months
Total deferred tax liabilities recognised

Movement in deferred tax liability

At beginning of period
Exploration and evaluation assets
Leasehold rights acquired
Effects of movement in exchange rates
At end of period

30 June 2014	31 December 2013
\$'000	\$'000
8,504	7,682
19,430	20,628
634	-
28,568	28,310
-	-
28,568	28,310
28,568	28,310
For the six months ended 30 June	
2014	2013
\$'000	\$'000
28,310	21,996
886	1,650
634	-
(1,262)	2,393
28,568	26,039

20. Royalty Agreement Liability

Opening balance of royalty agreement liability
Fair value adjustment to royalty agreement liability
Effect of movement in exchange rates
Total royalty agreement liability recognised

30 June 2014	30 June 2013
\$'000	\$'000
19,994	12,330
13,510	12,869
(1,554)	3,106
31,950	28,305

The royalty agreement liability arose as a consequence of the shift in control of Eastshore Coal Holding Limited ("Eastshore") to Tigers Realm Coal (Cyprus) Pty Ltd ("TRC Cyprus") on 6 May 2011 and the resulting consolidation of Eastshore and its 100% owned subsidiary, North Pacific Coal Company ("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 Coal Investments Limited ("Bering"), which held a 60% equity interest in Eastshore, 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.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

20. Royalty Agreement Liability (continued)

With regards to the Bering Royalty Agreement, prior to 6 May 2011, TRC Cyprus held a 40% interest in Eastshore. TRC Cyprus now holds an 80% interest in Eastshore. 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 Amaam bankable feasibility study ("BFS") 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 2014	30 June 2013
Expiry Date	1 January 2018	1 January 2015
Current price (US\$m) (a)	52.81	41.81
Exercise price of option (US\$m) (b)	61.24	56.36
Time to expiration (days)	1,281	550
Volatility (%/100) (c)	79%	87%
Risk free rate (%/100) (d)	3.08%	3.20%

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

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

(c) TIG share price volatility

(d) 20 Year US bond yield

At 30 June 2014 the fair value of the liability was re-valued to \$31.950 million (30 June 2013: \$28.305 million). This resulted in a loss being taken to the profit or loss of \$13.510 million (June 2013: loss \$12.869 million). The fair value was recalculated based on information available at 30 June 2014. 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.

The expiry date for the option has been extended during the current period. Having completed the Preliminary Feasibility Study in September 2013, TIG's focus is now delivering a BFS in the second half of 2014 and progressing the development of Project F, with first production expected in second half of 2015 and first sales in 2016. Recognizing this change in focus for the Group, the Amaam BFS completion date has been extended 36 months to 1 January 2018, this will be the expiry date for the option and represents the point in time that the Option-holder must make an initial funding decision.

Due to the inherent uncertainties arising from Bering's option to dilute its interest in return for a royalty stream after the completion of the bankable feasibility study, management cannot reliably estimate the timing of any expected outflows of cash if any.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

21. Share capital

	30 June 2014	31 December 2013
	\$'000	\$'000
Share Capital	164,901	103,928
Costs of raising equity	(13,711)	(9,512)
	151,190	94,416

(i) Movements in shares on issue:

	No of shares	Issue price \$	\$'000
Opening balance at 1 January 2013	418,223,017		82,728
<i>Movements in 2013</i>			
Issue of ordinary shares – placement	106,000,000	0.20	21,200
Ordinary shares closing balance at 30 June 2013	524,223,017		103,928
Opening balance at 1 January 2014	524,223,017		103,928
<i>Movements in 2014</i>			
Issue of ordinary shares – placement	365,876,275	0.165	60,370
Issue of ordinary shares – Share Purchase Plan	3,651,569	0.165	603
Closing share capital balance at 30 June 2014	893,750,861		164,901

(ii) Movements in cost or raising equity:

	30 June 2014	30 June 2013
	\$'000	\$'000
Opening balance	(9,512)	(9,163)
Costs incurred	(4,199)	(349)
Closing balance	(13,711)	(9,512)

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

22. Share based payments

Overall impact of share based payments

	For the six months ended 30 June	
	2014	2013
	\$'000	\$'000
Share options granted – equity settled	252	1,120
Total expense recognised as a share based payment cost	252	1,120

Movements in options on issue:

	Date of issue	Number of options	Exercise price \$	Expiry date
Opening balance as at 1 January 2013		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		
Options forfeited		(620,000)		
Closing balance as at 31 December 2013		49,527,100		
Issue of options	04 June 2014	3,000,000	0.500	04 June 2019
Options forfeited		(3,000,000)		
Closing balance as at 30 June 2014		49,527,100		

During the interim financial period, an additional 3,000,000 options were issued to directors and employees as part of the Company option plan, and 3,000,000 options were forfeited, thus bringing the options issued over ordinary shares in the Company to 49,527,100 as at 30 June 2014.

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.

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.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

22. Share based payments (continued)

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

Option Grant Date	04/06/14
Fair value at grant date	\$0.043
Share price at grant date	\$0.140
Exercise price	\$0.50
Performance hurdle	A
Performance period	B
Expiry date	04/06/19
Option life in years	5
Risk Free Interest Rate	3.18%
Expected Dividend Yield	0%
Volatility	77%
Post-vesting Withdrawal Rate	0%
Early exercise Provision	C

Note

- A. Performance hurdle: options vest 12 months after grant date.
- B. Performance period: 12 months after grant date.
- C. 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	
A Gray	1,000,000
R Morgan	1,000,000
T Sitdekov	1,000,000
	3,000,000
Employees	-
Total	3,000,000

23. Financial instruments

The Group holds the following financial instruments:

	30 June 2014 \$'000	31 December 2013 \$'000
Financial assets		
Cash and cash equivalents	39,258	3,749
Trade and other receivables	2,340	1,602
	41,598	5,351
Financial liabilities		
Trade and other payables	1,959	3,747
	1,959	3,747

The Royalty Agreement Liability represents a financial liability that is exposed to currency risk and market price risk and is categorised as a level 3 financial liability in the fair value hierarchy. For details refer to Note 20.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

23. Financial instruments (continued)

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying value amount is a reasonable approximation of fair value.

