

## INVESTMENT HIGHLIGHTS

- Developing a large scale coking coal basin
- Two exceptionally well located coking coal deposits
- Combined Resources of 536.3 Mt
- Amaam North:
  - Project F: 72.3 Mt total Resource comprising 12.6Mt Measured<sup>D</sup>, 13.2Mt Indicated<sup>C</sup> & 46.6Mt Inferred<sup>B</sup>
  - Outstanding exploration upside for resource growth
  - 35km from TIG's owned and operated Beringovsky coal port
  - BFS completed
  - Short timeline to first production from low capital and operating cost mine
- Amaam:
  - Amaam: 464 Mt total Resource comprising 78Mt Indicated<sup>C</sup> & 386Mt Inferred<sup>B</sup>
  - 25km from planned port site and only 8 days shipping to China, Korea and Japan
  - High vitrinite content (>90%) coking coal with excellent coking properties
  - PFS completed on 5Mtpa coking coal mine

## BOARD OF DIRECTORS

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Craig Parry

Tigers Realm Coal Limited  
ACN 146 752 561 ASX code: "TIG"  
Level 7, 333 Collins St, Melbourne VIC 3000  
T: (+61) 3 8644 1326

**BFS confirms Project F's potential to be one of the world's lowest cost coking coal operations**

## Highlights:

- Bankable Feasibility Study (BFS) completed on Project F at Amaam North confirms outstanding project economics with a short lead time to first production
  - **After tax net present value (NPV) of US\$155m** (using Wood Mackenzie coking coal price forecasts, real discount rate of 10%)
  - **Internal rate of return (IRR) of 28%**
  - Typical annual **after tax cash flow of US\$72 million** post ramp-up
- Project F will be one of the lowest operating cost coking coal mines in the world with a life of mine average FOB **cash cost of US\$68.50/t**. Post ramp-up from 2018 FOB **cash costs of \$65.00/t** are estimated
- Planned production of up to **1Mtpa of coking coal** over an initial mine life of **11 years**
- Life of mine capital cost (excluding mine closure) estimated at **US\$133.3m**
- Incorporating additional Resources along strike and down dip of the open pit has the potential to increase project NPV **to more than US\$315m**
- TIG controls its entire infrastructure chain with coal to be trucked from mine and plant on a dedicated 35km road link to **TIG's 100% owned Beringovsky Port coal terminal**
- Coke test work confirms main product as a semi-hard coking coal with very low sulphur and low phosphorus levels
- Mining Licence and Project Financing progressing to plan:
  - Mining licence approval process is ahead of schedule and the licence is expected to be received in coming weeks
  - Project financing - strong interest from several financial institutions for provision of project development funding
  - TIG has **\$26.5m in cash at 30 Sept 2014**, owns and operates the Beringovsky Coal Port and has its starter mine fleet at site

**Tigers Realm Coal's CEO Craig Parry:** "The completion of the BFS is a key milestone on our path to rapidly becoming a coking coal producer. The results confirm that Project F is economically viable and has the potential to be one of the lowest cost mining and export coking coal operations in the world.

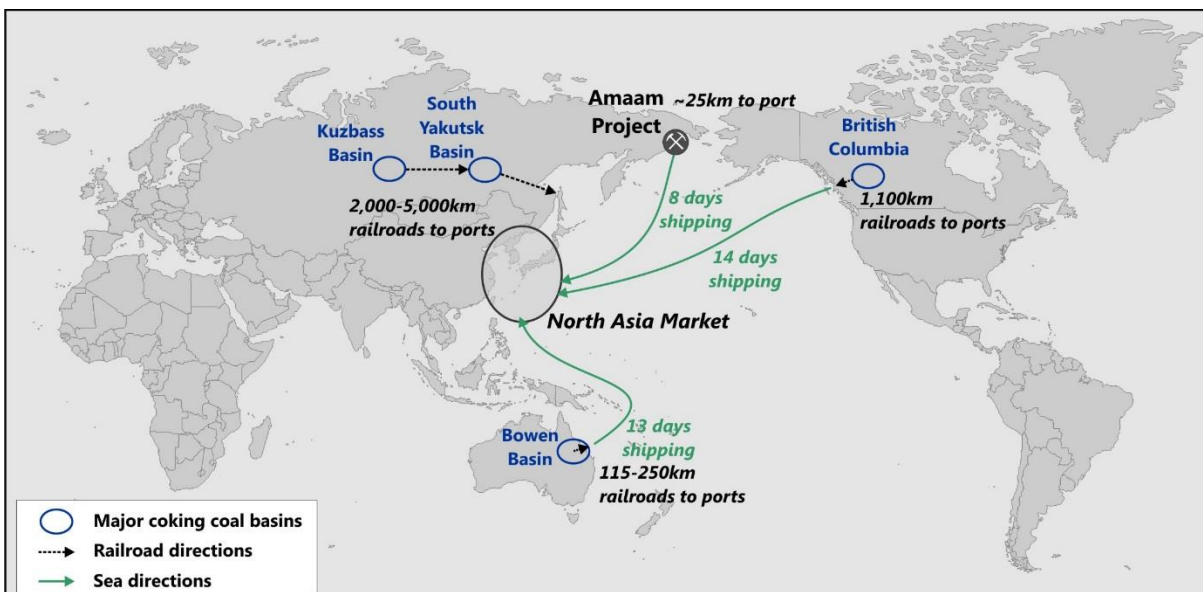
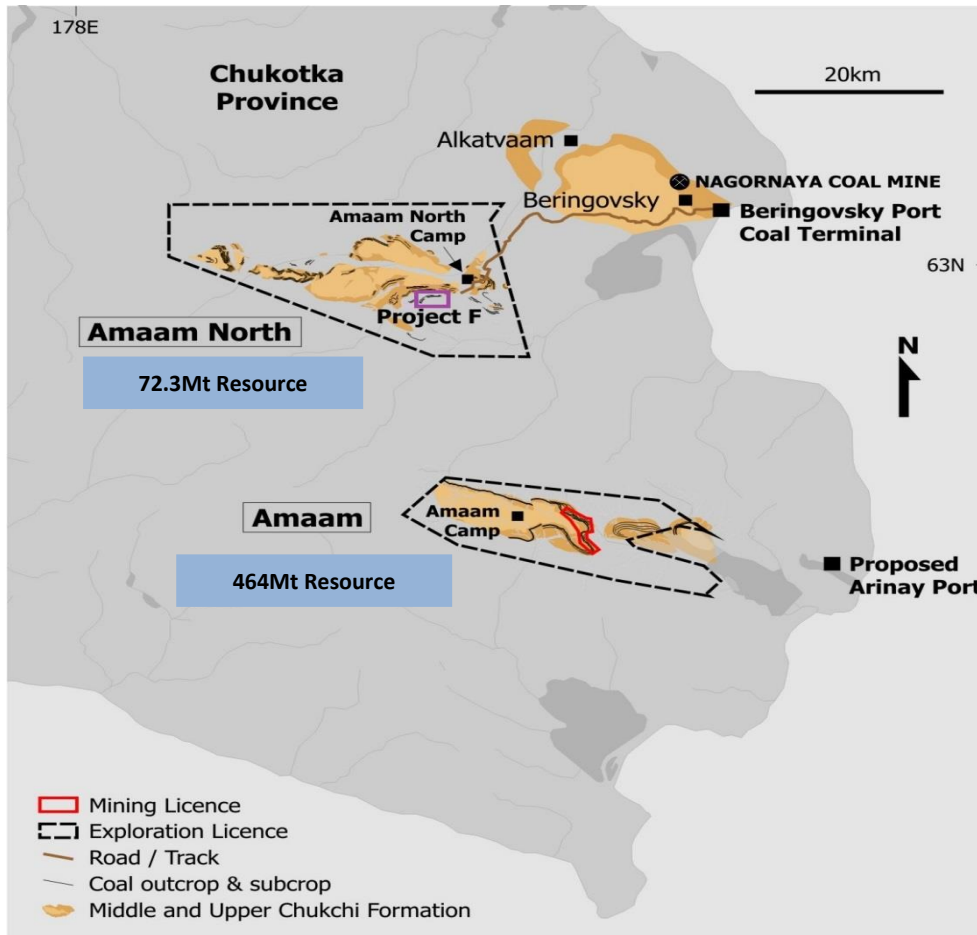
"Following the refurbishment and development of the 35km of road to our coal terminal at Beringovsky, we will have in place a fully integrated coal mine and logistics chain that will allow us to cost effectively export quality product to nearby Asian markets.

"We have in place our starter mine and development fleet and we expect to have Project F's mining licence soon. With the interest we are receiving for project funding, we are well on target to become a coal producer by end of 2015."

Tigers Realm Coal (**TIG**) is pleased to announce it has completed a Bankable Feasibility Study (**BFS**) on the Project F section of the Amaam North licence. TIG owns 80%<sup>A</sup> of the Amaam Coking Coal Project which is located in the Chukotka Province of far eastern Russia. The Amaam Coking Coal Project consists of two tenements: Amaam and Amaam North.

