TIGERS REALM COAL

March 2018 Quarterly Production and Activities Report

ASX RELEASE
24 April 2018

Project F Production

		Quarter Ended March 2018 (YTD)	Guidance for March Quarter
ROM coal mined	k tonnes	139.7	
Coal delivered to Port	k tonnes	139.7	110 to 125
Waste mined	k bcm	459.1	
ROM strip ratio[1]	bcm : t	3.3:1	
Coal stocks at Port	k tonnes	202.4	

1. bcm waste : tonne ROM coal

Highlights

- **Safety** - No LTIs recorded during the quarter. Cumulative TRIFR reduced to 3.7 per million hours.
- **Mine Production** – 139.7 kt of coal mined and delivered to the port. Production was 14.7 kt higher than the upper end of TIG's guidance range of 110 to 125 kt, and an 89% increase on the March Quarter 2017 production of 74 kt
- **Production Costs** - Mine to port production unaudited unit costs were US$25.80/t coal, slightly lower than budget due to higher total production.
- **Capital Projects** - Site capital projects for the quarter included port stockpile construction, completion of new offices in Beringovsky Township and procurement for summer 2018 deliveries.
- **Exploration** - 643m of exploration drilling completed at the prospective Area 4 South at Amaam.
- **Port Operations** - TIG and contractor personnel mobilised to site toward the end of March to commence work on preparing the port for first shipments in June.
- **Coal Marketing** - 198 kt of coal in stock at the port at the end of the quarter. TIG's coal marketing team are well advanced on confirming cargo sales and timing with customers to support TIG's 2018 sales plan.

Health and Safety

TIG's cumulative TRIFR[1] improved to 3.7 per million hours worked, declining from 4.5 at the end of December 2017, representing an 18% decrease. In the March quarter, there were no lost time injuries (LTI), and five safety incidents. Four incidents were vehicle related, one in the pit, two on the coal haulage road and one on the coal stockpile at the port. Site efforts resulted in a reduction in vehicle incidents compared to the last quarter, particularly on the road. However, the company recognises the need for further improvement to vehicle operations and coal haulage safety, and is presently implementing additional training and improved operational procedures.

Project F Phase One Operations

During the quarter 139.7 kt of ROM coal was mined and transported to the port stockpiles. Coal mining and haulage exceeded TIG's Q1 2018 guidance of between 110 to 125 kt. Monthly production was 51.4 kt coal in January, 44.0 kt in February and 44.3 kt in March. January and February production exceeded budget, while poor weather conditions (storms and heavy snowfalls) reduced production to below budget in March.

Waste mining of 459.1 kbcm for quarter exceeded expectations due to improved operations, with the resultant stripping ratio for the quarter being 3.3:1 (bcm waste : t coal), slightly higher than budget. This excess in waste stripping capacity puts the company in a good position potentially to mine and deliver more tonnes of coal to the port in 2018, and/or mine deeper in the open pit to increase coking coal sales, compared to budget.

The key factors which have led to improved mining performance during the past two quarters are:

- Improved operating conditions on the haulage and pit area roads due to the upgrade works completed in H2 2017, and
- Recruitment of new members with greater experience to the site management team (General Manager, Manager Mining and Manager Technical Services).

During March, TIG's port contractor mobilised to site to commence works on preparations for the trans-shipment season. In the general port area, snow and ice has been cleared and maintenance work has commenced on the berths and port cranes. Prior to mid-June, maintenance works will also be undertaken on the coal barge loading system and barge fleet.

Mine to port production unaudited unit costs for the 3 months to 31 March were US$25.80/t, lower than budget due to improvements in operations and higher total production, even with higher stripping volumes.

The full site cash cost estimate for 2018 is planned to reduce to approximately US$36/t FOB compared to US$48/t FOB in 2017, in large part due to a planned reduction in contract trans-shipment costs compared to 2017, and overall economies of scale related to the increased production plan.

[1] Total Reportable Injury Frequency Rate

2018 Production Guidance

TIG has increased its guidance for mining and haulage to port in 2018 to between 530 to 575 kt, compared to the previous guidance of 500 to 560 kt (see table below). Coal sales guidance for 2018 also increases to between 440 to 495 kt, compared to the previous guidance of 420 to 480 kt.

