



Far East Investment Forum

**Far East mineral prospectivity and its potential and
importance to Russia and Asia**

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Asia, Russia and the Pacific Basin's virtuous circle of economic growth and prosperity



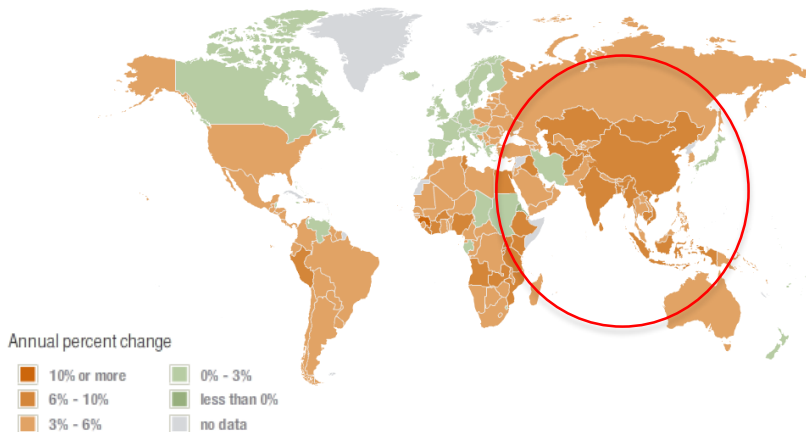
China remains the major driver of commodities demand with India and others to follow

Demand

Emerging markets – The future

- World to continue in a long period of economic expansion
- China the driver
- Traditional markets of US, Japan, Europe still important
- But emerging markets are the future

World average real GDP growth 2012



China's growth formula

- Passed the point of economic growth take-off / accelerating consumption from growing middle class
- A metal intensive stage of economic development
- Largest urban migration in world history
- Massive infrastructure development
- Social imperative