*NB: All currency used in this release are USD unless stated otherwise.*

**Figures 1 and 2: Location maps of Project F, and the Amaam and Amaam North Coking Coal Projects**



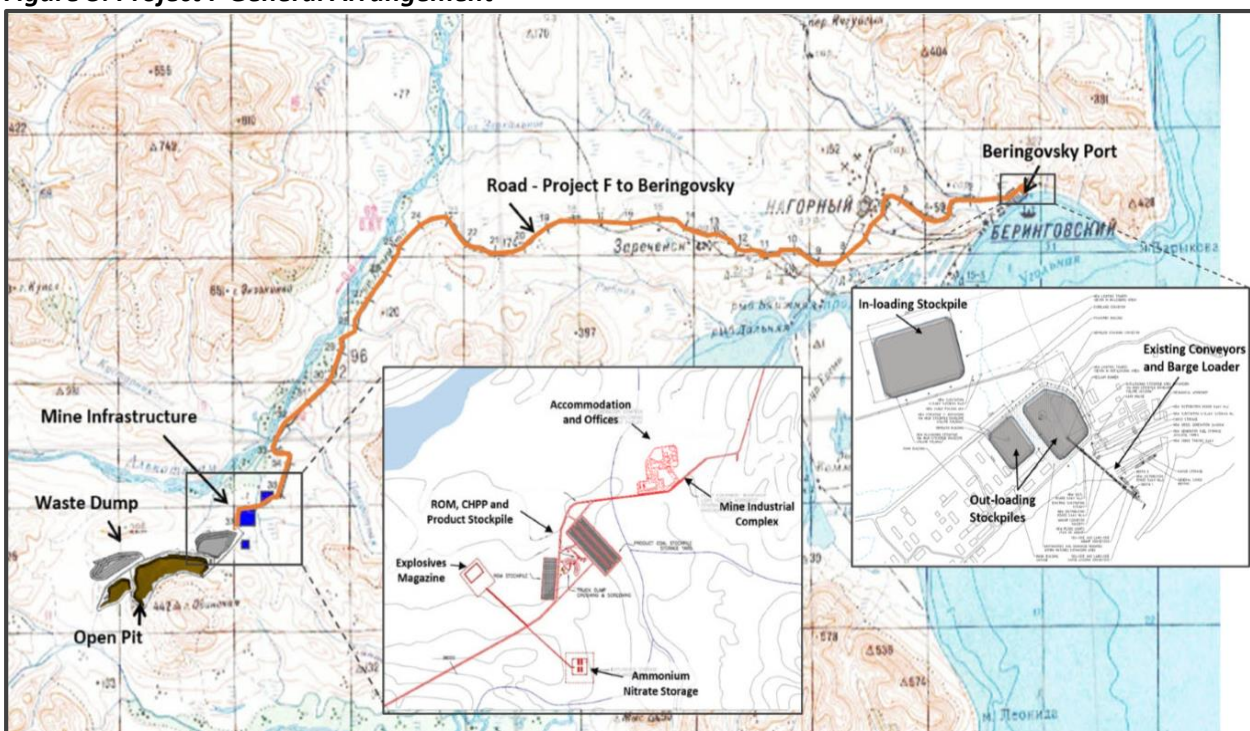
The BFS focuses on the open pit potential of the Project F Resource and comprises three main components (see Figure 3):

**The mine site** - comprising an open-pit mine, coal handling and preparation plant (**CHPP**) and associated infrastructure (i.e. workshops and warehouses, accommodation, offices, electrical power and heat generation and distribution facilities, water and waste management facilities, and fuel storage);

**The product coal transport chain** - comprising a 35 km all-weather road from the Project F mine site to the existing Beringovsky Port facilities. This will be used for product coal transport (outgoing), mine site supplies (incoming) and personnel transport; and

**The coal terminal** - comprising the port area coal stockpiles, an upgrade to the existing transshipment facilities at TIG's Beringovsky Port, refurbishment of the existing barge fleet, associated services and utilities. In addition, a new barge fleet will be procured (for operation from 2017) to support the existing transshipment operation.

**Figure 3: Project F General Arrangement**



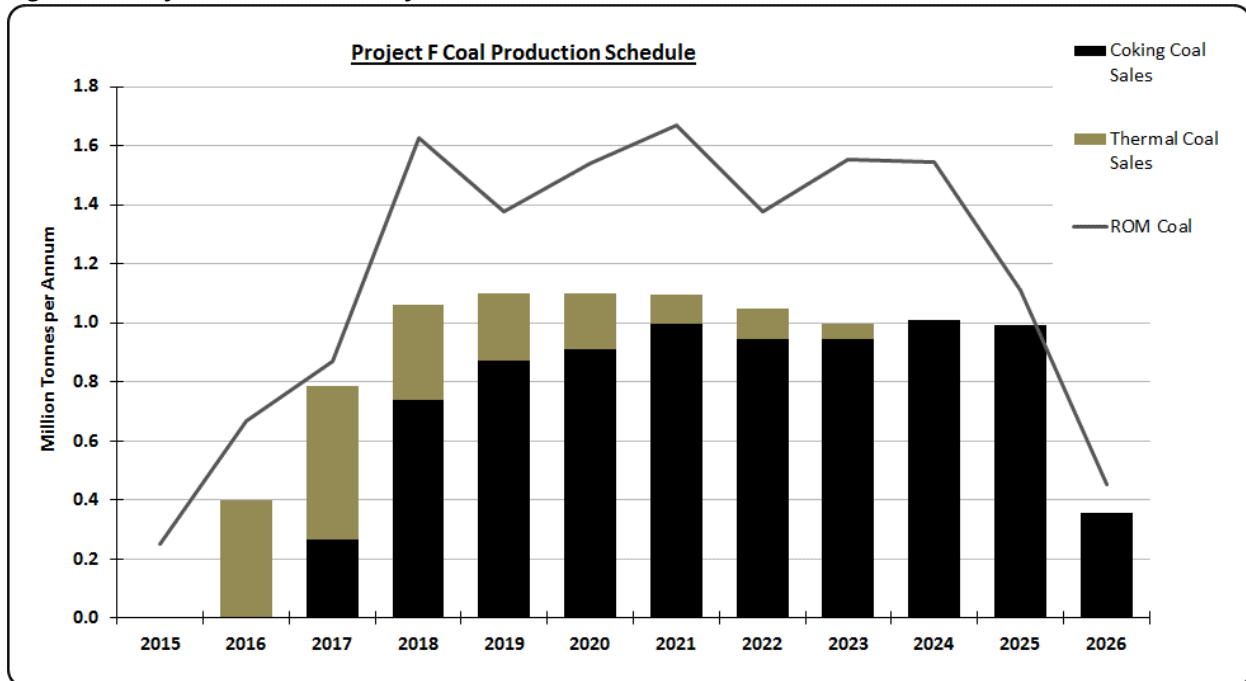
The Project F Base Case open-pit contains 14 million tonnes (**Mt**) of run-of-mine (**ROM**) coal at a stripping ratio of 5.2:1 (bcm waste : tonnes ROM coal). The steady state mining rate is 1.5 million ROM tonnes per annum (**Mtpa**). The life-of-mine (**LOM**) is 11 years, with coal production commencing in 2015 and first shipments of product in 2016.

LOM product coal sales are estimated at 9.94 Mt, comprising 8.03 Mt of coking coal and 1.91 Mt of thermal coal (near-surface oxidised coal). Production is expected to ramp up over a two-year period to reach the steady-state rate of 1.0 Mtpa of product by 2018. Figure 4 summarises the projected mine schedule and product sales.

The key LOM physicals and costs for the Project F operation are summarised in Table 1. Open-pit mining occurs in three stages of increasing waste movement. 70% of ROM coal requires washing to produce coking coal, which will be blended with low ash bypass coking coal. Coal processed through the CHPP will

have an average wet yield of 51%, for a product ash of 10%. The CHPP is scheduled to commence production in 2017, following 18 months of bypass coal production.

Figure 4: Project F Base Case Project Production Schedule



Coal will be transported by truck from the mine site to the port, on a 35 km all-weather road, constructed in the second half of 2016. Initial thermal coal products (near surface oxidised coal) will be transported to the port via a winter ice-road in the first half of 2016, before the all-season road is constructed.

Coal exports will be transhipped through the Beringovsky Port, during a five-month shipping season.

Average, LOM, FOB operating costs for the open-pit operation are summarised in Table 2. Post ramp-up from 2018 onwards the site operating costs are estimated to be \$65.00/t of product coal.

The capital cost estimate covering capital construction activities between 2015 and 2017 is \$121.7 million, and is summarised in Table 3. The accuracy of the estimate is assessed to be within a range of 10 to 15%.

The 2015 cost to first coal production, prior to transport to Beringovsky port on the winter road in early 2016, is estimated to be \$42 million. This comprises \$20 million of capital costs and \$22 million of mining operating costs. When added to the \$12 million already spent on capital items in 2014, the pre-production cost to first coal is \$54 million (this was estimated at \$51.7 million in the PFS released in ASX Announcement on 2 September 2013).

Figure 5 ranks the Project F operating costs (FOB) on the current cost curve for seaborne metallurgical coal. The figure illustrates that Project F will be one of the world’s lowest cost producers.

**Table 1: Project F Open Pit Project Summary – 2015 Onwards**

Input / Outcome Parameter	Value / Assumption
<b>Physicals</b>	
Life of Mine ROM Production	14 Mt
Steady-State ROM Production Rate	1.5 Mtpa
Total Waste Mined	72.7 M bcm
Life of Mine Strip Ratio	5.19 bcm : ROM tonne
CHPP Bypass Ratio (Coking Coal)	31%
Life of Mine Yield (Coking Coal Product / ROM)	66%
Coking Coal Production (Life of Mine / Typical Annual Rate)	8.03 Mt / 0.93 Mtpa
Thermal Coal Production (Life of Mine / First 4 years)	1.91 Mt / 1.48 Mt
<b>Life of Mine Capital Costs</b>	
Mobile Fleet	US\$ 15.2 million
Coal Handling and Preparation Plant	US\$ 24.0 million
Transport and Port Facilities	US\$ 33.2 million
Infrastructure, Services and Utilities	US\$ 33.5 million
Indirect Costs	US\$ 6.1 million
Owners Costs	US\$ 10.8 million
Contingency	US\$ 10.7 million
<b>Subtotal</b>	<b>US\$ 133.3 million</b>
Mine Closure	US\$ 22.0 million
<b>Total Life of Mine Capital Costs</b>	<b>US\$ 155.3 million</b>
<b>Life of Mine Average Site Operating Costs</b>	
Mining	US\$ 33.2 / product tonne
CHPP	US\$ 8.8 / product tonne
Coal Transport and Transhipping	US\$ 14.1 / product tonne
Administration and Services	US\$ 12.4 / product tonne
<b>Free on Board (FOB) Operating Cost</b>	<b>US\$ 68.5 / product tonne</b>

NB: Totals may not sum due to rounding.