Quarter 1 (actual)	140 kt
Quarter 2 (guidance)	115 to 130 kt
Quarter 3 (guidance)	155 to 170 kt
Quarter 4 (guidance)	120 to 135 kt
Total coal mined and hauled to port	**530 to 575 kt**

Capital Projects

Capital works during the quarter included:

- Expansion of the port stockpile areas to store TIG's increased quantities of coal prior to the transhipment season.
- Procurement of additional mobile fleet and equipment to be delivered in 2018 to achieve the 2019 mining and sales plan. This equipment includes a dozer, front-end loader and two trucks to work on the port coal stockpiles, as well as additional ships grabs.
- Procurement and delivery of communications and other IT systems required for the conversion of the port checkpoint from temporary to permanent status.
- Completion of the refurbishment of new offices in Beringovsky to accommodate site technical services, accounting and HR staff. TIG personnel began working in the new premises in February.
- Near completion of additional accommodation in Beringovsky to house management and port based rostered staff.

Coal Marketing and Sales

On the marketing front, TIG is advancing discussions with a number of customers for both new and repeat business this shipping season.

In principal understanding has been reached with two Japanese steel mills for a cargo each of TIG semisoft coking coal.

Samples of both SSCC and thermal coal have been sent to a number of Japanese, Korean and Chinese customers. A number of trial cargos are planned during 2018 as TIG builds on the sales of 2017. Our coal has been accepted by a number of coking and thermal coal users in Japan, Korea, Taiwan and China, some of whom purchased TIG coal last year.

A pricing framework has been agreed with some customers and discussions are underway on pricing and finalising vessel scheduling on contracts for the balance of the shipping season giving TIG confidence that first sales will be placed well in advance of the port opening expected in June.

It is expected that the Japanese thermal coal reference price for JFY 2018/19 will be settled during April. This settlement will facilitate our own sales contracts with some Japanese thermal coal customers during May.

Similarly, the semisoft coking coal reference price will be used as a basis for semisoft coking coal sales to our Japanese customers. TIG semisoft coking coal is in high demand with our potential customers for 2018, with sales opportunities in excess of our coal SSCC availability.

Coal Outlook

Prices in the metallurgical coal market in Asia softened over Q1 2018. Premium low volatile hard coking coal (HCC) declined from around \$250/t in early January to approximately \$195/t currently. Supply concerns have eased, as summer rain, rail and port issues in Australia appear to be over, and winter supply constraints have eased in Russia.

Last week, Japanese steelmaker JFE Steel settled its second-quarter semi-soft coking coal (SSCC) contract price with three Australian producers at \$137/t FOB Australia. This settlement is at 67% of the premium low-vol hard coking coal price, lower than its typical relationship, indicating a different market dynamic for SSCC compared to premium HCC. SSCC is not in short supply, and is a more competitive market for producers than HCC, which is still tight, with prices that have moderated but remain historically high.

The outlook for coking coal prices in general would be expected to soften as Queensland producers move into the traditional dry season (May to September). However, with a tight seaborne supply-demand balance, any significant supply disruption could result in unexpected price volatility.

Thermal prices have fallen in Q1 this year. In January, Newcastle thermal coal was selling at levels around \$110/t FOB basis 6000 kcal/kg NAR. Current pricing is around \$92/t and appears to have stabilised for now. Lower quality (5500 kcal/kg NAR) coal fell from a January level of around \$90/t FOB Australia basis 5500 kcal/kg NAR to a level of around \$70/t today.

Thermal coal price also exhibits seasonality, and these price reductions have been partially triggered by warmer weather in China after Chinese New Year as well as a Chinese government imposed price cap and the recent introduction of import restrictions in some relatively small coal terminals in southern China.

With Indonesian miners planning to increase production this year by at least 30Mtpa in response to the higher prices observed in 2017, it is possible that the current lower thermal coal price trend may prevail over 2018. It appears unlikely that thermal coal prices will increase before the hot summer weather arrives in China to drive demand for air conditioning. A Newcastle price of \$92/t provides a healthy return for efficient thermal coal producers, and could continue to support an increased supply response from Australian, Indonesian and Russian mines.