Ambitious construction plans are commodity-intensive



Power generation investments – USD 430 billion by 2015e



Power grid investments – USD 400 billion by 2015e



Length of railway track - 91,000km in 2010 to 120,000km by 2015e



Investment in urban subway systems - USD185 billion by 2015e



Investment in water-resource facilities – USD 617 billion by 2020e

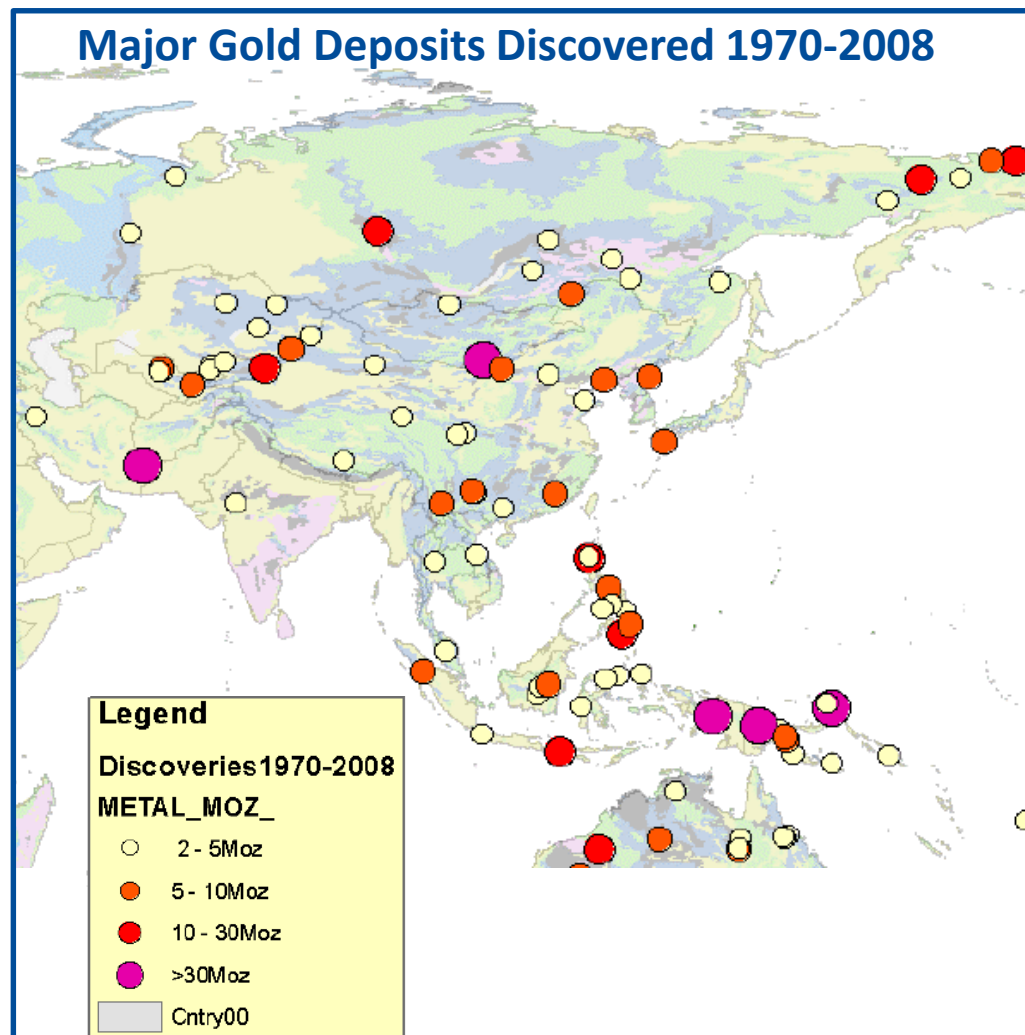
Source: CEC, MOR, NDRC, JP Morgan

Russian Far East has excellent regional prospectivity

Russian Far East has had major Copper Gold potential but lacks exploration & development

Prospectivity

- Asia and the Pacific rim contain numerous Au, Cu-Au and Cu-Au-Mo bearing mineral provinces
- Within this region these mineral provinces are some of the greatest concentrations of world class deposits
- The Russian Far East and north-west Pacific has identical tectonics but lower levels of modern exploration



Russia and particularly the highly prospective Far East are under explored

Prospectivity

- Despite multiple world class belts, giant deposits and huge land area, there has been comparatively very low levels of exploration in Russia and its Far East
- Australia & Americas subjected to decades of sustained post-war exploration
- Western Pacific exploration commenced in 1960s and has been sporadic since

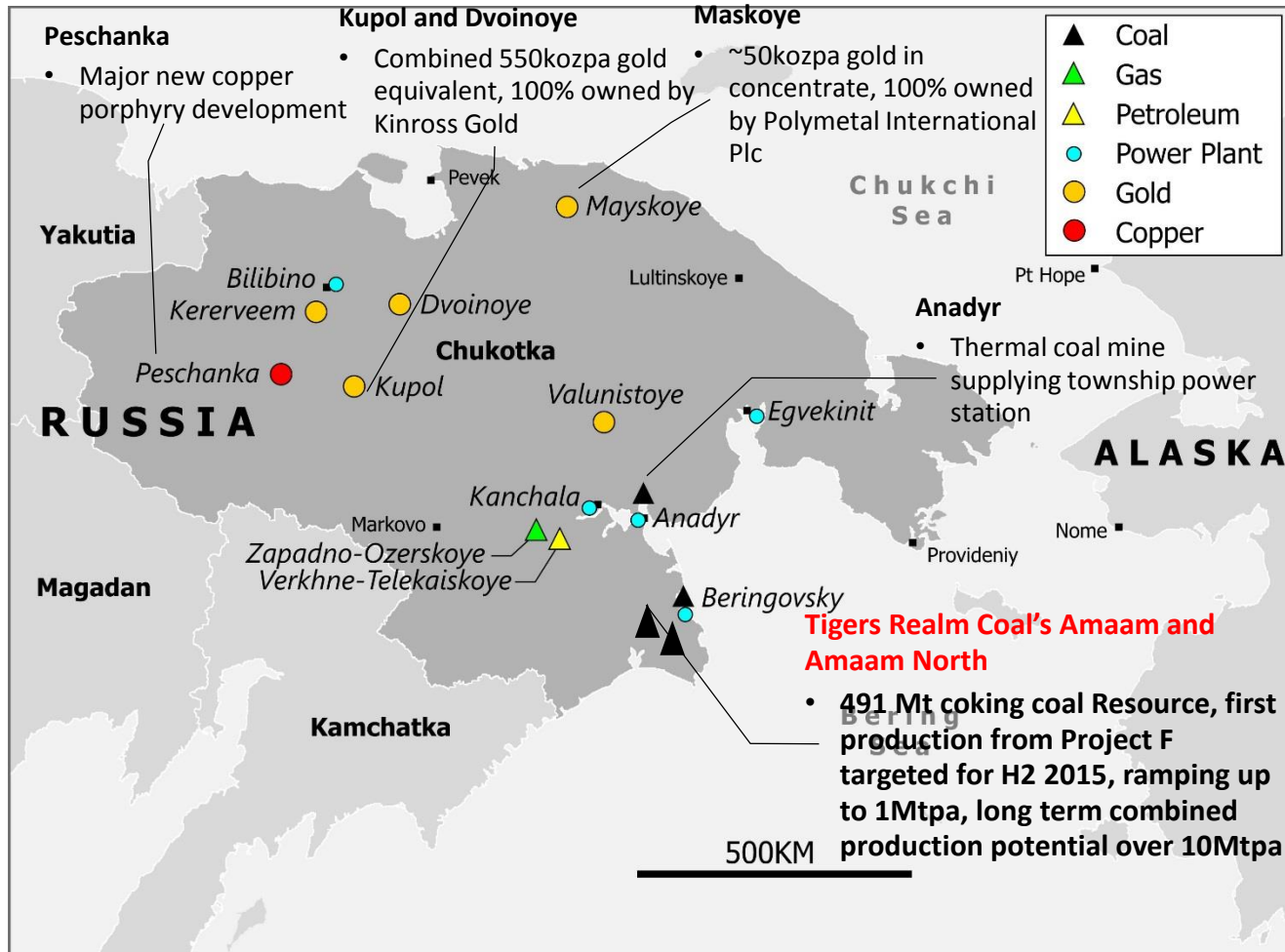
Areas of exploration and spend by region - 2012