**Table 2: Operating Cost Summary**

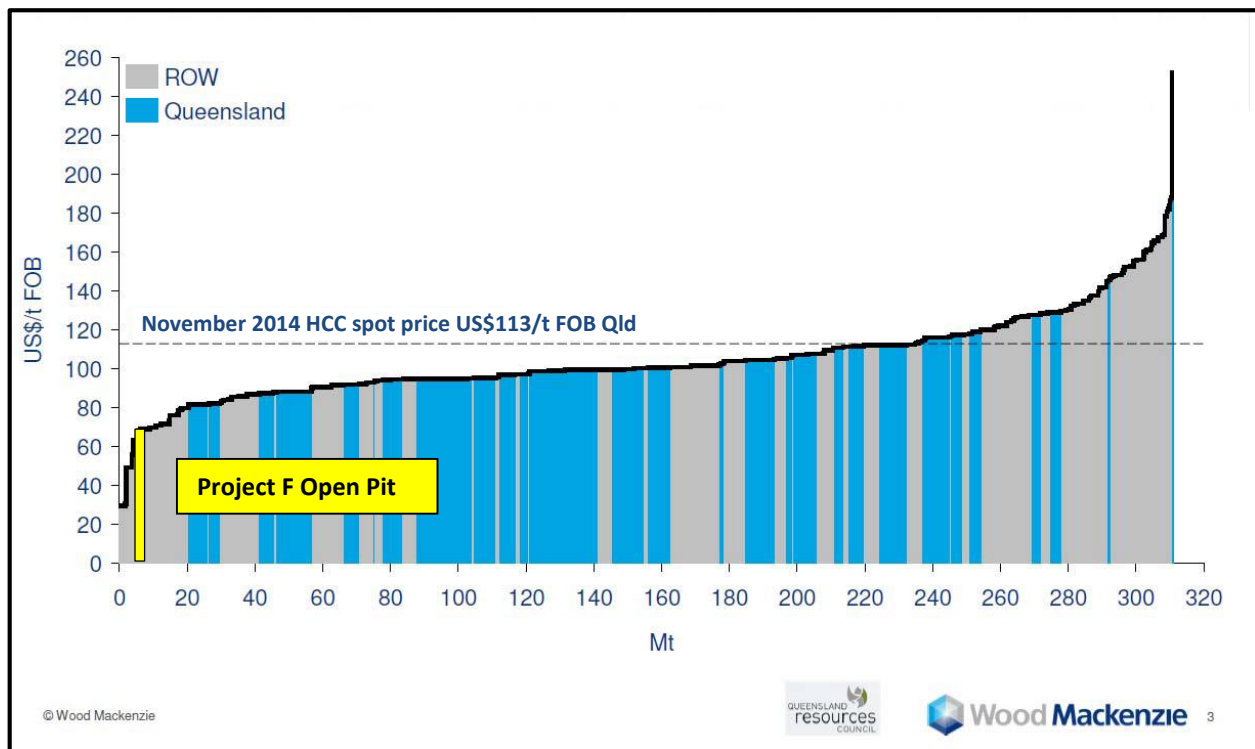
Area	LOM Average \$/t Product Coal	At 1 Mtpa 2018 onwards \$/t Product Coal
Mining (including Tailings Disposal)	29.2	28.7
CHPP	8.5	8.6
Coal Transport and Transhipping	11.5	10.6
Administration and Services	12.1	11.4
<b>Direct Operating Costs</b>	<b>61.3</b>	<b>59.2</b>
Fleet Leasing Costs	7.2	5.8
<b>Total Operations Expenditure (Free-on-Board)</b>	<b>68.5</b>	<b>65.0</b>
Russian Royalty	<b>1.43</b>	<b>1.43</b>

NB: Totals may not sum due to rounding.

**Table 3: Capital Cost Summary 2015 to 2017**

Item	US\$ million
Mining and Support	10.4
Coal Handling and Preparation Plant	24.0
Infrastructure, Utilities and Services	30.8
Transport and Port Facilities	29.0
<b>Total Direct Costs</b>	<b>94.2</b>
Indirect Allowances	6.1
Owners Costs	10.8
Contingency	10.7
<b>Total Indirect Costs</b>	<b>27.5</b>
<b>Total Capital Costs</b>	<b>121.7</b>

NB: Totals may not sum due to rounding.

**Figure 5: 2014 Seaborne Metallurgical Coal Operating Cost Curve (\$/t FOB)**

## FINANCIAL ANALYSIS

The financial analysis for the project has been undertaken at the Russian company level before the distribution of funds to TIG (80%) and cash flows related to the joint venture. The results are based on Project F semi-hard coking coal receiving a 15% discount to the Wood Mackenzie forecast for benchmark Hard Coking Coal (**HCC**). This equates to an average received price of \$153/t FOB over the LOM. Base Case thermal coal product receives an average price of \$63/t FOB.

The financial analysis uses the following parameters:

1. A real, after-tax, US dollar discount rate of 10%;
2. Russian corporate income tax rate of 20%; and

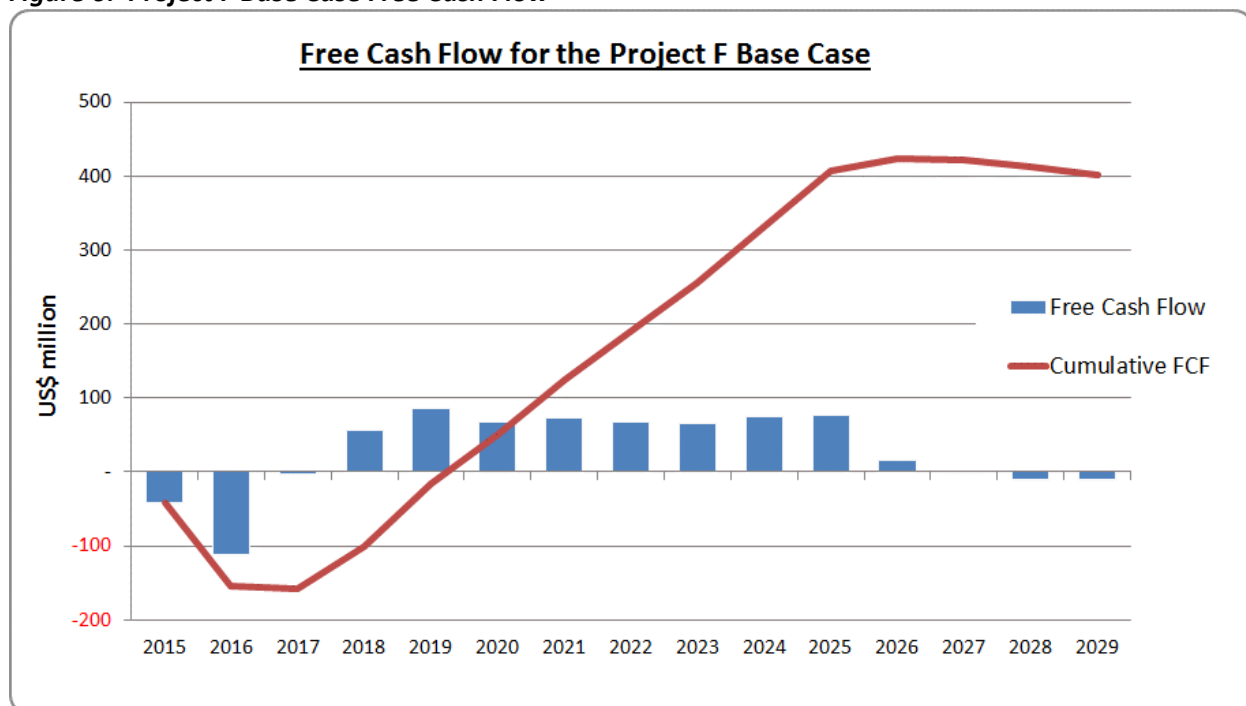
3. Russian Mineral Extraction Tax (MET or royalty) of RR 57/tonne of product (\$1.36/t using an exchange rate of 42:1 Roubles:US\$).

Table 4 summarises the Base Case Net Present Value (NPV) and other financial metrics. Figure 6 shows the project's Free Cash Flow over the LOM.

**Table 4: Project F Open Pit Investment Summary**

Description	Outcome
NPV (10% real, after-tax)	US\$ 155 million
Internal Rate of Return (IRR)	28%
After Tax Project Cash Flow	US\$ 401 million
Typical Yearly Project EBITDA	US\$ 84 million
Typical Yearly After Tax Cash Flow	US\$ 72 million
Taxes and Royalties Paid	US\$ 107 million

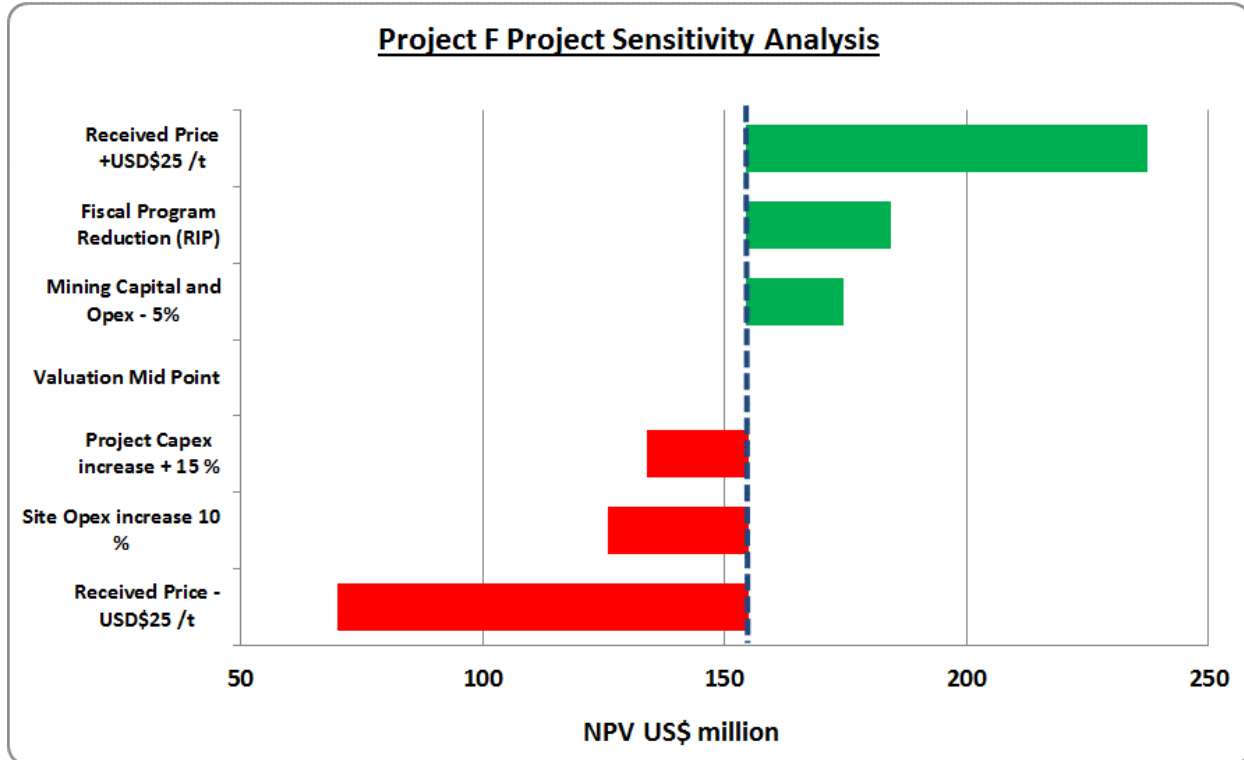
**Figure 6: Project F Base Case Free Cash Flow**



Sensitivity cases for the project are illustrated in Figure 7. The scenarios comprise:

- Upside Cases:
  1. An increase in the received FOB price for coking coal of \$25/t to \$178/t;
  2. A reduction in both mining capital and operating costs of 5%; and
  3. A reduction in the Mineral Extraction Tax to RR 34/t (from RR 57/t), and a reduction in Corporate Tax from 20% to 18% from 2015 to 2020 and to 8% from 2021 to 2025, on the basis the project is classified as a 'Regional Investment Project' (RIP).
- Downside Cases:
  1. A reduction in the received FOB price for coking coal of \$25/t to \$128/t;
  2. An increase in all site operating costs of 10%; and
  3. An increase in capital costs of 15%.