Corporate

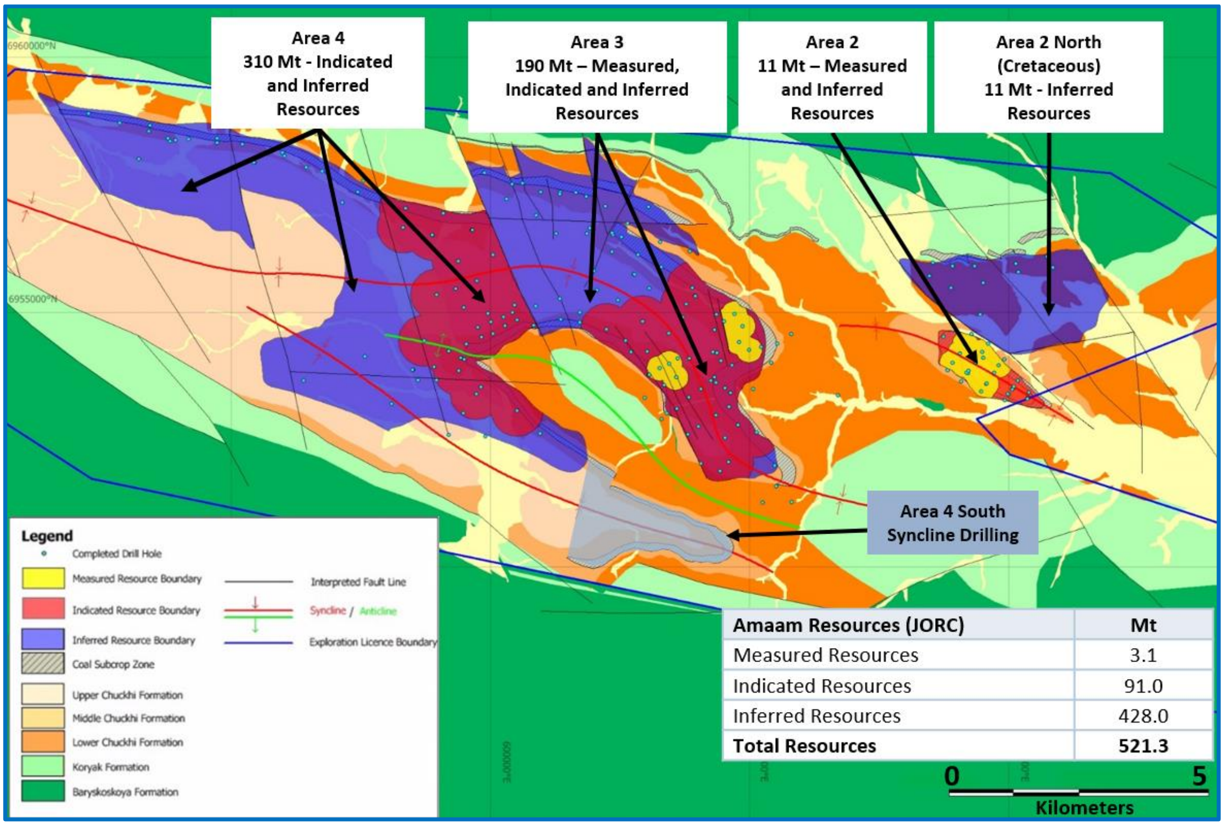
At the end of the quarter, TIG had \$A3.2 million in cash and had drawn down Russian Rubles (RUB) 432 million (A\$9.8 million) from its RUB 600 million (A\$13.6 million) working capital facility with Sberbank.

Annual General Meeting

The Company's Annual General Meeting will be held at 3pm on Monday 14 May 2018 at the Rendezvous Hotel, 328 Flinders St. Melbourne.

Exploration and Licencing Activities

During the quarter, TIG commenced an exploration drilling program at Amaam (see figure below). 643m was drilled into the prospective Area 4 South Syncline. This area was identified through mapping after drilling in the southern part of Area 4 indicated that coal did not truncate on a fault as previously interpreted, but continued into the area currently being drilled. Surface mapping indicates the potential for a relatively shallow syncline with good potential for open pit mining. At the time of reporting three holes have been completed, confirming the northern limb of the syncline.



Amaam Resources (JORC)	Mt
Measured Resources	3.1
Indicated Resources	91.0
Inferred Resources	428.0
Total Resources	**521.3**

Plan of the Amaam deposit showing Coal Resources and the location of current drilling into Area 4 South

Capital Structure (as at 31 March 2018)

Ordinary shares on issue:	1,791,669,870
Options on issue:	58,076,000

For further information, please contact:

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Recent Site Photos

Site Management in the Project F pit. From left Alexey Mineev (Pit Foreman), Oleg Konaykov (Mine Manager), Daria Skiba (Senior Mine Geologist), Peter Balka (Interim CEO), Penny Balka, Evgeniy Ponomarev (Manager Technical Services), Vladimir Vasilevsky (Group Mining Engineer)

Waste mining during January

Hauling coal to port during January

ABOUT TIGERS REALM COAL (ASX CODE: TIG)

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PROJECT SUMMARY

TIG is developing a large scale coking coal basin that covers two areas, Amaam and Amaam North (Figure A), with combined Resources of 632 Mt.

