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Far East investment showcase

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OF THE RUSSIAN FAR EAST

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Peter Balka, Interim CEO, Tigers Realm Coal

"We hope to increase coal output to 1 million tons per year"

"WE HOPE TO INCREASE COAL OUTPUT TO 1 MILLION TONS PER YEAR"

A CONVERSATION WITH TIGERS REALM COAL CHIEF EXECUTIVE OFFICER PETER BALKA

In July of this year, the Australian company Tigers Realm Coal, Ltd. shipped the first batch of coal to China, and it doesn't plan to stop there. The plans of the company's management include the creation of a coal preparation plant, increasing coal output to the level of 1 million tons per year, and the reconstruction of the Beringovsky Port. Tigers Realm Coal CEO Peter Balka spoke about the specifics of doing business in Russia.

– In the summer, you started shipping coal for export. How will you end the year? How can you assess the past period?

– This year was very important for Tigers with coal mining and production commencing in late December 2016 and shipping of our coal in July 2017.

We are very pleased that we sold approximately 170kt of thermal and coking coal to customers in Japan, Taiwan, China and Chukotka. Our objectives to demonstrate our capabilities in mining, trans-

porting and exporting coal were successfully met.

To finish 2017 we are completing some additional works on our haul road and in December 2017 we will recommence mining and trucking of our coal with an expanded equipment fleet.

– With the beginning of full-fledged activities, were your expectations about work in Russia met? Are you fully satisfied with the support provided by the region and the government?



– Our expectations about working in Russia have been met. Whilst our mining expectations are new, we have been working on exploration since 2010 and have operated Beringovsky port since 2014. As such we were quite well prepared for mining operations.

The region and government are strong supporters of our project and we all want Project F to be successful. Our project has always moved forward positively. There are some Federal properties that are part of the project and we are looking forward to further support to cooperatively upgrade them.



“We sold approximately 170kt of thermal and coking coal to customers in Japan, Taiwan, China and Chukotka”

– **What are your plans for 2018? What would you like to do?**

– Our plans for 2018 are to continue to grow the project. We are looking to more than double our exports in 2018, to generate profits and raise debt for further expansions in 2019 and 2020.

– **You told us that a fairly wide range of Australian citizens have invested in the project. Please tell us, how do you report to them? Is this only financial reporting, or do you tell them about Russia, about the specifics of doing business in Russia, about our culture, about the climate?**

– Tigers Realm Coal is a public company listed in the Australia stock exchange. We have a responsibility to report our progress and financial matters on a quarterly basis and more often for significant events as they occur. All these reports are available on the Tigers website.

Our reporting also covers Russian issues including relations with Government and our local communities. Of course our operational reports cover weather conditions and its impact on production.

– **In your opinion, what are the pros and cons of working with foreign investors in Russia compared to other countries?**

– There are no significant issues with working in Russia. Once a foreign compa-



ny understands Russian specific regulations and processes, good Russian staff provide this, it can work effectively. I think there is no difference in this regard to working in other countries.

At present, however, sanctions against some Russian entities remain in place.

And this has had an impact on foreign investment and the ability to raise funds both within and outside of Russia. TIG has continued to work effectively despite these sanctions. We look forward to a return to normal conditions prior to sanctions.