Figure 7: Project F Valuation Sensitivity Analysis



#### RECENTLY ANNOUNCED AMAAM NORTH COAL RESOURCES DEMONSTRATE PROJECT UPSIDE

The Project F BFS has defined a low capital, low operating cost entry to production, via the thick near-surface coal seams defined in the Lower Chukchi Formation. To date, exploration drilling has covered a small area of the 478 km<sup>2</sup> Amaam North Licence. In the medium to longer term, there is excellent potential for additional open-pit production from extensions to Project F along strike, and from underground mining, down-dip below the open pit.

The Project F BFS is based on the 2013 Resource of 26.8 Mt, initially discovered and drilled out in the winter of 2012/13. Since then, based on additional drilling undertaken during 2013/14, the Resources have increased to 72.3 Mt (see ASX Announcement, 15 October 2014). Figure 8 illustrates the strike extensions of the seams, to the east and south of the Project F Base Case Open Pit. To assess the potential upside to value from these additional Resources, TIG has undertaken scoping level assessments (Scoping Study) on two potential upside operations:

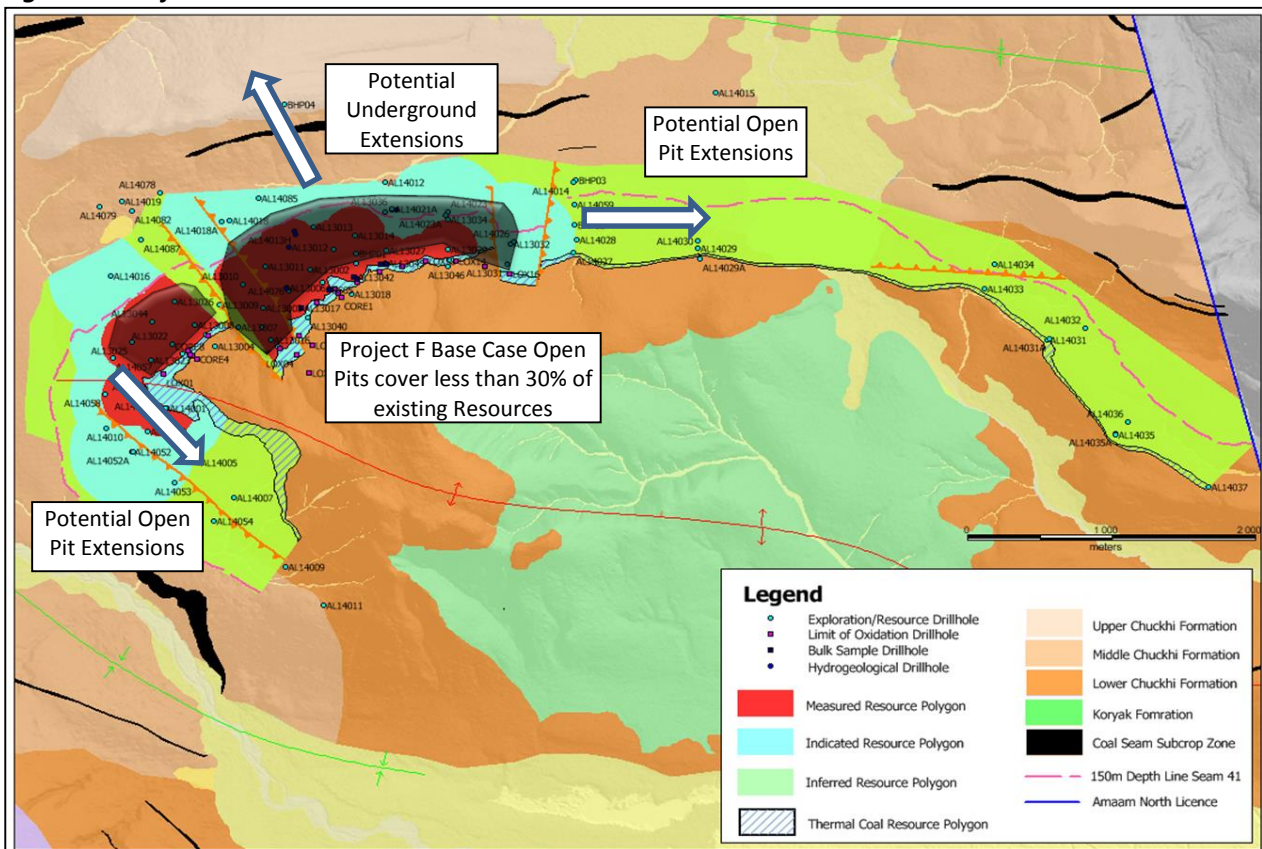
- **Project F Open-Cut Extensions:** Drilling has extended the strike length of near-surface, shallow dipping, low strip ratio Project F coal seams to more than 10 km. Based on this information and the economic assumptions used in the BFS these extensions could support a potential open pit ROM production rate of 2 Mtpa for approximately 15 years. Mining of the extension areas in parallel to mining of the Project F open-pit operation will require additional capital for capacity addition within the CHPP and site infrastructure, along with expansions to the transportation system and port facilities.
- **Project F Underground:** An underground operation, based on the down dip extension of the 26.8 Mt Resource (2013), is scheduled to ramp-up as the Project F open-pit operation ramps down. Process and non-process infrastructure at Project F can be utilised by the underground operation, blending open-pit and underground production rates to the capacity of the CHPP, product transportation and transshipping operations. In the valuation case, underground production is assumed to begin in 2025, running for six years with a production rate of 1.1 Mtpa ROM Coal. Other economic assumptions used in this assessment are the same as those used for the BFS.



It should be noted that Inferred Resources are utilised in the assessment of the potential production rates in these two potential upside operations. As such it is cautioned that there is a low level of geological confidence associated with Inferred Coal Resources and there is no certainty that further exploration work will result in the determination of Measured or Indicated Resources or that production target rates for these upside cases will be realised.

The Scoping Study assessment referred to here in relation to these two potential upside operations is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. In discussing ‘reasonable prospects for eventual economic extraction’ Clause 20 of the JORC Code (the Code) requires an assessment (albeit preliminary) in respect of all matters likely to influence the prospect of economic extraction including the approximate mining parameters by the Competent Person. While a Scoping Study may provide the basis for that assessment, the Code does not require a Scoping Study to have been completed to report a Mineral Resource. Scoping Studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar deposits or operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. Reporting the general results of a Scoping Study needs to be undertaken with care to ensure there is no implication that Ore Reserves have been established or that economic development is assured. In this regard it may be appropriate to indicate the Mineral Resource inputs to the Scoping Study and the processes applied, but it is not appropriate to report the diluted tonnes and grade as if they were Ore Reserves. While initial mining and processing cases may have been developed during the Scoping Study, it must not be used to allow an Ore Reserve to be developed.

**Figure 8: Project F Resources and Extension Areas**



The additional value of these potential areas of upside to the Project F open pit is summarised in Table 5.

**Table 5. Project F Resources and Extension Areas**

Project	NPV US\$ Million
Open Pit Base Case	155
Potential Open Pit Extensions	150 - 280
Underground Potential	10 - 70
<b>Total Upside Potential Project F and Extensions</b>	<b>315 - 505</b>

## COAL RESOURCES & MINING INVENTORY

The BFS is based on the Coal Resource Estimate (JORC 2012) completed for Project F by Resolve Geo Pty Ltd (see ASX Announcement on 4 July 2013) and updated with line of oxidation drilling undertaken in early 2014. Total Resources comprised 26.8 Mt, including Measured Resources of 7.2 Mt, Indicated Resources of 6.3 Mt and Inferred Resources of 13.3 Mt. The Coal Resource in the open pit domain, less than 150m from surface is 20.9 Mt. Below 150m, the Resource totals 5.9 Mt, providing significant potential upside from future underground operations.

**Table 6: Coal Resources (100% basis)**

Resource Category	Open Pit <sup>1</sup> (Mt)	Underground <sup>2</sup> (Mt)	Total (Mt)
<b>Measured - Coking</b>	7.16	0	7.16
<b>Indicated- Coking</b>	3.29	1.27	4.56
<b>Inferred - Coking</b>	8.69	4.58	13.27
<b>Indicated -Thermal</b>	1.79	0	1.79
<b>Total</b>	<b>20.93</b>	<b>5.85</b>	<b>26.78</b>

1. Assumes coal seams greater 0.3m to a depth of 150m
2. Assumes coal seams greater than 1.2m deeper than 150m
3. Totals may not sum due to rounding.

The Project F Base Case open pit contains 14 Mt of ROM coal, with 5.6 Mt of ROM coal from Measured Resources, 3.6 Mt of ROM from Indicated Resources and 4.8 Mt of ROM coal from Inferred Resources. The contents of the Base Case open pit are shown in Table 7.

