

Tigers Realm Coal Limited
Appendix 4D – Half year report
For the six months ended 30 June 2017

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

Current Period:	1 January 2017 to 30 June 2017
Previous corresponding period	1 January 2016 to 30 June 2016

2. Results for announcement to the market

	30 June 2017	30 June 2016	Change
	'000s	'000s	%
2.1 Revenue	58	27	115%
2.2 Net (Loss) from ordinary activities	(6,276)	(4,438)	41%
2.3 Net (Loss) attributable to owners of the Company	(5,429)	(3,769)	44%

2.4 Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to 30 June 2017.

2.5 Commentary

Net loss from ordinary activities increased by \$1,838 thousand (41%) for the six months to 30 June 2017 as compared to the corresponding six-month period to 30 June 2016 as a result of the increase in the provision for royalty liabilities of \$1,062 thousand, change in provisions for coal inventories of \$927 thousand and \$445 thousand in legal fees primarily in respect of executing the acquisition of the remaining 20% non-controlling interests in Rosmiro and restructuring existing royalty arrangements during the six month period ended 30 June 2017.

3. Net tangible assets per ordinary share

	30 June 2017	30 June 2016	Change
	cents	cents	%
Ordinary shares	1.26	0.99	27%

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

No entities were acquired or disposed of during the six months ended 30 June 2017

5. Details of associates and joint venture entities:

No investments in associates or joint ventures are held by the Group.

6. Foreign entities

Not applicable

7. Audit dispute or qualification

The interim financial statements for the six month period ended 30 June 2017 have no audit dispute nor qualification.

+ See chapter 19 for defined terms.

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Tigers Realm Coal Limited
(ABN 50 146 752 561)

Interim Financial Report
For the six months ended 30 June 2017

Tigers Realm Coal Limited

Corporate Directory

DIRECTORS

Craig Wiggill (Chairman)
Owen Hegarty
Bruce Gray
Ralph Morgan
Tagir Sitdekov
Nikolay Ishmetov (Alternate for Tagir Sitdekov)

COMPANY SECRETARY

David Forsyth

PRINCIPAL & REGISTERED OFFICE

151 Wellington Parade South, East Melbourne
Melbourne, Victoria, 3002

Tel: 03 8644 1300

Email: investorrelations@tigersrealmcoal.com

AUDITORS

Deloitte Touche Tohmatsu
123 Eagle Street
Brisbane, Queensland 4000

BANKERS

Commonwealth Bank of Australia Limited
727 Collins Street,
Melbourne, Victoria 3008

Tigers Realm Coal Limited

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Tigers Realm Coal Limited
Directors Report
For the six months ended 30 June 2017

1. Directors and Company Secretary

The Directors, Alternate Director and Company Secretary of Tigers Realm Coal Limited are:

Name	Role
Mr Craig Wiggill (Chairman) BSc Eng	Independent Non-Executive Director
Mr Owen Hegarty BEc (Hons), FAusIMM	Non-Executive Director
Mr Bruce Gray MB, BS, MS, PhD, FRACS	Non-Executive Director
Mr Ralph Morgan BA, MPhil	Non-Executive Director
Mr Tagir Sitdekov MBA	Non-Executive Director
Mr Nikolay Ishmetov MSc in Finance	Alternate Director to Tagir Sitdekov, appointed 1 July 2017
Mr David Forsyth FGIA, FCIS, FCPA	Company Secretary

All Directors except Nikolay Ishmetov have been in office since 1 January 2017.

2. Directors' meetings

During the six month period to 30 June 2017, 4 Directors' meetings were held for Tigers Realm Coal Limited ("TIG" or "the Company").

3. Principal activities

The principal activity of TIG and its subsidiaries (together "the Group") is the identification, exploration, and development of coking coal deposits in the Far East of the Russian Federation.

4. Review of Operations

Business Strategies and Group Objectives

The Group's activities continue with the objective being the ongoing development of its two well-located coking coal projects in the Far East of the Russian Federation:

- Amaam North: a low cost starter project which commenced commercial mining operations in January 2017 and in respect of which the first sale of coal occurred in July 2017; and
- Amaam: a large-scale coking coal project targeted for up to 6.5Mtpa of production from dedicated new infrastructure.

Amaam North, and specifically Fandyushkinsky Field Licence AND 15813 TE area ("Project F"), has progressed significantly from the initial Resource announcement in July 2013 and the Preliminary Feasibility Report completed in September 2013, to a Feasibility Study in November 2014 and Project F Feasibility Study Update announced in April 2016. Subsequently, a non-renounceable rights issuance was successfully completed, the primary use of proceeds targeting the implementation of Phase One of Project F. Commercial mining activities commenced in January 2017 and the first shipment of coal loaded in July 2017.