At Amaam North, TIG owns a 100% beneficial interest in Exploration Licence No. AND01203 TP (Levoberezhniy Licence) and the Exploration and Extraction (Mining) Licence, No. AND 15813 TE, which covers the initial Project F mine development area.

At Amaam, TIG owns an 80% beneficial interest in Exploration Licence No. AND 01277 TP (Zapadniy Subsoil Licence) and two Exploration and Extraction (Mining) Licences, No. AND 01278 TE and No. AND 01288 TE.

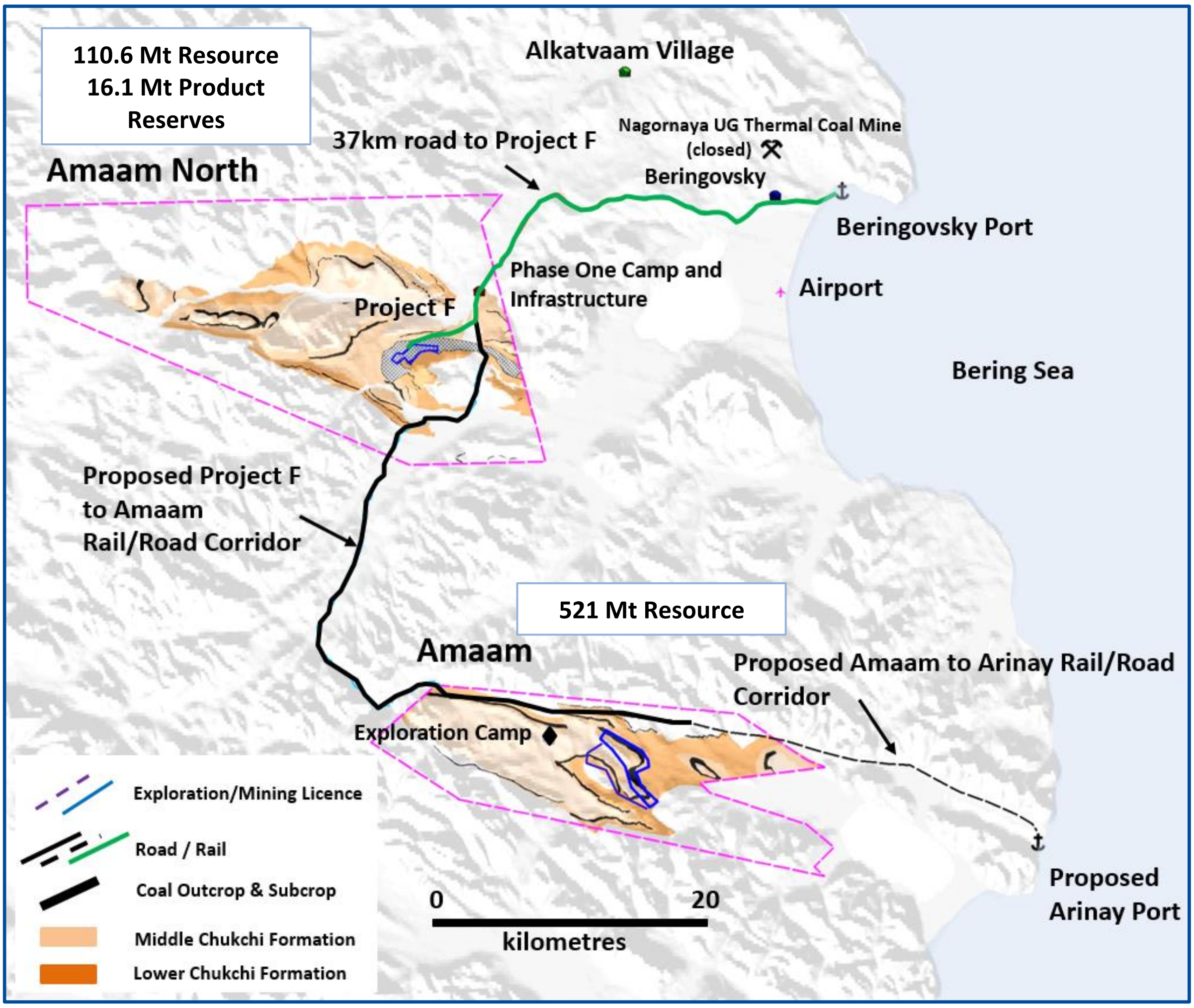

Figure A Amaam and Amaam North Coking Coal Projects

Amaam and Amaam North are two exceptionally well located coking coal deposits, approximately 40km from the Bering sea with shorter shipping distances to North Asian markets than from peer producers in Queensland and British Columbia (Figure B).