**Table 7: Project F Open Pit Mining Inventory**

Coal	ROM Mt	Product Mt / Yield%	JORC Classification
<b>Thermal Coal</b>	1.9	1.9 / 100%	1.9 Mt in Indicated
<b>Bypass Coking Coal</b>	3.8	3.8 / 100%	5.6 Mt in Measured 1.7 Mt in Indicated 4.8 Mt in Inferred
<b>CHPP Feed Coking Coal</b>	8.3	4.2 / 51%	
<b>Total</b>	<b>14.0</b>	<b>9.9 / 71%</b>	<b>14.0</b>

NB: Totals may not sum due to rounding

It is important to note that the Resources stated here as the basis for the BFS were based on the initial Resource statement for the Project. Since commencement of the BFS, the Resource base has substantially increased, providing significant potential for increases in production rates and mine life.

A substantial part of the Mining Inventory is in Reserves (JORC 2012) and TIG will make a separate ASX announcement covering this aspect of the Project.

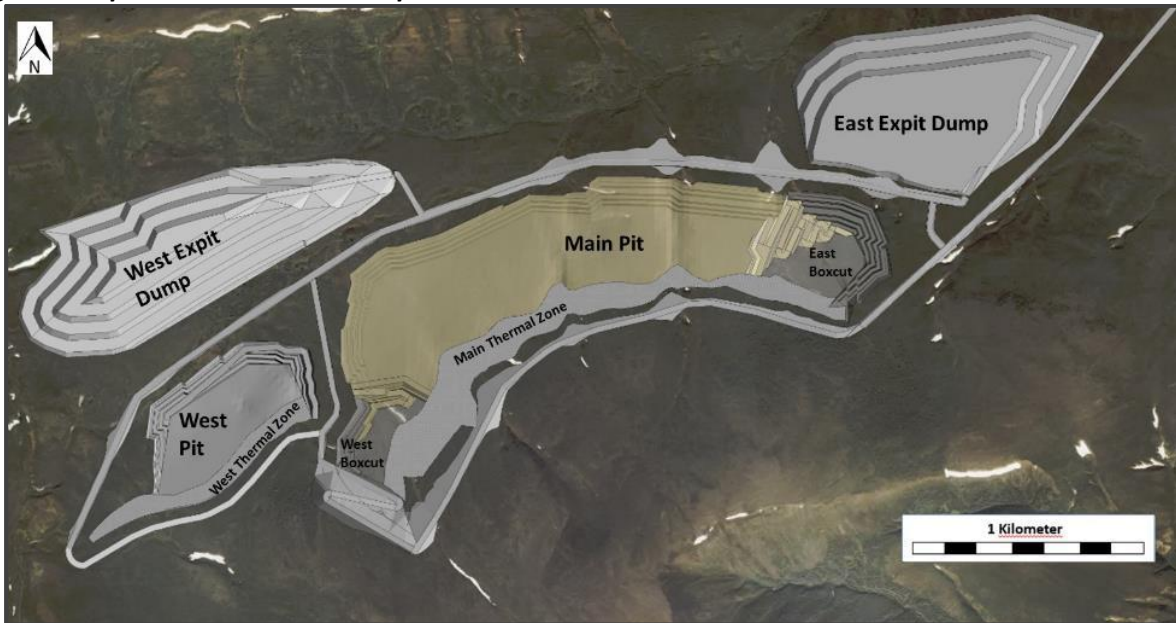
**OPEN PIT MINING**

The Base Case Project F mining operations comprise two open pits, covering a strike length of 3.5km to a maximum depth of 120m and an average depth of approximately 45m. Figures 9 and 10 show the open pit and waste dump locations, on plan and cross-section.

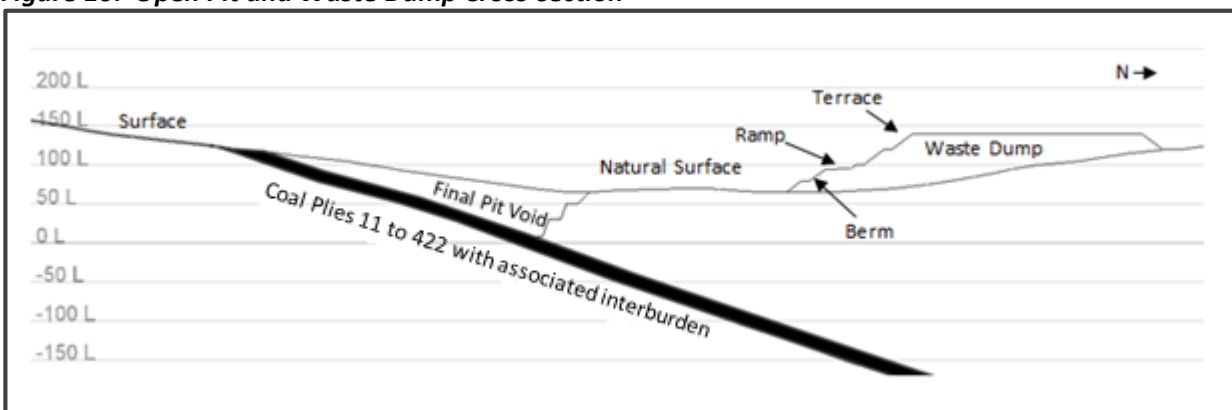
The proposed mine life is 11 years commencing in mid-2015, with an average stripping ratio of 5.2:1. Following ramp-up, production is 1.5 Mtpa of ROM coal and approximately 1 Mtpa of product coal. Coal production commences in 2015 and first shipments of coal are in 2016.

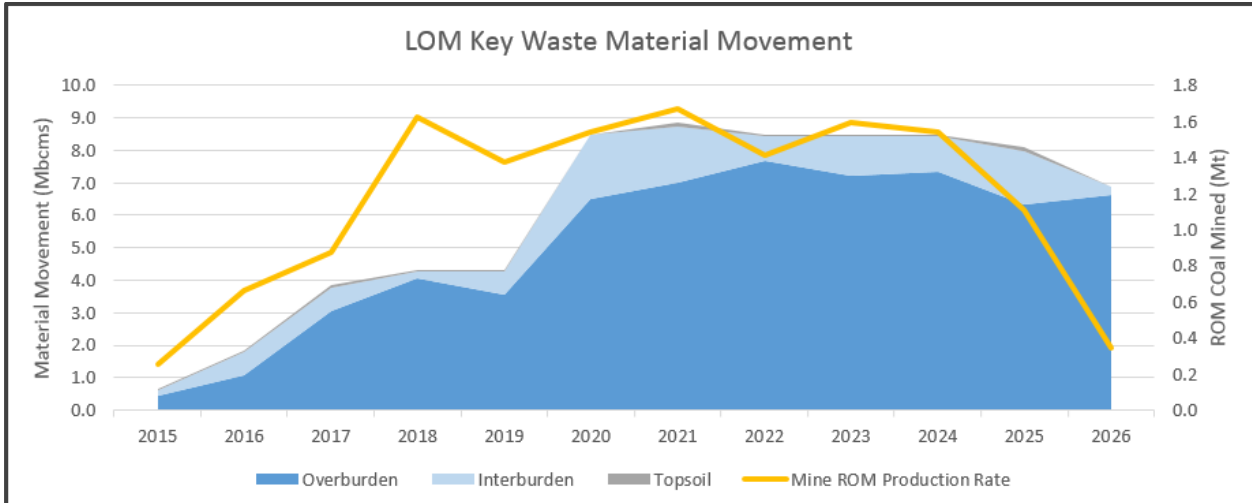
The mining schedule is illustrated in Figure 11.

**Figure 9: Open Pit and Waste Dump Plan**



**Figure 10: Open Pit and Waste Dump Cross-section**



**Figure 11: Project F Mining Schedule**

### Mining Method and Fleet

The Project F open pit will be a conventional drill and blast, excavator loading truck, operation. The operation will use 70t and 100t class excavators for coal and associated waste/interburden and 250t excavators for bulk waste. Truck haulage of coal and waste will use 40t (CAT 740B – six wheel drive) articulated trucks at the commencement of operations and 90t class (i.e. CAT 777 or similar) conventional off-highway trucks thereafter.

The mining operations commence using the strip-mining method, before moving to the terrace-mining method for the second half of the mine life. This results in ex-pit dumping at the start of operations, and in-pit dumping thereafter.

### INFRASTRUCTURE, UTILITIES AND SERVICES

Figure 12 illustrates the mine infrastructure layout. At the mine site, infrastructure will comprise:

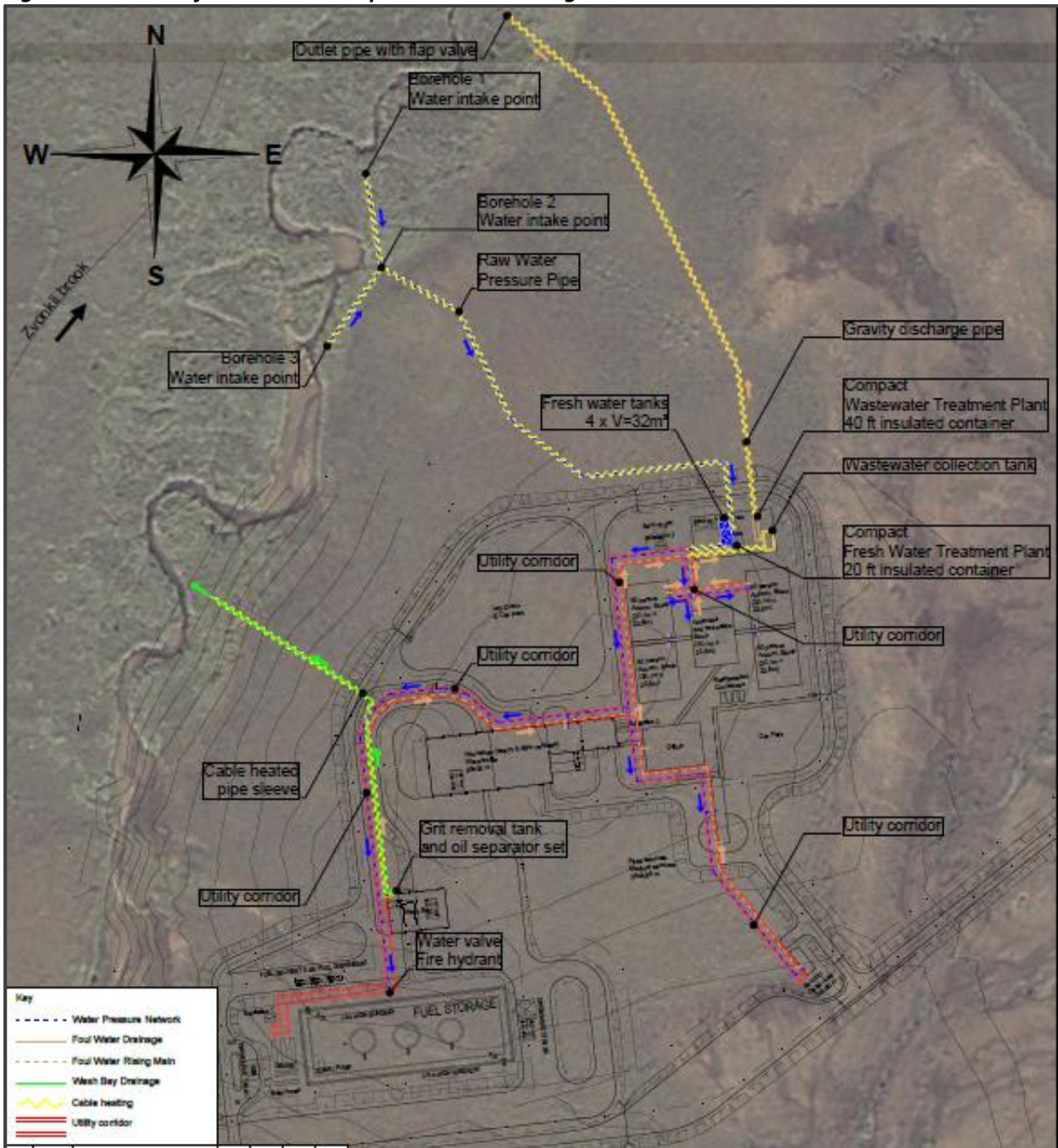
1. A 200-person accommodation camp, with dedicated potable water supply and sewerage systems;
2. Offices, warehouses, laboratory and container storage areas;
3. Heavy vehicle, light vehicle and general engineering workshops;
4. Heavy/light vehicle wash down and lubrication bay;
5. Fuel and hydrocarbons storage facilities;
6. ROM and product coal stockpiles;
7. Explosives magazines and Ammonium Nitrate (AN) storage;
8. Diesel power generators, with integrated heat generation facilities;
9. Utilities, including raw water supply, lighting and communications facilities;
10. A utilities distribution network, with appropriate insulation and heat-tracing elements;
11. Environmental controls, including diversion and drainage channels, sedimentation ponds and waste-water treatment facilities; and
12. Site roads (ex-pit).

At the port site, infrastructure additional to existing facilities will comprise:

1. Laboratory; and
2. Diesel power generators and electrical distribution.

Accommodation of personnel will be via the refurbishment of existing, unused buildings in Beringovsky.

Figure 12: Mine Infrastructure Complex General Arrangement



**TRANSPORT, PORT FACILITIES AND DISTRIBUTION**

The TIG owned Beringovsky Port will be used for shipments of coal. The port is operational and currently tranships coal (>60 ktpa in 2014) for the Chukotka Government owned Nagornaya underground operations. The annual shipping season lasts approximately five months.

The BFS has determined the lowest risk option for coal transport, as well as supplies and personnel logistics is achieved with an all-weather road, constructed in 2016. Coal to be shipped in 2016 will be transported to the port on a winter ice-road for one season only. The coal transport fleet will comprise eleven 40-50t trucks, at peak production.

The Beringovsky Port is currently in fair condition and has historically shipped more than 700 kt per season. To export Project F coal, the improvements to the port will comprise:

1. A new stockpile yard of approximately 350 kt capacity. The existing port stockpile area can store approximately 250 kt of coal;
2. An upgrade to the current coal conveying and barge loading system;
3. Four additional 400-tonne, self-powered barges; and
4. Dredging the harbour and its entrance to further improve access.

**COAL HANDLING AND PREPARATION PLANT**

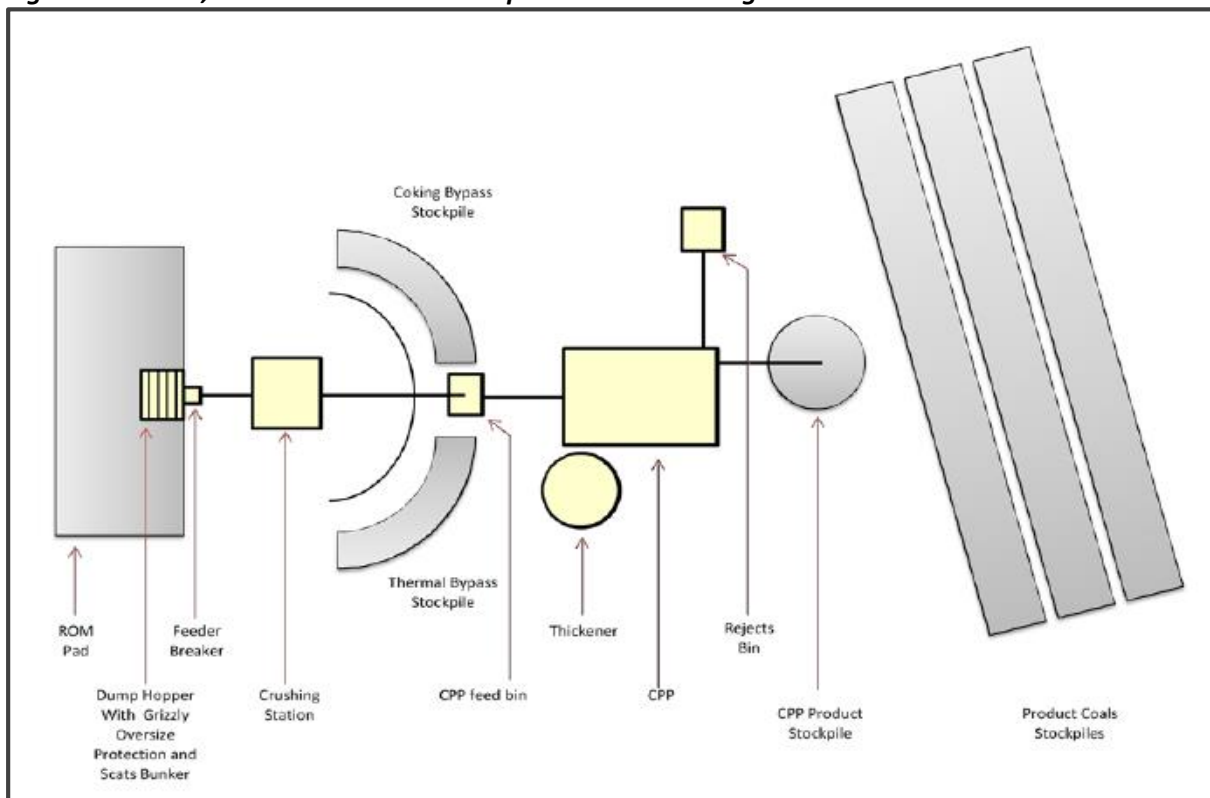
The CHPP is to be constructed as an off-the-shelf, modular arrangement, minimising costs and maximising offsite assembly. It is to be constructed, tested and commissioned at the supplier’s assembly facilities, prior to dispatch to site in order to minimise on-site construction time. Site environmental and climate risks are also reduced by following this execution approach.

The CHPP flow sheet comprises Dense Medium Cyclones (**DMCs**), treating coarse material (approximately 60% of plant feed); and a fines circuit beneficiating the +125 micron material (approximately 35% of plant feed). Currently the ultra-fines fraction (approximately 5% of plant feed) is sent to tailings. Recovery of coal from the ultra-fines fraction will be assessed in future studies. Average CHPP yields are estimated to be 51%.

The CHPP design is based on treating 200 tonnes per hour (tph) of ROM coal, for approximately 5000 operating hours per year. The coal handling circuit (crushing and bypass facilities) will be higher-rated (>500 tph), to replenish plant feed bin levels, facilitate acceptable haul-truck wait times at the dump hopper and to crush and screen the bypass product coal, for which an additional 1000 operating hours per year has been assumed.

The plant layout was developed by the Owners Team and A&B Mylec, using input designs gathered from modular plant vendors and engineering entities. The general schematic, as shown in Figure 13, was utilised as the basis for earthworks and site preparation calculations, underpinning the CHPP capital cost estimate.

**Figure 13: ROM, CHPP and Product Stockpiles General Arrangement**



## COAL MARKETING AND SALES

Over 80% of the coal from Project F will be a semi-hard Coking Coal (**SHCC**) with the balance (the nearer-to-surface partially oxidised coal) to be sold as a thermal coal. Calorific values, which have remained high despite the oxidation, indicate that the thermal coal will be an attractive product for potential customers.

### Coking Coal

The indicative quality of Project F SHCC is shown in Table 8. The key characteristics are sound coking properties, very low sulphur, low phosphorus and mid-range volatile matter.

This SHCC will find acceptance in north-east Asian steel mills where mid-volatile coal is used in coke feed blends. Individual customer appetite for the coal will depend on the user's blending strategy, available blending coals, plant restrictions and logistics requirements. The major quality advantage of the coal is its very low sulphur. This characteristic provides a marketing advantage in selling to mills that require low sulphur coals to blend with their higher sulphur coals, including those mills that have limited desulphurisation capacity.

Realised prices will be driven by the wider coking coal market conditions and the coal's value in use to individual customers and will be decided by negotiation with these customers. For the BFS the price used for Project F Coking Coal is a 15% discount to the Queensland HCC Benchmark price, as forecast by Wood Mackenzie. This discount is in line with the discount that has applied to Queensland SHCCs in recent years. Over the LOM this equates to an average received price for SHCC of \$153/t FOB.

### Thermal Coal

The indicative ROM coal quality for initial Project F thermal coal is derived from bore core analysis of coal planned to be mined in 2015 and 2016. The indicative Standard thermal coal quality is shown in Table 8.

The Standard Project F thermal coal is saleable in the power generation and industrial markets of Russian Far East, China, Korea and Taiwan. In particular, the energy content, fuel ratio and sulphur make it a good blending coal for the Chinese market. With more stringent environmental limits now being imposed by the Chinese government, including potential bans on high sulphur coal imports in certain regions, these properties ensure Project F thermal coal is marketable.

The price assumption used in the BFS for thermal coal is based on the forward curve (Platts) for 2016 and 2017 sales and in 2018 and beyond is based on consensus long term forecasts. This equates to a LOM average thermal coal price of \$63/t FOB.