Tigers Realm Coal Limited

Directors Report

For the six months ended 30 June 2017

Business Strategies and Group Objectives (Continued)

Project F Phase One production is estimated to reach approximately 265 thousand tonnes of marketable coal in 2017, with approximately 160 to 200 thousand tonnes to be shipped during the 2017 summer shipping season. Production is expected to potentially expand to the annual rate of up to 600 thousand tonnes in 2018. Project F Phase Two includes the upgrade of Beringovsky Port's capacity and the construction of a coal handling and processing plant ("CHPP"), with coal product mining and sales expected to increase to approximately 1 million tonnes per annum. Phase Two requires a significant further capital investment, for which the Group currently is assessing alternative financing solutions.

Amaam is a core asset of the Group, being a potentially 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 an estimated 20 year life of mine. It involves the construction of a CHPP and associated infrastructure, a coal terminal with loading facilities on the nearby Arinay Lagoon and an all-weather 25km rail line or road to connect them. A Prefeasibility Study was released in April 2013 and since then the Group has completed further drilling and exploration activities, updated the resource estimate and obtained Exploration Licence extensions through to 2019, which enables the Company to continue its resource drilling programs, feasibility studies and works required to convert its Coal Resource to Extraction and Mining Licences.

During the six months to 30 June 2017, the Group focused on the following:

- Mining operations including the removal of waste overburden and extraction of run of mine ("ROM") coal;
- Mine planning activities;
- Assessment and enhancement/improvement of logistics processes related to the movement of coal from the mine pit to the Beringovsky Port stockpile;
- Commencement of construction works on upgrading the winter road constructed in the second half of 2016 to a year-round, all weather road;
- Staff recruitment and training on health and safety and operational practices;
- Seeking financing options for further development of Project F;
- Permitting works, including receipt of the Exploration and Extraction (Mining) Licence in the Amaam Project Area, namely the Nadezhny Licence;
- Completion of the transaction with the Company's partners in the Amaam North and Amaam projects, including acquiring the Group's partners' interests in Amaam North and restructuring the Amaam North royalty obligations; and
- Operation of Beringovsky Port and Coal Terminal ("Port Ugolny").

The Group has the following objectives for the second half of 2017:

- Complete the coal sales as planned for the summer shipping season and assess processes for further enhancement/improvement;
- Continue mine planning and coal mining activities;
- Complete the upgrade to a year-round, all weather road;
- Procurement activities necessary for implementation of the Group's 2017-2018 production plan;
- Complete the activities required to maintain tenure of all Exploration and Mining Licences;
- Complete the transaction with the Company's partners in the Amaam North and Amaam projects;
- Continue operations of Port Ugolny; and
- Continue negotiations with potential finance providers for the funding of Project F, Phase Two including the construction of the coal handling and processing plant ("CHPP") and port upgrade.

Operational Highlights for the six months to 30 June 2017

Amaam North – Project F

During the six months to 30 June 2017, the Group:

- Mined 115 thousand tonnes of ROM coal, of which 99 thousand was delivered to Port Beringovsky and stockpiled for further shipment;
- Removed 310 thousand bcm of waste from the mine site, resulting in an average stripping ratio for the period of 2.7:1;
- Commenced works in May 2017 on upgrading the mine to port road to a year-round, all weather, transport corridor;
- Signed its first sales agency and first sales agreements; and
- Continued procurement activities with the objective of further enhancing its mining and logistics capabilities.

Tigers Realm Coal Limited

Directors Report

For the six months ended 30 June 2017

Operational Highlights for the six months to 30 June 2017 (continued)

The Group also focused on the completion of aspects of mine permitting and the provision of formal notifications to regulatory bodies and commenced the process of negotiating with various financial institutions in respect of the financing of Project F, Phase Two, being the infrastructure and Port upgrade and construction of a CHPP.

Operating Performance and Financial Position

For the six month period ended 30 June 2017 the Group had a net loss of \$6.276 million (six months to 30 June 2016: loss \$4.438 million) and at 30 June 2017 had net equity of \$14.594 million (31 December 2016: \$20.511 million). The Group's primary operational focus during the six months ended 30 June 2017 was coal mining and the negotiation of coal sales agreements. As a result of the mining activities undertaken during the six months ended 30 June 2017, the Group mined 115 thousand tonnes of saleable coal. The Group executed its first sales agency and first coal sales agreements in the six months ended 30 June 2017, the first shipment of coal being completed in July 2017.

During the six months ended 30 June 2017, cash outflows from operating activities were \$7.040 million (six months to 30 June 2016: outflows of \$3.524 million).

The Group's cash balance decreased by \$12.027 million over the six month period to 30 June 2017 from \$17.109 million to \$5.082 million. The reduction in cash balance is a result of the Group commencing commercial mining operations, with the value of coal inventories mined and on hand at 30 June 2017 being \$3.493 million, net of \$0.927 million in a provision for the lower of cost and net realisable value of coal at both the Group's interim (A\$0.650 million) and port (A\$0.277 million) stockpiles. Furthermore, the Group paid \$1.392 million in finance lease obligations and \$2.810 million for investments in property, plant and equipment. The Group had no bank debt.