At Project F and Amaam North

- Project F Phase One is in production
- The Project F 1.0 Mtpa Feasibility Study was completed in April 2016 with:
  - 16.1 Mt of Product Reserves, 6.1 Mt Proven & 10.0 Mt Probable
  - 110.6 Mt total Resource, 22 Mt Measured, 55.7 Mt Indicated & 32.9Mt Inferred
- TIG owns and operates the Beringovsky coal port
- There is excellent upside exploration potential and production expansion

At Amaam:

- A PFS completed on 5Mtpa open pit operation producing a high vitrinite content (>90%) coking coal with excellent coking properties
- The total Resource is 521 Mt comprising 3.1 Mt Measured, 91 Mt Indicated, and 428 Mt Inferred
- The planned wash plant is 25 km from the planned year-round port site, only 8 days shipping to China, Korea and Japan

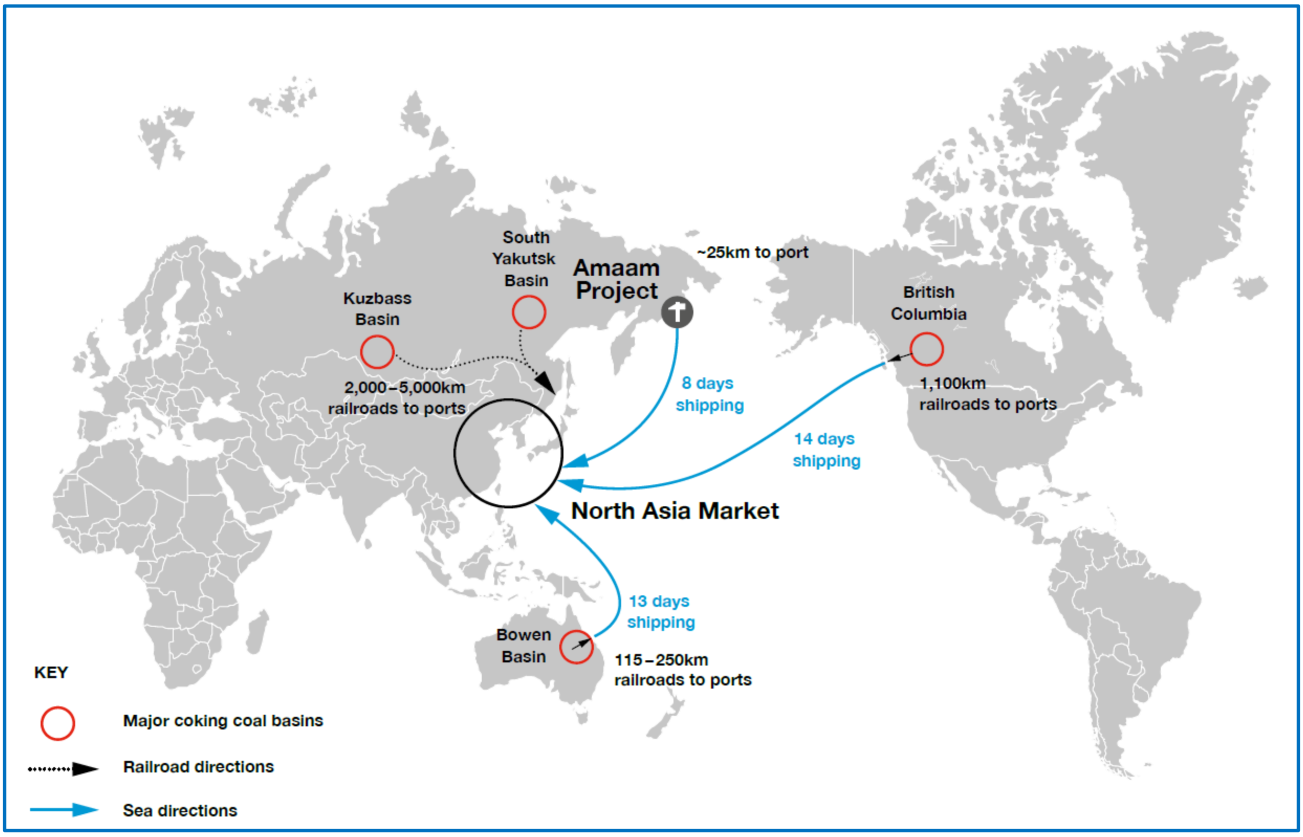

Figure B Amaam Project - Location Map