**Table 8: Project F Coals – Indicative Product Qualities**

Quality Parameter	Coking Coal	Standard Thermal
Total Moisture	9.0	10.0
Inherent Moisture	1.0	3.1
Ash (% adb)	9.5	17.5
Volatile Matter (% adb)	27.2	25.1
Fixed Carbon (% adb)	62.3	54.3
Total Sulphur (% adb)	0.31	0.28
Phosphorus (% db)	0.04	-
HGI	75	65
Crucible Swelling No.	6 -7	<1
Maximum Fluidity (ddpm)	80 - 100	-
Rank (RoMax)	1.0	-
Vitrinite (% by vol.)	55 - 60	-
Calorific Value (kcal/kg, net as received)	-	5500
Chlorine (% db)	-	0.041
Ash Fusion (°C red.)	IDT	1505
	Spherical (Softening)	1530
	Hemisphere	1540
	Flow	1545

## PROJECT IMPLEMENTATION

The key requirements of the project are to safely execute the design, permitting, planning and construction of the infrastructure at the mine site, road and port on time and on budget. In addition, corporate support to facilitate regulatory, community, marketing and funding requirements will be effectively applied.

The key activities and required facilities are:

- Completion of design and regulatory documentation to obtain all required permits;
- Procurement, mobilisation and assembly of mining mobile fleet;
- Procurement, construction and commissioning of the CHPP and associated infrastructure;
- Construction of the Mine Infrastructure Complex (MIC) facilities;
- Procurement and construction of accommodation facilities;
- Construction of other site infrastructure, including magazine, ANFO compound, landfill facility and Emergency Response Building;
- Access road to Beringovsky (ice-road Q1 2016, all-weather road from Q4 2016);
- Port upgrades (to materials handling system and new in-loading stockpile);
- New and refurbished barges; and
- Port auxiliary facilities (power and buildings).

The project will be managed and coordinated using local and expatriate managers and professionals and will involve functional management from personnel at the mine-site, Beringovsky, and Moscow.

The Project F scope of works has been divided into Owner's tasks, with a number of (turn-key) contracts and procurement packages to be executed. The execution strategy aims to maximise the fabrication and assembly off-site and minimise installation time at site, due to the logistical and climatic constraints.

The key milestones in the project schedule and indicative timing are as follows:

- Mining Licence granted – Q4, 2014;



- Mining construction permit granted – H2, 2015;
- Road construction permit granted – H2, 2015;
- Infrastructure construction permit granted - H2, 2015;
- Port construction permitting – H2, 2015;
- CHPP construction permit granted – H1, 2016;
- Mining and first coal production - H2, 2015;
- First Vessel Loading – H2, 2016; and
- CHPP commissioned – H2, 2016.

## PERMITTING

There are three main approvals required to commence the construction and operation of a mining project in Russia. These are an Exploration and Extraction Licence (Mining Licence), a Construction Permit and a Commissioning Permit. The processes required to obtain these approvals for Project F is advancing well. The company has completed all requirements for the Mining Licence and expects to be awarded this licence in the coming weeks. Activities to meet requirements for the grant of a Construction Permit and the grant of a Commissioning Permit continue on schedule.

In addition to these mining related approvals, two other approvals are required for the development of the project. These are for the road extension development from the Project F mine-site to Beringovsky Port, and for the capital upgrades to be completed at the Beringovsky Port. Both will require approval from the Administration of the Anadyr District, and approvals are expected to be received in line with the project development timeline.

## ENVIRONMENT AND COMMUNITY

Detailed environment and socio-economic baseline studies were completed for the BFS and to meet Russian permitting requirements. Based on these environmental, social and engineering studies, the project is not expected to have significant, negative impacts on the environment or any communities. Engineering controls have been developed as part of the BFS to minimise the environmental impacts of the Project.

## ADDITIONAL BERING BASIN DEVELOPMENT

TIG's licences within the Bering Coking Coal Basin contain an already defined large coking Coal Resource of more than 500Mt and this endowment has the potential to support a project pipeline comprising several possible mine developments. The combined Coal Resources across both licences is 536 Mt and the Exploration Target<sup>E</sup> is 175 to 695 Mt. In respect of the Exploration Target it is cautioned that the potential quantity and quality 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.

At Amaam North, Resource extensions to Project F have already been identified during the 2013/14 exploration program. In addition to Project F (as shown in Figure 14), there is potential for additional coal production from Middle Chukchi coals and other areas with Lower Chukchi coals.

At Amaam, Middle Chukchi coal has been mapped outside of the current Resource base used for the Pre-Feasibility Study (announced to the ASX in April 2013) along with coals in an older geological sequence, currently interpreted as being of Cretaceous age. Figure 15 shows a schematic of the Amaam Project and Figure 16 shows a schematic of the transportation corridor TIG plans to assess in order to connect the two basins with a proposed large-scale, coal terminal at Arinay Lagoon that will provide year round shipping.

TIG’s high value Project F and Extensions is considered to be the primary catalyst for further development of the wider Bering Basin.

Figure 14: Project F Resources and Extension Areas

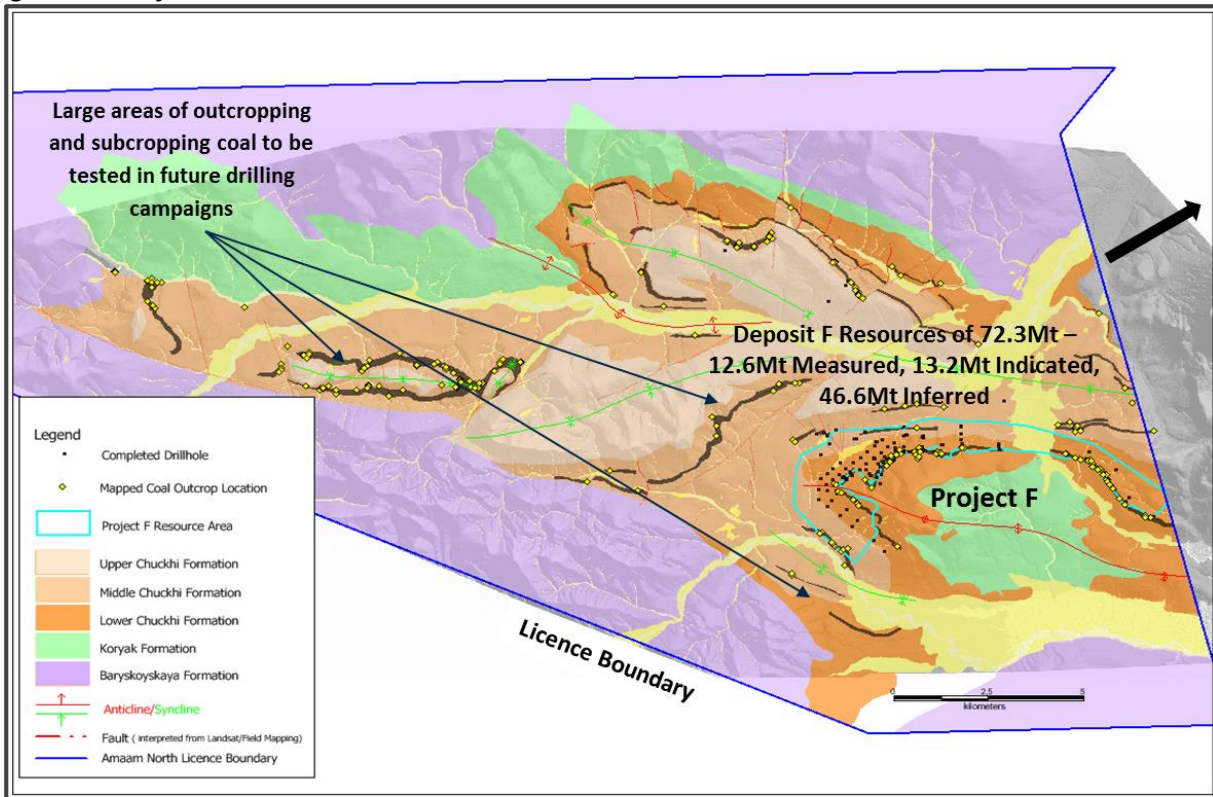
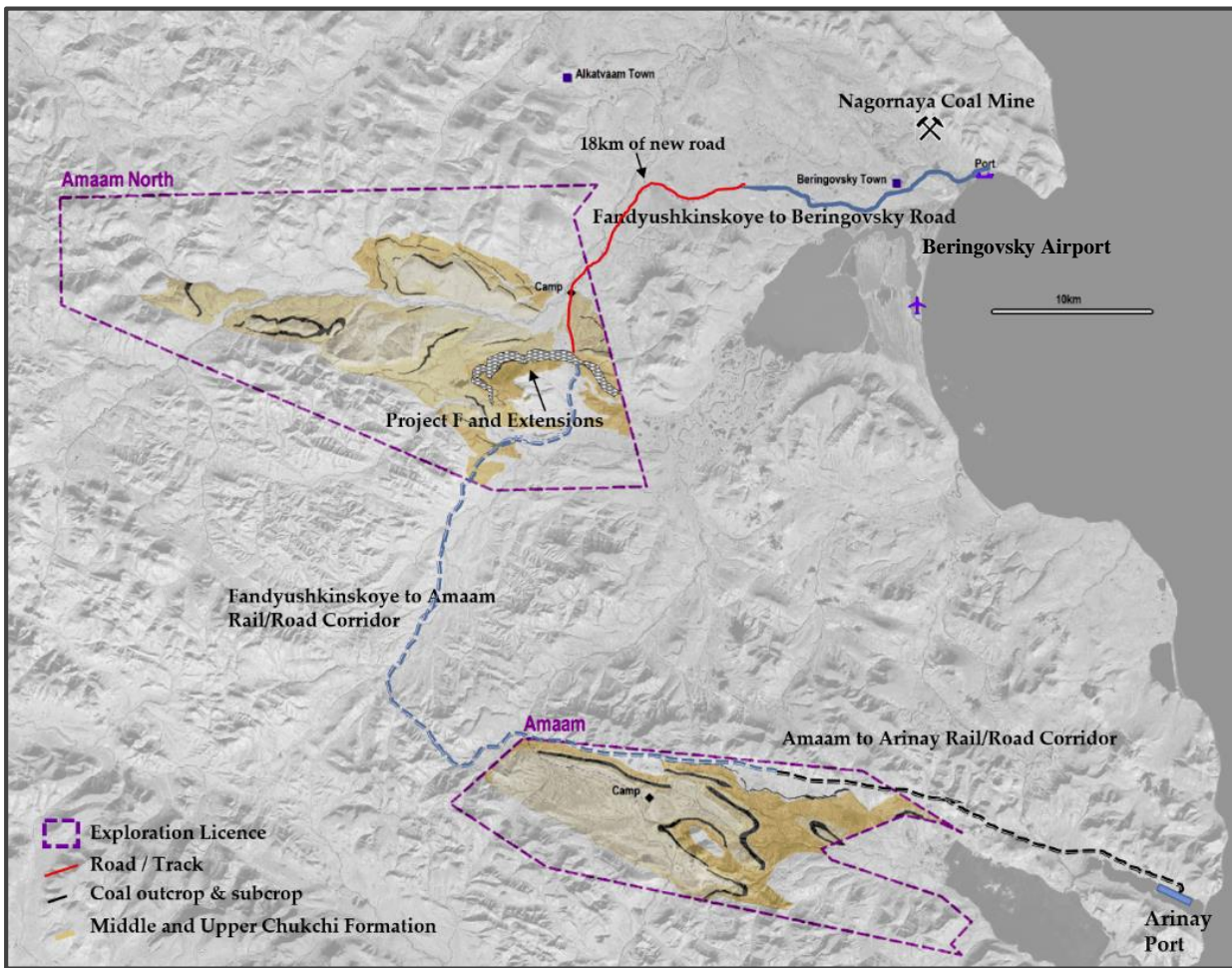