Chukotka: an example of the Far East's potential and an emerging major mining province

Prospectivity

- Chukotka, where TIG operates, is highly prospective for minerals and energy
- Its location is outstanding having extensive Pacific coast line providing a number of port options for export to the close Asian markets
- The province hosts producing operations across a range of commodities



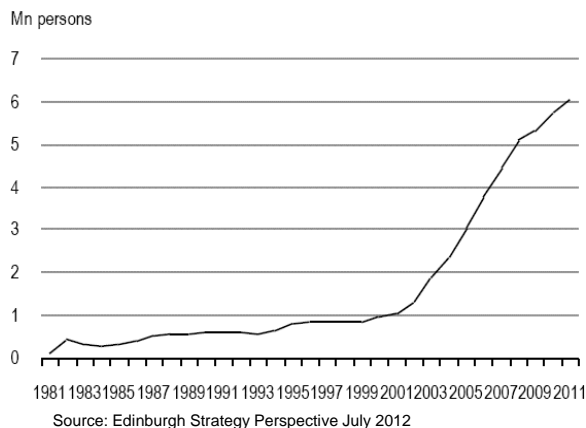
- More exploration and development will lead to greater opportunity
- These projects are an important source of foreign capital for the Far East – in addition to the significant investment by TIG, Chukotka has attracted multi-billion dollar investments from Kinross Gold and Polymetal
- Apart from the quality of the mineral/energy deposits being explored and developed, a critical requirement for continued foreign capital inflows is an attractive fiscal regime and a well defined, fast permitting process – Chukotka and Russia delivers on both
- More exploration and resource development will lead to greater opportunity and growth

Leveraging capable talent in Asia

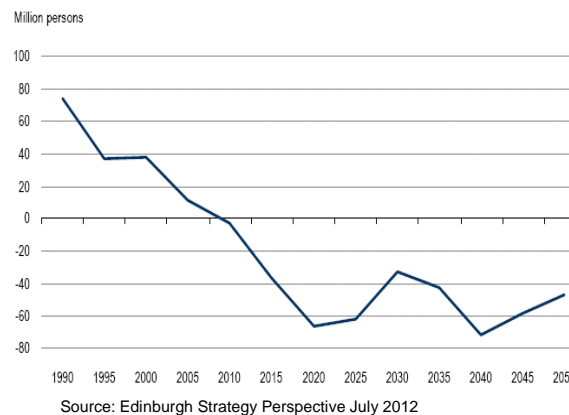
People

- “Single most pressing challenge for organisations wishing to engage in Asia is attracting, retaining and leveraging Asia capable talent” *Asialinks’s Asia Capable Workforce Task Force*
- More young people are going to university and this is impacting labour demand, wages, the growing prevalence of automation and the pool of skilled workers