Royalty Agreement liability

After the assessment of the provision for the obligations under the Royalty Agreement liability at 30 June 2017, the Group increased the royalty liability by \$0.833 million to \$4.514 million (At 31 December 2016: \$3.681 million).

Carrying value of non-current assets

The Group made an assessment of impairment conditions and concluded that market conditions have not materially changed since 31 December 2016, and accordingly there is no need to further impair or reverse impairment losses previously recognised.

5. Events subsequent to reporting date

Completion of transaction with Partners

On 6 July, 2017, the Group completed the transaction contemplated in the Heads of Agreement ("HOA") dated 29 June 2016, as a result of which the Group acquired the remaining 20% interest in the Amaam North project from its partners, terminated the shareholders agreement of January 2012 and in parallel restructured the related royalty arrangements, as a result of which the royalty obligations were capped at US\$25 million, to be payable no later than 20 years from the completion date.

The primary consequences of completing the transaction on the Amaam North Project are:

- TIG acquired its partner's 20% interest in the Amaam North project; and
- The existing royalty structure was redefined as a result of which the royalties payable to TIG's partner are reduced from a maximum of 5% of coal sales revenue, as follows:
 - For annual coal sales in excess of 100,000 tonnes per year, annual payments are 1.5% of gross sales revenues for the first five years, 2.25% of gross sales revenues for the three subsequent years, and 3% of gross sales revenues thereafter;
 - Under certain circumstances, TIG may elect to pay up to 50% of the amount due for any year in TIG shares;
 - Irrespective of the amount paid, annual payments will cease after 2037; and
 - Total royalty payments are capped at US\$25 million and are accrued and payable for a period of no more than 20 years from the date of executing the documentation to realise the HOA.

The abovementioned transaction also implemented amendments to the Amaam shareholders' agreement ("SHA") to simplify the processes governing the joint venture partners' decision to develop and mine coal at the Amaam Project and corporate reporting and board processes, work program approval and other management processes.

Lapse of Options

On 14 July 2017, TIG announced that 1,857,000 options lapsed in the six months to 30 June 2017 and had been removed from the Company's option register.

Tigers Realm Coal Limited
Directors Report
For the six months ended 30 June 2017

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. Directors' interests

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

	Tigers Realm Coal Limited	
	Ordinary shares	Options over ordinary shares
OL Hegarty	30,412,029	2,500,000
C Wiggill	1,200,000	2,500,000
B Gray	378,001,865	-
R Morgan	-	1,500,000
T Sitdekov	-	1,500,000
N Ishmetov (Alternate to T Sitdekov)	-	-

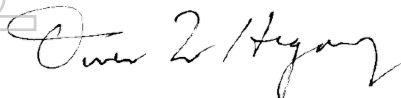
8. Auditor's Independence Declaration

The auditor's independence declaration is set out on page 23 and forms part of the Directors' report for the interim period ended 30 June 2017.

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

Dated at Melbourne this 30th day of August 2017.

Signed in accordance with a resolution of the Directors:



Owen Hegarty
Non-Executive Director

Tigers Realm Coal Limited
Condensed consolidated interim statement of financial position
As at 30 June 2017

	Note	30 June 2017 \$'000	31 December 2016 \$'000
Current Assets			
Cash and cash equivalents		5,082	17,109
Trade and other receivables		1,564	1,390
Inventories	11	4,371	965
Prepayments		556	566
Other current assets		741	728
Total current assets		12,314	20,758
Non-current assets			
Property, plant and equipment	12	10,334	7,498
Total non-current assets		10,334	7,498
Total assets		22,648	28,256
Current Liabilities			
Trade and other payables		1,212	651
Lease liability	13	1,016	2,011
Royalty liability	14	287	216
Employee benefits		351	433
Total current liabilities		2,866	3,311
Non-current liabilities			
Lease liability	13	763	828
Employee benefits		133	141
Provision for site restoration		65	-
Royalty liability	14	4,227	3,465
Total non-current liabilities		5,188	4,434
Total liabilities		8,054	7,745
Net assets		14,594	20,511
Equity			
Share capital	15	173,747	173,747
Reserves		35,232	35,729
(Accumulated deficit)		(163,160)	(157,731)
Total equity attributable to equity holders of the Company		45,819	51,745
Non-controlling interest		(31,225)	(31,234)
Total equity		14,594	20,511

The notes on pages 12 to 21 are an integral part of the condensed consolidated interim financial report.