30 June 2014

	Carrying amount			Fair Value			
	Loans & Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	\$'000			\$'000	\$'000	\$'000	\$'000
Financial assets not measured at fair value							
Cash and cash equivalents	39,258	-	39,258	-	-	-	-
Trade and other receivables	2,340	-	2,340	-	-	-	-
	41,598	-	41,598	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	-	1,959	1,959	-	-	-	-
	-	1,959	1,959	-	-	-	-

31 December 2013

	Carrying amount			Fair Value			
	Loans & Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	\$'000			\$'000	\$'000	\$'000	\$'000
Financial assets not measured at fair value							
Cash and cash equivalents	3,749	-	3,749	-	-	-	-
Trade and other receivables	1,602	-	1,602	-	-	-	-
	5,351	-	5,351	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	-	3,747	3,747	-	-	-	-
	-	3,747	3,747	-	-	-	-

(b) Fair value hierarchy

All financial instruments for which fair values are recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities:
- Level 2 Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable); and
- Level 3 Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

During the six month period ended 30 June 2014, there were no transfers between Level 1, and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

23. Financial instruments (continued)

(c) Exposure to liquidity risk

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

The Group has utilised the following loan facilities to manage liquidity risk.

- \$2.000 million short term unsecured loan facility with Tigers Realm Minerals Pty Limited. The loan facility was established on 21 November 2013 and did not attract interest. On 14 February 2014 the loan facility was increased by \$0.500 million to \$2.500 million. On 14 April 2014 the loan facility was cancelled, not having been drawn upon.
- \$0.500 million short term unsecured loan facility with a Director, Mr Antony Manini. The loan facility was established on 21 November 2013 and did not attract interest. The loan facility was cancelled on 16 January 2014, not having been drawn upon.
- \$0.500 million short term unsecured loan facility with a Director, Mr Owen Hegarty. The loan facility was established on 26 November 2013 and did not attract interest. The loan facility was cancelled on 16 January 2014, not having been drawn upon.

There are no loan facilities in existence at 30 June 2014.

24. 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.

25. Contingencies

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

26. 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.

(b) Transactions with key management personnel

The key management personnel received cash compensation during the period, and they participated in the Share Option Scheme.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial statements (continued)

For the six month period ended 30 June 2014

26. Related parties disclosure (continued)

(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 30 June
	Note	2014 \$'000	2014 \$'000	2013 \$'000	2013 \$'000
Group					
TRM services provided	(a)	(502)	(61)	(678)	(123)
Payment to Director	(b)	(5)	-	(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) In 2012 the Company 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. The Consultancy Agreement expired in December 2013, and has not been renewed.

(d) Loan facilities from related party transactions

The Group has utilised the following loan facilities to manage liquidity risk.

- \$2.000 million short term unsecured loan facility with Tigers Realm Minerals Pty Limited. The loan facility was established on 21 November 2013 and did not attract interest. On 14 February 2014 the loan facility was increased by \$0.500 million to \$2.500 million. On 14 April 2014 the loan facility was cancelled, not having been drawn upon.
- \$0.500 million short term unsecured loan facility with a Director, Mr Antony Manini. The loan facility was established on 21 November 2013 and did not attract interest. The loan facility was cancelled on 16 January 2014, not having been drawn upon.
- \$0.500 million short term unsecured loan facility with a Director, Mr Owen Hegarty. The loan facility was established on 26 November 2013 and did not attract interest. The loan facility was cancelled on 16 January 2014, not having been drawn upon.

27. Subsequent events

Subsequent to 30 June 2014 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 7 July 2014 the Company announced that 1,000,000 share options had lapsed and had been removed from the Company's option register.
- On 25 August 2014 the Company announced that it has entered into a US\$5.000 million, two year finance lease arrangement to assist in the supply of a small fleet of mobile equipment to commence early stage development at Project F on the Amaam North tenement. Additional costs of the acquisition of mining vehicles and equipment will be financed from TIG's cash reserves.
- On 1 September 2014 the Group announced that an extension of the Exploration Licence over the Amaam tenement until 1 December 2017 has been granted by Rosnedra, and registered by Dalnedra (the Branch of Rosnedra for the Far Eastern Federal District based in Khabarovsk).
- On 2 September 2014 the Company announced that 24,606,100 share options had lapsed and had been removed from the Company's option register.

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 10 to 33 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 2014 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 2014.



Antony Manini
Chairman

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

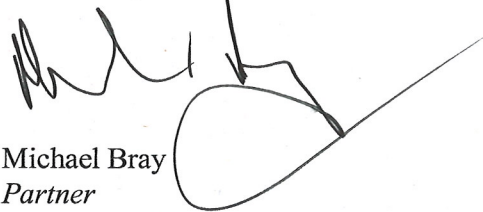
To: the directors of Tigers Realm Coal Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the interim period ended 30 June 2014 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

9 September 2014

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 (the company), which comprises the condensed consolidated interim statement of financial position as at 30 June 2014, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the interim period ended on that date, notes 1 to 27 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 2014 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 2014 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, we draw attention 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 interim financial report.

KPMG

KPMG



Michael Bray
Partner

Melbourne

9 September 2014