China college graduate levels



China manual labour levels

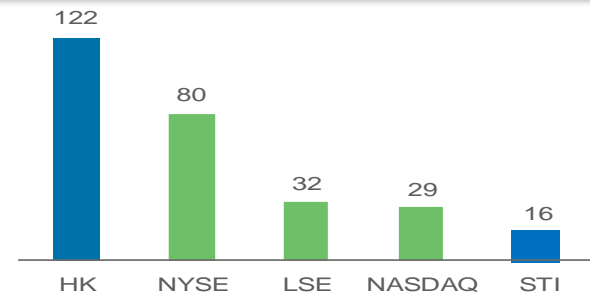


Regional capital becoming increasingly available

Capital

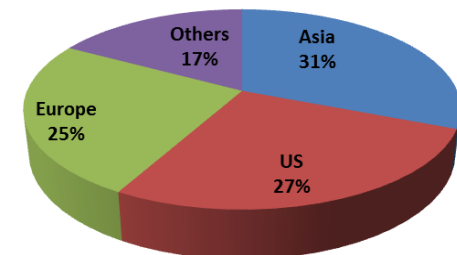
- Asia accounted for much of the world's IPO volumes since 2009.....
- ... and increasing its share of follow-on funding
- Hong Kong IPO market fast becoming most active globally - from 2009 – 2011, more than US\$122bn raised through 224 listings
- Shanghai now one of the world's leading exchanges and sources of capital flow
- Asia now leads the world in its share of global M&A deals
- Asian equity markets now out-perform the rest of the world
- **Tigers Realm Coal has invested over \$80m into Chukotka in the past three years leading to the development of world class projects, much of this raised from Asia and Australia**

2009-11 IPO Funds by Exchange (US\$bn)



Source: Standard Chartered, Dealogic

Global asset management M&A deals 2011 – share by region

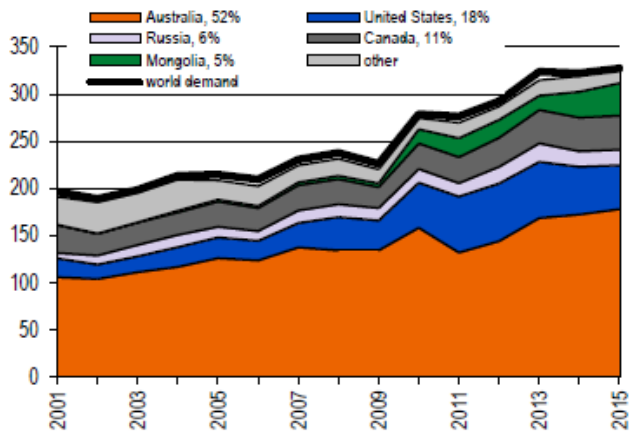


Source: PwC, Financial News

Asia needs Russia's Far East for supply of minerals and energy

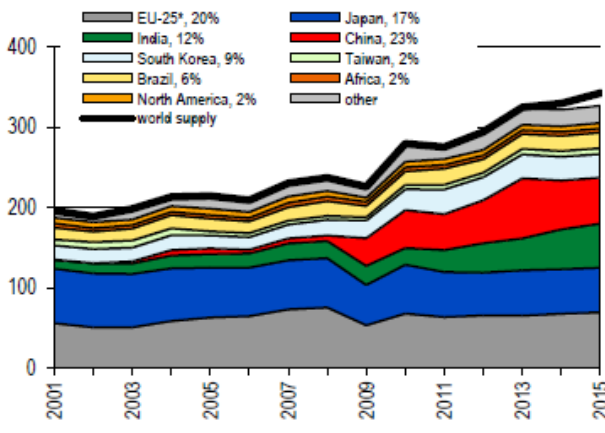
Supply

Globally traded met-coal exporters (Mtpa)