Tigers Realm Coal Limited

Condensed consolidated interim statement of comprehensive income For the six months ended 30 June 2017

	Note	30 June 2017 \$'000	30 June 2016 \$'000
Other income		58	27
Administrative and other operating expenses	8	(3,097)	(1,063)
Share based payments	16	(61)	(216)
Exploration and evaluation expenses		-	(3,113)
Change in provision for inventory losses and the lower of cost and net realisable value		(1,284)	-
Change in provision for obligations under royalty agreements	14	(1,062)	-
Results from operating activities		(5,446)	(4,365)
Finance income		5	-
Finance costs		(165)	(158)
Net foreign exchange (loss)/gain		(667)	115
Net finance (costs)		(827)	(43)
(Loss) before income tax		(6,273)	(4,408)
Income tax (expense)		(3)	(30)
Net (Loss) from continuing operations		(6,276)	(4,438)
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		298	798
Total comprehensive loss for the period		(5,978)	(3,640)
Net (Loss) is attributable to:			
Owners of the Company		(5,429)	(3,769)
Non-controlling interest		(847)	(669)
(Loss) for the period		(6,276)	(4,438)
Total comprehensive gain/(loss) attributable to:			
Owners of the Company		(5,987)	(1,884)
Non-controlling interest		9	(1,756)
Total comprehensive (loss) for the period		(5,978)	(3,640)
(Loss) per share (cents per share)			
Basic (loss) per share (cents)	10	(0.30)	(0.42)
Diluted (loss) per share (cents)	10	(0.30)	(0.42)

The notes on pages 12 to 21 are an integral part of the condensed consolidated interim financial report.

Tigers Realm Coal Limited
Condensed consolidated interim statement of changes in equity
For the six month period ended 30 June 2017

<i>Notes</i>	Share Capital \$'000	(Accumulated Deficit) \$'000	Share based payments reserve \$'000	Foreign Currency Translation Reserve \$'000	Other Reserve \$'000	Total \$'000	Non-controlling Interest \$'000	Total \$'000
Balance as at 1 January 2017	173,747	(157,731)	6,603	10,544	18,582	51,745	(31,234)	20,511
Net (Loss) for the period	-	(5,429)	-	-	-	(5,429)	(847)	(6,276)
Other comprehensive income/(loss) for the period	-	-	-	(558)	-	(558)	856	298
Total comprehensive income/(loss) for the period	-	(5,429)	-	(558)	-	(5,987)	9	(5,978)
Transactions with owners, recorded directly in equity								
Share based payment transactions	16	-	61	-	-	61	-	61
Total transactions with owners		-	61	-	-	61	-	61
Balance at 30 June 2017	173,747	(163,160)	6,664	9,986	18,582	45,819	(31,225)	14,594
Balance as at 1 January 2016	151,185	(146,963)	6,355	7,072	18,582	36,231	(27,250)	8,981
Net (Loss) for the period	-	(3,769)	-	-	-	(3,769)	(669)	(4,438)
Other comprehensive income/(loss) for the period	-	-	-	1,885	-	1,885	(1,087)	798
Total comprehensive income/(loss) for the period	-	(3,769)	-	1,885	-	(1,884)	(1,756)	(3,640)
Transactions with owners, recorded directly in equity								
Cost of raising equity	(303)					(303)		(303)
Share based payment transactions	16	-	216	-	-	216	-	216
Total transactions with owners		(303)	216	-	-	(87)	-	(87)
Balance at 30 June 2016	150,882	(150,989)	6,571	9,214	18,582	34,260	(29,006)	5,254

The notes on pages 12 to 21 are an integral part of the condensed consolidated interim financial report.

Tigers Realm Coal Limited
Condensed consolidated interim statement of cash flows
For the six months period ended 30 June 2017

Note	30 June 2017	30 June 2016
	\$'000	\$'000
Cash flows from operating activities		
Interest income	5	-
Exploration and evaluation expenditure	-	(2,518)
Payments to suppliers and employees	(6,884)	(844)
Interest paid	(161)	(162)
Net cash (used in) operating activities	(7,040)	(3,524)
Cash flows from investing activities		
Payments for property, plant and equipment	(2,810)	-
Net cash (used in) investing activities	(2,810)	-
Cash flows from financing activities		
Repayment of finance lease liabilities	(1,392)	(1,000)
Share issue costs	(15)	(42)
Net cash from financing activities	(1,407)	(1,042)
Net movement in cash and cash equivalents	(11,257)	(4,566)
Cash and cash equivalents at beginning of the period	17,109	7,074
Effects of exchange rate changes on cash and cash equivalents	(770)	(100)
Cash and cash equivalents at the end of the period	5,082	2,408

The notes on pages 12 to 21 are an integral part of the condensed consolidated interim financial report.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2017

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 changed during the six months to 30 June 2017 from Level 7, 333 Collins Street, Melbourne, 3000 to 151 Wellington Parade South, East Melbourne, 3002. The condensed consolidated interim financial statements as at and for the six months ended 30 June 2017 comprise the Company and its subsidiaries (together referred to as the “Group”). The Group is a for-profit entity and primarily involved in coal mining, sales and exploration and evaluation activities.

The consolidated annual financial report for the year ended 31 December 2016 is available on request at the Company’s registered office at 151 Wellington Parade South, East Melbourne, 3002, 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 and in compliance with IAS 34 *Interim Financial Reporting*.

