

ASX RELEASE

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Coal Production at Project F Commences

Tigers Realm Coal (TIG) is pleased to announce first coal has been mined and trucked from Project F to the coal stockpiles at the TIG owned Beringovsky Port.

Following the successful rights issue to shareholders raising \$23.3 million (announced 29 June 2016), TIG commenced development works in early August. During a four and a half month period, TIG completed construction of its winter road from the pit to the port, and constructed the site workshop, office, camp upgrades and an analytical laboratory. Additional mining and coal haulage equipment was procured and delivered to site, and key workforce recruited primarily from the local community and Far East Russia.

In less than four years TIG has progressed Project F on the Amaam North Licence from resource identification and initial evaluation to production. This achievement is the result of the consistent support of its shareholders, together with the hard work and commitment of its employees.

Coal mining has commenced in a part of the pit where the waste to coal stripping ratio for the first 12 months of production is less than 2:1 (bcm waste : tonne coal). Mining is being carried out with a fleet comprising a 40t excavator on coal, a 70t excavator on waste, five 40t in pit trucks, a grader and two 70t tracked dozers. Coal haulage on the winter road from the pit to the port is being undertaken with eight 30t capacity Scania trucks.



Loading coal in the Project F pit



On the coal haulage road



First coal being delivered to port stockpiles

TIG plans to mine and haul coal to Beringovsky port on the winter road until early May. At that time coal production will temporarily cease and road works will recommence to convert the winter road into an all season road. Following the completion of these works in Quarter 3, coal mining and trucking to the port will recommence at rate of 600,000 tonnes per annum.

TIG's coal sales forecast for the unwashed product in 2017 are estimated at 30,000 tonnes of semi-soft coking coal (SSCC) to the steel sector and up to 220,000 tonnes of thermal coal into the industrial and power generation sector. The Quarter 1 2017 SSCC settlement is US\$171/t FOB, and the current Newcastle thermal price is approximately US\$85/t - basis 6000 kcal/kg NAR.

Phase One of Project F is the first stage of a development plan which builds to a 2 million tonne per annum open pit operation which, on the completion of construction of a washing plant, will predominantly produce a semi hard coking coal (SHCC). The Quarter 1 2017 Hard Coking Coal (HCC) settlement is US\$285/t FOB. TIG's SHCC, which will be produced post completion of the wash plant, would be expected to sell at an approximate 15 to 20% discount to the HCC price.

Further information on TIG and its planned operations are available on the website in the December Corporate presentation released on 6 December 2016.

Further details about Tigers Realm Coal can be found at www.tigersrealmcoal.com.

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TIG trucks on the coal haulage road