Source: McCloskey, Tex Report, UBS Research

Globally traded met-coal importers (Mtpa)



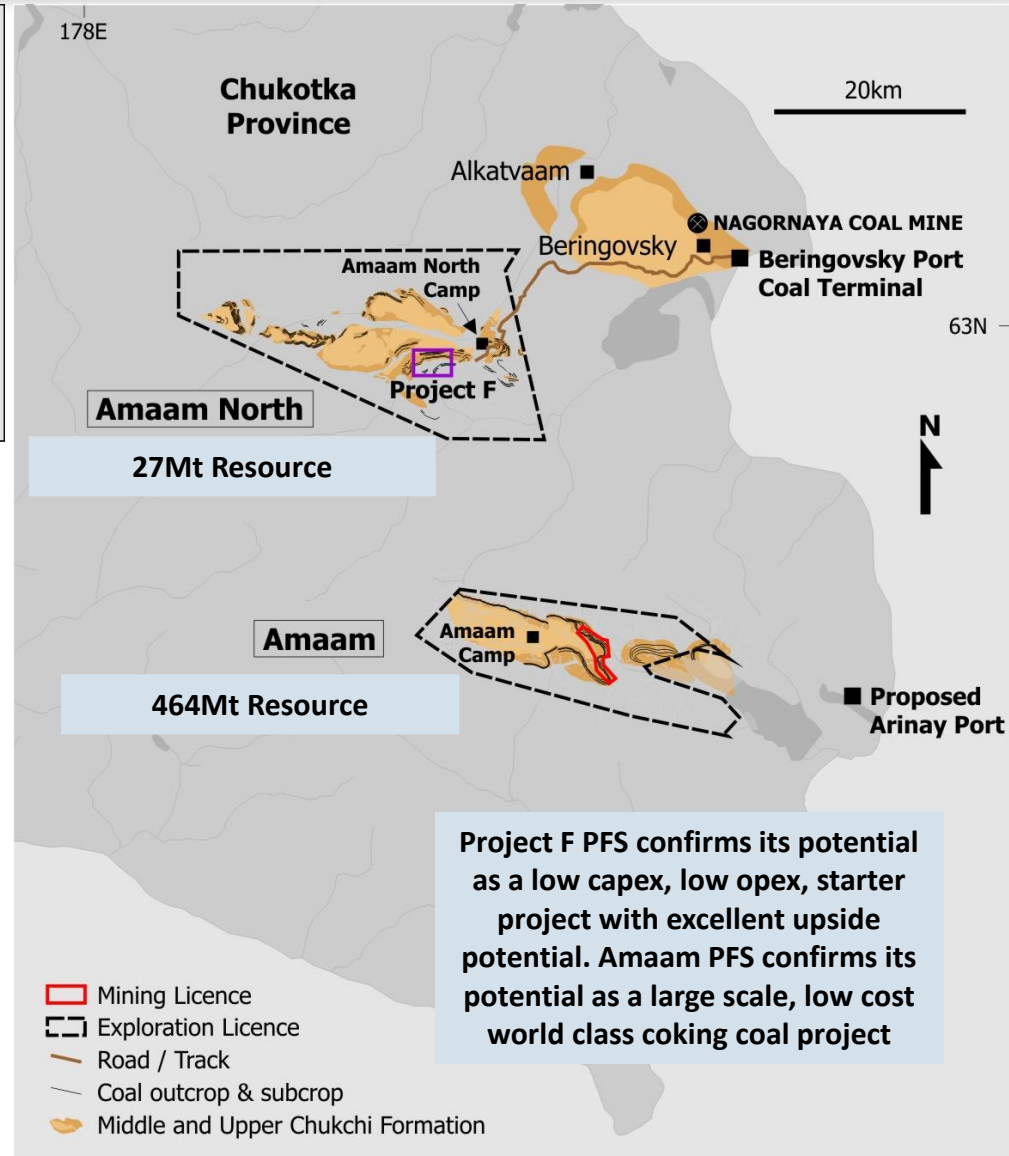
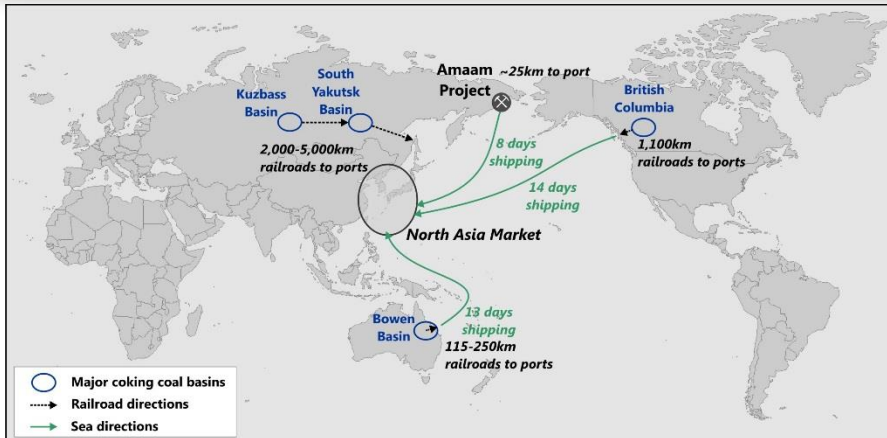
Source: Barlow Jonker, Tex Report, UBS Research