The condensed consolidated interim financial report does not include all of the information and disclosures required for a full annual financial report, and should be read in conjunction with the consolidated annual financial statements as at and for the year ended 31 December 2016.

The condensed consolidated interim financial report was authorised for issue by the Board of Directors on 30 August 2017.

3. Basis of preparation

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments and share based payment expenses reflected at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

Going concern basis of accounting

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

For the six month period ended 30 June 2017 the Group had a net loss of \$6.276 million (six months to 30 June 2016: loss \$4.438 million) and the net cash outflows from operating activities were \$7.040 million (six months to 30 June 2016: net outflows of \$3.524 million). As at 30 June 2017 the Group had cash and cash equivalents of \$5.082 million (31 December 2016: \$17.109 million).

Based on the Group’s forecast cash flows, the Group will be able to continue as a going concern throughout the 12 months from the date of signing this report. This forecast, however, is dependent upon the continued successful implementation of Project F, Phase One, which is primarily dependent upon:

- Actual mining and production levels being achieved and implemented within the expected cost levels, structure and timing;
- Coal shipments being realised within the forecast scheduling parameters, which are subject to a number of factors including but not limited to transshipment efficiency and weather conditions;
- The ability to raise external financing to meet any short term cashflow deficits which may arise due to the seasonality of coal sales;
- Estimated sales prices and settlement terms being substantively achieved;
- Compliance with ongoing obligations in accordance with the terms of the Amaam and Amaam North mineral licences; and
- Macroeconomic factors including the commodity (specifically coal) prices, exchange rates and the financial markets.

After making enquiries, and considering the dependencies described above, the Directors are of the view that the continued application of the going concern basis of accounting is appropriate due to the following factors:

- Commercial mining activities commenced in January 2017 and, for the six months to 30 June 2017, there have been no factors or events which would indicate that the forecasted mining volumes and coal qualities will not be achieved. Furthermore, the cost of coal mining is in line with previous expectations;
- The initial coal shipped and the related transshipment processes implemented in July 2017, indicate that management’s expectations were and continue to be in line with the port’s current technical capabilities. Coal shipments have been forecasted after consideration of those climatic and other conditions which would be reasonably expected to occur and influence the Group’s shipping capabilities. The occurrence of materially adverse conditions in excess of reasonable conditions may influence the Group’s ability to meet the expected shipping schedules;

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2017

3. Basis of preparation

Going concern basis of accounting (continued)

- The expectations for coal pricing are based on coal quality testing and preliminary discussions held with potential customers for coal delivery in the 2017 shipping season. Any adverse change in the coal markets may influence the Group's ability to achieve forecasted coal sales prices and resulting forecasted cash liquidity levels;
- The completion of the Licence Actualisation process, whereby obligations under the mineral licences related to both the Amaam and Amaam North tenements have been restructured, provides the Group a short-term relief from any material exploration obligations in the year to 31 December 2017. The management have included outflows in respect of licence obligations which are expected to be completed in 2017 and may potentially be deferred to 2018 with minimal additional cost or risk of non-compliance with licence terms and conditions. There is, therefore, a reasonable expectation that the Group will be able to successfully comply with exploration licence obligations, as reflected in the forecast;
- The nature of the Group's operations is such that there may arise temporary, short-term cash shortfalls from the seasonality of coal sales, coal shipments primarily occurring through the June-October period and the year-round nature of production and related costs. The Group expects that if such circumstances arise, management will be able, amongst other means, to address such shortfalls through obtaining external financing, inclusive of either bank or export sales financing, on terms and conditions most favourable to the shareholders as and when the time may require. The Group's ability to obtain such external financing does not preclude management implementing alternative courses of action to address any anticipated cash deficits, which may arise, in addition to or in place of obtaining said external financing arrangements; and
- The Group retains the right to develop Phase 2 Project F only on the existence of those internal and macroeconomic conditions, including but not limited to favourable coking coal price outlook, which would allow the Group to raise that additional funding required to finance the capital investment and operational requirements of the implementation of Phase 2 of Project F by making such a development commercially viable.

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

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 2016, except for the adoption of the new standards and interpretations as of 1 January 2017, noted below.

The Group has adopted the following amendments to standards, with a date of initial application of 1 January 2017:

- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

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

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

5. Use of estimates and judgements

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as and for the year ended 31 December 2016.

6. 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 2016.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2017

7. Segment reporting

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

The accounting policies used by the Group in reporting segments internally are the same as the Group accounting policies. In the six months ended 30 June 2017 the mineral mining and exploration activities of the Group are managed in two reportable operating segments outlined below, consistent with how they were managed in the 2016 financial year:

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

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

	Amaam North Project	Amaam Project	Total Reportable Segments	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2017					
Total segment revenue (interest and other income)	53	-	53	5	58
Change in inventory provision	(1,284)	-	(1,284)	-	(1,284)
Depreciation	(86)	-	(86)	-	(86)
Change in provision for obligations under royalty agreements	(1,062)	-	(1,062)	-	(1,062)
Other segment expense	(1,775)	(79)	(1,854)	(1,213)	(3,067)
Finance costs	(165)	-	(165)	-	(165)
Net foreign exchange gain / (loss)	102	(3)	99	(766)	(667)
Segment result	(4,217)	(82)	(4,299)	(1,974)	(6,273)
Segment assets	18,877	54	18,931	3,717	22,648
Segment liabilities	(7,703)	(40)	(7,743)	(311)	(8,054)
30 June 2016	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue (interest and other income)	26	1	27	-	27
Depreciation	(214)	-	(214)	-	(214)
Other segment expense	(3,524)	(51)	(3,575)	(603)	(4,178)
Finance costs	(158)	-	(158)	-	(158)
Net foreign exchange gain	-	-	-	115	115
Segment result	(3,870)	(50)	(3,920)	(488)	(4,408)
Segment assets	7,782	213	7,995	889	8,884
Segment liabilities	(3,135)	(25)	(3,160)	(470)	(3,630)

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2017

8. Administrative and other operating expenses

	For six month ended 30 June	
	2017 \$'000	2016 \$'000
Wages and salaries, including superannuation contributions	(1,154)	(179)
Contractors and consultants' fees	(583)	(320)
Legal fees and compliance costs	(561)	(107)
IT and communications	(94)	(28)
Depreciation	(86)	(214)
Transportation and freight costs	(76)	-
Travel costs	(59)	(10)
Insurance	(51)	(49)
Accounting and audit fees	(60)	(57)
Loss from port operations	(28)	(35)
Other	(345)	(64)
Total	(3,097)	(1,063)

9. Carrying value of non-current assets

As at 30 June 2017, management performed an assessment of the carrying value of non-current assets in order to determine whether there is any indication that non-current assets may be impaired or an impairment loss recognised in prior periods may no longer exist or may have decreased.

Amaam North Project Cash Generating Unit ("CGU")

During the six months ended 30 June 2017, with further progression of Phase One of Project F, non-current assets of Amaam North Project CGU increased to A\$10.334 million as of 30 June 2017 (refer to Note 12 for details).

As at 30 June 2017, consistent with 31 December 2016, the management of the Group concluded that market conditions and the stage of the Group's development indicate no necessity for neither further impairment of the CGU's non-current assets, nor the reversal of impairment losses recognised in prior periods.

Management believe that at this early stage of Amaam North's development, until both production and sales levels and related financial performance assumptions currently included in deriving the Amaam North CGU's positive recoverable amount, are verified by sufficient observable indications of the ability to achieve these assumptions on an ongoing basis, there is no necessity for the reversal of impairment losses recognised in prior periods.

Amaam Project CGU

During the six months ended 30 June 2017, there were minimal activities undertaken at the Amaam Project CGU and the carrying value of non-current assets remained \$Nil as at 30 June 2017. As the development of the Amaam Project is not expected in the foreseeable future, the management of the Group concluded that there are no indications of the reversal of impairment losses recognised in prior periods present as at 30 June 2017.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2017

10. (Loss) per share

(Loss) per share

Basic (loss) per share – cents
Diluted (loss) per share – cents

For the six months ended 30 June	
2017 cents	2016 cents
(0.30)	(0.42)
(0.30)	(0.42)

Basic and diluted (loss) per share

The calculation of basic and diluted (loss) per share (EPS) at 30 June 2017 was based on the loss attributable to ordinary equity holders of the Company of \$5.429 million (six months to 30 June 2016: loss of \$3.769 million) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2017 of 1,791,669,870 (six months to 30 June 2016: 895,084,897). The Company had 24,302,000 options over ordinary shares outstanding as at 30 June 2017 (30 June 2016: 31,406,000). The options over ordinary shares could potentially dilute basic earnings per share in the future. However, they have been excluded from the calculation of diluted earnings per share because they are anti-dilutive for the reporting period.

11. Inventories

Coal inventories, net of provisions of \$0.927 million for recognition of inventories at the lower of cost and their net realisable value (At 31 December 2016: nil)
Fuel, net of provisions of \$0.029 million (At 31 December 2016 \$0.087 million)
Other consumables, net of provisions of \$0.213 million (At 31 December 2016 \$0.417 million)

30 June 2017 \$'000	31 December 2016 \$'000
3,493	-
131	388
747	577
4,371	965

12. Property, plant and equipment

As at 30 June 2017, the carrying value of property, plant and equipment is \$10.334 million, comprised of assets under construction of \$3.174 million, mine infrastructure of \$1.516 million and plant and equipment of \$5.644 million (31 December 2016: the carrying value of property, plant and equipment was \$7.498 million, comprised of assets under construction of \$0.355 million, mine infrastructure of \$1.665 million and plant and equipment of \$5.478 million). During the six months to 30 June 2017, the Group had additions of \$3.923 million, of which the most significant additions were in respect of: \$2.197 million on mine infrastructure additions, including upgrading the road from the mine to Beringovsky port, acquisition of a coal crusher for \$0.426 million and works on a customs checkpoint of \$0.340 million.