- Asia, and particularly China, continues to seek alternate suppliers of commodities to fuel its long term urbanisation driven economic growth trend
- The intense above trend growth surge from 2005 through 2014 highlighted problems for China (and Asia generally) of relying too heavily on the traditional regions (Australia in particular) for its commodity import needs
- China has actively encouraged development of commodity supply from new regions, eg, Africa and South America through direct investment
- Russia's Far East, and Chukotka in particular, are on China's radar as potential new sources of supply with the advantage they are low cost regimes and less than 2/3 the shipping distance away
- Trade between Russia's Far East and China is currently ~US\$3B p.a., and Russia is targeting China to be a major contributor of some US\$64B foreign investment it is seeking for the Far East over coming years. **"The primary goal for the development of the Far East region is linkage with Asia-Pacific nations, most importantly China," Aleksandr Galushka, minister for the development of the Far East region**

(Source: Guangzhou 21st Century Business Herald)

- Asia will drive multi-decade commodity demand growth
- Far East has outstanding mineral and coal potential but has suffered under-investment and low levels of exploration
- Supply and investment continues to be the significant opportunity in this region
- Capital deployment in resources will lead to further capital and currency inflow
- Greater trade in hard commodities will further enable stronger regional ties in Asia
- The key to a successful, sustainable mining investment are:
 - A stable, secure and competitive jurisdiction
 - Quality projects, people, contractors and technology
 - Everlasting commitment to communities
- ✓ Far East Russia has the opportunity to become one of the major suppliers of all commodities, not just oil to Asia and particularly China