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2017

13. Lease Liability

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

	Currency	Effective interest rate	Year of maturity	30 June 2017	
				Value at inception '000	Carrying amount \$'000
CAT finance lease liabilities	USD	10.29%	2017	USD 10,095	USD 547
Scania finance lease liabilities	RUB	20.24%	2020	RUB 81,165	RUB 48,860

CAT finance lease

In June 2017, changes were made to the repayment schedule in respect of the CAT finance lease agreement entered into in 2014, as amended in 2015, as a result of which the Group postponed the payments for June through August inclusive to September and October, the maturity of the finance lease continues to be October 2017.

Scania finance leases

In June 2017, changes were made to the repayment schedule in respect of the Scania finance lease agreement entered into in 2016, as a result of which the Group postponed the payments for July through August inclusive to September and October. However, the maturity of the finance lease continues to be in 2020.

Lease advances

In March 2017, the Group entered into an agreement with Scania for the purchase of 5 trucks and paid an advance of RUB 13.129 million (A\$0.288 million), the total contract value upon inception being RUB 59.883 million (A\$1.409 million). As of 30 June 2017, the equipment was in transit, with remaining contractual payments at 30 June 2017 of RUB 46.519 million (A\$1.020 million).

In June 2017, the Group entered into an agreement with Liebherr to purchase 1 dump truck in accordance with which an advance of RUB 2.041 million (A\$0.044 million) was paid of a total contract value upon inception of RUB 17,474 (A\$0.383 million). As of 30 June 2017, the truck was in transit, with remaining contractual obligations of RUB 15,432 million (A\$0.339 million).

	30 June 2017 \$'000	31 December 2016 \$'000
Finance Lease		
Lease expenditure contracted and provided for:		
Payable not later than one year	1,193	2,304
Payable later than one year, not later than five years	908	1,052
Payable later than five years	-	-
	2,101	3,356
Future finance charges	(322)	(517)
Total lease liabilities	1,779	2,839
Current	1,016	2,011
Non-current	763	828
	1,779	2,839

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2017

14. Royalty Agreement Liability

	30 June 2017 \$'000	31 December 2016 \$'000
Opening balance of royalty agreement liability	3,681	-
Change in provision from obligations under royalty agreements	1,062	3,681
Effect of movement in exchange rates	(229)	-
Ending balance of royalty agreement liability	4,514	3,681
Current	287	216
Non-current	4,227	3,465

The Group entered into a number of royalty agreements as part of obtaining interests in the Amaam North and Amaam Projects. These royalty agreements are dependent upon the performance of a number of conditions precedent, the realisation of which may result in royalty payments of up to 5% of the free on board (FOB) value of coal sales revenues.

Amaam North Royalty Liability

In 2016, the Group concluded it is probable that an outflow of resources embodying economic benefits will be required to settle royalty obligations and accordingly a provision was required for the obligations under the existing royalty agreements with BS Chukchi and Siberian Tigers. Subsequent to 30 June 2017, the Group concluded the completion documents to give effect to the substance of the Heads of Agreement dated 29 June 2016, as a result of which the royalty obligations were restructured - refer to Note 21 Subsequent Events.

While the amount of provision recognised represents the best estimate of the expenditure required to settle the obligations under existing royalty agreements, this estimate is based on estimates of possible outcomes and financial effect, which were determined by the application of management's judgement on a number of key assumptions used in determining the amount of provision, including:

- the discount rate used;
- the probability of successful implementation of Phase One of Project F and commencement of Phase Two;
- the likelihood of achieving forecast coal sales prices; and
- the Australian Dollar to US Dollar exchange rate.

Amaam Royalty Liability

No liability was recognised at 30 June 2017 (31 December 2016: Nil) in relation to Amaam Project royalty arrangements with Bering and Siberian Tigers due to the Project's exploration and evaluation activities not being complete and insufficiently favourable coal price forecasts to enable the Company to conclude that the project may be realized on a commercially viable basis.

15. Share capital

	30 June 2017 \$'000	31 December 2016 \$'000
Share Capital	188,197	188,197
Costs of raising equity	(14,450)	(14,450)
	173,747	173,747

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.

Costs of raising equity are recognised when they are incurred.

Tigers Realm Coal Limited
Notes to the condensed consolidated interim financial report
For the six month period ended 30 June 2017

16. Share based payments

Expenses arising from share based transactions

For the six months ended 30 June	
2017	2016
\$'000	\$'000
61	216

Movements in options on issue:

During the six months ended 30 June 2017, there were no movements in options, options issued over ordinary shares in the Company remaining at 24,302,000 as at 30 June 2017.

17. Financial instruments

Liquidity risk

Exposure to liquidity risk

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

The following are the contractual maturities of financial liabilities.