Tigers Realm Coal snap shot - two large coking coal deposits

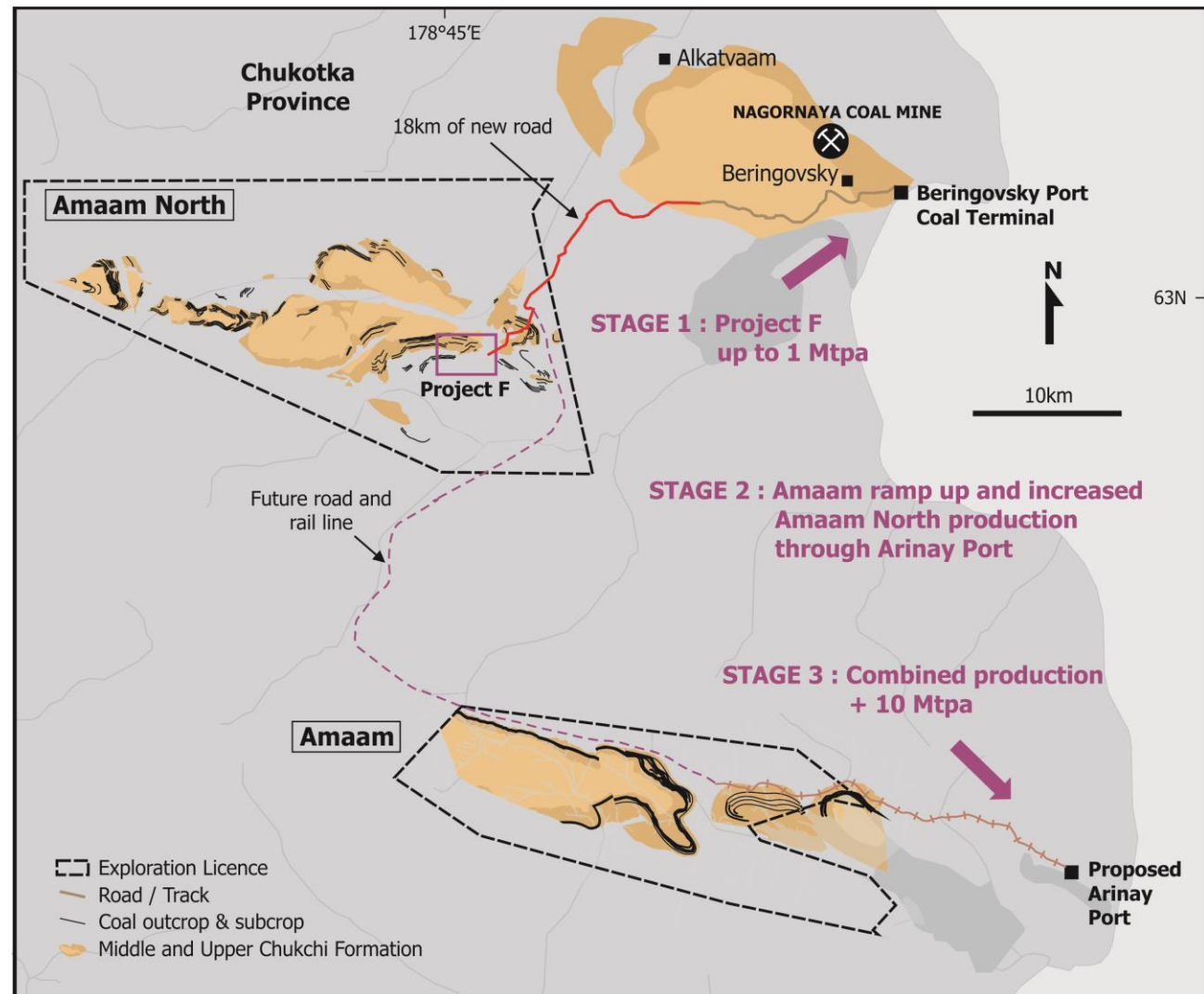


- Developing **two exceptionally well located large coking coal projects**
- **Amaam**: world-class, large scale coking coal project targeted for +5Mtpa of production from dedicated new infrastructure
- **Amaam North**: low cost starter project, fast track to production and earnings using existing infrastructure and supporting development of the entire Bering Coking Coal Field
- **Total Exploration Target** - 175Mt-695Mt, the potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to estimate a Coal Resource, and it is uncertain if further exploration will result in the estimation of a Coal Resource
- Experienced Board and management
- \$61M capital raising completed

Bering Coking Coal Field conceptual development possibility

- Bering Coking Coal field conceptual development plan:

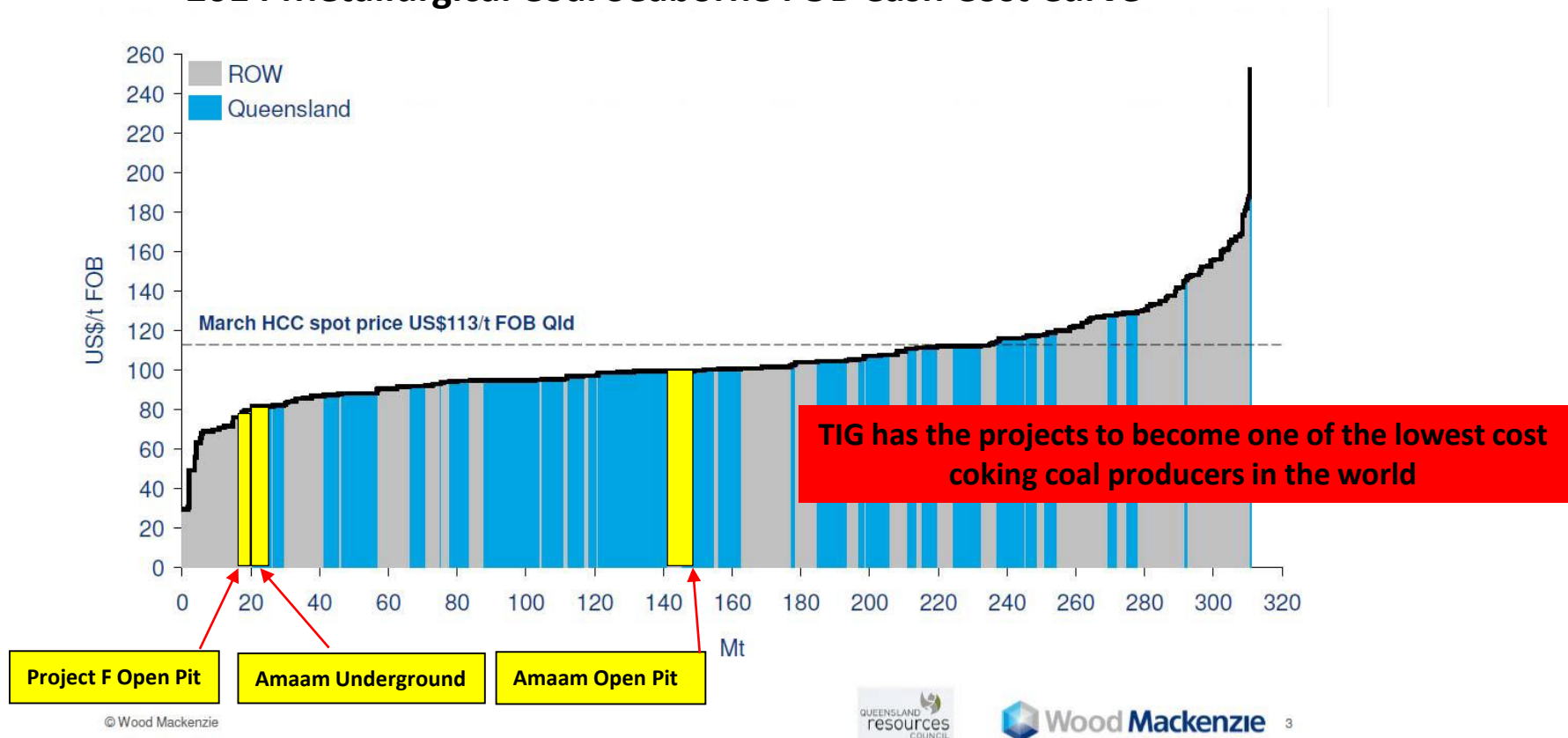
- Stage 1: Amaam North Project F to produce up to 1Mtpa, shipping through the existing port of Beringovsky
- Stage 2: Project F expanded to 3-4Mtpa and shipped out through Arinay Port
- Stage 3: Amaam developed and ships 6.5 Mtpa through Arinay port
- Combined shipments could total over 10 Mtpa



Amaam and Amaam North – low cost supply in a high cost world

- Global median export coking coal production cost now ~US\$100/t
- TIG targeting production costs of <US\$100/t i.e. first and mid quartile of the export coking coal cost curve
- Amaam and Amaam North have a significant freight cost advantage over other miners

2014 Metallurgical Coal Seaborne FOB Cash Cost Curve





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Exploration Target statement

The potential quantity and quality of the exploration targets identified in this Presentation are conceptual in nature, and there has been insufficient exploration to date to define a mineral resource in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves published by the Joint Ore Reserves Committee ("JORC Code"). Furthermore, it is uncertain if further exploration at its exploration targets will result in the determination of a mineral resource.

Competent Persons statement

The information compiled in this release relating to coal resources within the Amaam tenements is based on information provided by Tigers Realm Coal Limited and compiled by Neil Biggs, who is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy and who is employed by Resolve Geo Pty Ltd. Neil has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). Neil Biggs consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Forward-looking statements

This Presentation contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', 'intends' and other variations of such words that involve risks and uncertainties. The forward-looking statements include statements regarding the future development of the Amaam project, including cost and timing estimates.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, at the date of this Presentation, are expected to take place.

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