	Contractual cashflows						
	Carrying amount \$'000	Total \$'000	6 mths or less \$'000	6-12 mths \$'000	1-2 yrs \$'000	2-5 yrs \$'000	More than 5 yrs \$'000
30 June 2017							
Non-derivative financial liabilities							
Trade and other payables	1,212	1,212	1,212	-	-	-	-
Lease liability	1,779	2,101	1,056	137	480	428	-
	2,991	3,313	2,268	137	480	428	-
31 December 2016							
Trade and other payables	651	651	651	-	-	-	-
Lease liability	2,839	3,356	1,373	932	492	559	-
	3,490	4,007	2,024	932	492	559	-

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

18. Expenditure commitments

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet its licence obligations. In the Russian Federation, this minimum exploration work is defined by the performance of a minimum number of drilling metres over the life of each exploration licence, as well as the preparation of certain reports and submissions by the Group to relevant authorities based on pre-determined deadlines. These obligations are expected to be fulfilled in the normal course of operations. Mining interests may be relinquished or joint ventured to reduce this amount. The various country and state governments have the authority to defer, waive or amend the minimum expenditure requirements. As of and for the six months ended 30 June 2017, the Group is in compliance with the exploration obligations defined in the respective licences.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2017

18. Expenditure commitments (continued)

Other commitments

Other commitments as at 30 June 2017 totalled \$15.488 million (As at 31 December 2016: A\$0.187 million) and expected to be settled as follows:

	30 June 2017 \$'000	31 December 2016 \$'000
Expected to be settled not later than one year	4,573	149
Expected to be settled later than one year, not later than five years	10,883	31
Expected to be settled later than five years	32	7
Total commitments	15,488	187

Other commitments are comprised of port handling and stevedoring contract fees committed for future shipments handled by the Sea Port of Anadyr (Anadyrport) of \$14.977 million, of which \$4.110 million is expected to be settled in the 12 months subsequent to 30 June 2017 and \$10.867 million in the 24 months from 30 June 2018 through 30 June 2020.

19. Contingencies

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and directors' reports.

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

The entities subject to the Deed of Cross Guarantee are:

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

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

The Directors are of the opinion that no other material contingent obligations exist.

20. Related parties disclosure

There were no transactions or balances with related parties for the six months ended or as at 30 June 2017.

Tigers Realm Coal Limited

Notes to the condensed consolidated interim financial report

For the six month period ended 30 June 2017

21. Subsequent events

Completion of transaction with Partners

On 6 July, 2017, the Group completed the transaction contemplated in the Heads of Agreement (“HOA”) dated 29 June 2016, as a result of which the Group acquired the remaining 20% interest in the Amaam North project from its partners, terminated the shareholders agreement of January 2012 and in parallel restructured the related royalty arrangements, as a result of which the royalty obligations were capped at US\$25 million, to be payable no later than 20 years from the date of the completion.

The primary consequences of the completion in respect of the Amaam North Project are:

- TIG acquired its partner’s 20% interest in the Amaam North project; and
- The existing royalty structure was redefined as a result of which the royalties payable to TIG’s partner are reduced from a maximum of 5% of coal sales revenue, as follows:
 - For annual coal sales in excess of 100,000 tonnes per year, annual payments are 1.5% of gross sales revenues for the first five years, 2.25% of gross sales revenues for the three subsequent years, and 3% of gross sales revenues thereafter;
 - Under certain circumstances, TIG may elect to pay up to 50% of the amount due for any year in TIG shares;
 - Irrespective of the amount paid, annual payments will cease after 2037; and
 - Total royalty payments are capped at US\$25 million and are accrued and payable for a period of no more than 20 years from the date of executing the documentation to realise the HOA.

The abovementioned transaction also implemented amendments to the Amaam shareholders’ agreement (“SHA”) to simplify the processes governing the joint venture partners’ decision to develop and mine coal at the Amaam Project and corporate reporting and board processes, work program approval and other management processes.

Lapse of Options

On 14 July 2017 TIG announced that 1,857,000 options lapsed and had been removed from the Company’s option register.

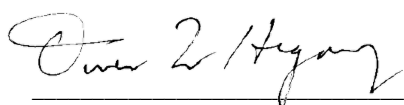
Tigers Realm Coal Limited
Directors' declaration
For the six months ended 30 June 2017

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

- a) the interim condensed consolidated financial report and notes set out on pages 9 to 22 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 2017 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 30th day of August 2017.



Owen Hegarty
Non-Executive Director

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

30 August 2017

Dear Board Members,

Tigers Realm Coal Limited

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

As lead audit partner for the review of the financial statements of Tigers Realm Coal Limited for the half-year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Colin Brown
Partner
Chartered Accountants

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

We have reviewed the accompanying half-year financial report of Tigers Realm Coal Limited, which comprises the condensed consolidated statement of financial position as at 30 June 2017, and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 9 to 22.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2017 and their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tigers Realm Coal Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Auditor's Independence Declaration

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

Conclusion

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

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2017 and of their performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Colin Brown
Partner
Chartered Accountants
Brisbane, 30 August 2017