Figure 15: Amaam Project Schematic of Proposed Facilities



**Figure 16: Bering Coal Basin Transportation Corridors (Fandyushkinskoye is the full name of the Project F area)**



**STUDY TEAM**

The BFS has been managed by a TIG Owners team, with expert consultants and engineers contributing to the various project disciplines. The study team is detailed in Table 9.

**Table 9: Bankable Feasibility Study Team**

Project Area	Responsibility
Resource Estimate	Resolve Geo – Brisbane, Australia
Geotechnical Laboratory	St Petersburg University - St Petersburg, Russia
Mine Geotechnical	Pells Sullivan Meynink (PSM) – Sydney, Australia
Mining	MEC Mining, Brisbane, Australia & Owners Team
Environmental Baseline Data Collection	VNII-1 – Magadan, Russia
ESIA Component	Golder – St Petersburg, Russia
Hydrology	Karbon – Vladivostok, Russia SRK Consulting – Perth, Australia
Hydrogeology	Karbon - Vladivostok, Russia SRK Consulting – Perth, Australia

Geochemical Laboratory	SGS - Chita, Russia and Vancouver, Canada
Environmental Controls Engineering	SRK Consulting – Perth, Australia
Coal Quality Laboratory	SGS – Novokuznetsk, Russia Pearson Coal Petrography – Victoria, Canada
Coal Quality Assessment	A&B Mylec – Brisbane, Australia M Resources – Brisbane, Australia
CHPP Engineering	A&B Mylec – Brisbane, Australia Potential Vendors
Infrastructure Engineering	Arup – Moscow, Russia / Melbourne, Australia Hatch – St Petersburg, Russia / Brisbane, Australia Sinclair Knight Merz – Melbourne, Australia Owners Team
Port Engineering	Hatch – St Petersburg, Russia / Brisbane, Australia MorTransNiiProekt, - Moscow, Russia Owners Team
Marketing	M Resources – Brisbane, Australia & Owners Team
Risk Assessment	Ernst & Young – Melbourne, Australia & Owners Team
Strategic Overlay, Capital and Operating Cost Consolidation, Economic Evaluation	Owners Team

## PROJECT FUNDING

Since the discovery of Deposit F at Amaam North in February 2013, TIG has completed equity capital raisings of over A\$82 million which have provided the company with sufficient capital to undertake all planned work on its projects over 2013 and 2014 through to completion of the BFS. Cash as at 30 September 2014 was \$26.5m. Equity funds have been used to purchase the initial mining and construction fleet and the Beringovsky Coal Terminal. The company is now primarily focussed on securing debt funding to complete the development of Project F and bring it into sustainable production as planned.

To ensure a smooth transition from completion of the BFS to project construction TIG has been working on identifying potential sources of funds for the development of Project F throughout 2014. The company has commenced engaging with potential funding partners including Russian, European and Asian banks, international development banks, equipment suppliers, off-take partners, possible strategic partners, Russian sovereign wealth and infrastructure funds, fund managers and private investors. TIG is pleased with the level of interest from these potential sources of funds and is progressing with its efforts towards securing the capital required for the development of the project.

TIG considers that Project F provides the potential to stage development of its assets at Amaam and Amaam North in a manner that provides an optimal outcome for shareholders. Project F has the potential to be the core starter mine development for TIG, providing solid earnings and cash flow to support further exploration and development of its project portfolio at Amaam and Amaam North. Successful execution of Project F should see TIG re-rated as an operating company with an established track record and strong growth profile. This is expected to significantly enhance the Company's position when it comes to securing the capital required to fund development of the large scale Amaam Project.

## JOINT VENTURE CONSIDERATIONS

TIG has 80% beneficial ownership of Rosmiro Investments Limited (“Rosmiro”), a Cyprus company, the sole shareholder of Beringpromugol LLC, the Russian company holding the Amaam North exploration licence. TIG’s 20% partner in Rosmiro is a Cyprus incorporated company, B.S. Chukchi Investments Limited (“Chukchi”). Under the terms of the Rosmiro Shareholders’ Agreement which governs the relationship between the partners, TIG is to fund all project expenditure until both shareholders agree that the BFS is complete and either shareholder may refer the BFS to an independent expert if there is a disagreement as to whether the BFS is complete. TIG discussions with Chukchi concerning the status of the BFS will now commence. Once the shareholders have agreed the BFS is complete, project expenditure is to be contributed on a pro-rata basis by the shareholders. The Rosmiro Shareholders’ Agreement contains a formal process for the parties to undertake in respect of the longer-term funding of the project and to proceed to making a decision to mine. These steps will now commence and TIG’s discussions with Chukchi will be closely linked with the BFS and funding discussions outlined above.

## FUTURE WORK PROGRAM

With the completion of the Project F BFS, TIG is now focussed on moving to production at Amaam North. In the near term TIG’s works programs include:

1. Completion and announcement of an initial Reserve Statement for Project F;
2. Continuing to progress permitting of both Project F and the Amaam Project to ensure milestones in the project development schedule are met;
3. Securing project finance to allow full development of Project F;
4. Exploration and Resource drill out to comply with licence conditions and expand the Resource and Reserve base;
5. Initial Project F development work, which has now commenced, utilising mining and construction fleet now at site (see Figure 17);
6. Value in use studies on Project F coking coal to better define markets and optimise pricing of product coal;
7. Securing off-take partners for Project F products; and,
8. Examining ways of unlocking further value from the world-class Amaam Coking Coal Project.

**Figure 17: Mine fleet at TIG’s Beringovsky Port (Left and Centre), Fuel Farm Earthworks (right)**



## CONCLUSION

The results of the BFS confirm the viability of Project F as a simple, conventional, open-cut mining and logistics operation. The operation will produce primarily a low sulphur, semi-hard coking coal product as well as subordinate thermal coal from the oxidised, weathered coal seams close to surface. TIG will export coal via a simple logistics chain which includes the existing company-owned Beringovsky Coal Port. One of the most important findings of the BFS is that the operating costs will be very low, putting the project in the ranks of the very lowest cost coking coal projects in the world. As such, Project F operating margins should be robust even at current low coking coal prices whilst the company will be well positioned to benefit from widely forecast improvements in coking coal prices.

On the expectation that the BFS would prove Project F to be viable, TIG has advanced development of the project ahead of conventional timelines. It has acquired the Beringovsky Coal Port and taken delivery of the starter mine and construction fleet. These actions have positioned the company to rapidly move ahead with project development, mining and sales. At a time when coking coal is setting itself apart from other bulk commodities as an investment opportunity due to limited new supply growth, TIG will continue to position itself as one of the few companies with a development-ready coking coal project and a short path to production.

Subject to securing funding and Board approval, TIG plans to move ahead with full development of Project F and position itself as one of the lowest cost suppliers of coking coal into Asian seaborne markets. It then intends to fully capitalise on its large and growing resource base to expand production and become one of the leading suppliers of coking coal into the Asian market.

**Tigers Realm Coal can be found at [www.tigersrealmcoal.com](http://www.tigersrealmcoal.com).**

***For further information, contact:***

**Craig Parry, Chief Executive Officer: +61 3 8644 1300**

#### **About Tigers Realm Coal Limited (ASX: TIG)**

Tigers Realm Coal Limited (“TIG”, “Tigers Realm Coal” or “the Company”) is an Australian based resources company. The Company’s vision is to build a global coking coal company by rapidly advancing its projects through resource delineation, feasibility studies and mine development to establish profitable operations.

#### **Competent Persons Statement**

The information compiled in this announcement relating to exploration results, exploration targets or Coal Resources at Amaam and Amaam North is based on information provided by TIG and compiled by Neil Biggs, who is a member of the Australasian Institute of Mining and Metallurgy and who is employed by Resolve Coal Pty Ltd, and 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 JORC Code. Neil Biggs consents to the inclusion in the announcement of the matters based on his information in the form and context which it appears.

#### **Note A – Tigers Realm Coal’s interests in the Amaam Coking Coal Project**

**Amaam tenement:** TIG’s current beneficial ownership is 80% of Eastshore Coal Holding Limited (“Eastshore”), a company incorporated in Cyprus which is the sole shareholder of CJSC Northern Pacific Coal Company, a Russian company, which holds the Amaam tenement. Bering Coal Investments Limited, a company incorporated in Cyprus, holds the other 20% of Eastshore. TIG will fund all project expenditure in the Amaam tenement until a bankable feasibility study is completed as agreed by the Eastshore shareholders. After completion of a bankable feasibility study each Eastshore shareholder is required to contribute to further project expenditure on a pro-rata basis. Siberian Tigers International Corporation, a company incorporated in Cyprus, is entitled to receive a royalty of 3% gross sales revenue from coal produced from within the Amaam licence.

**Amaam North tenement:** TIG has 80% beneficial ownership of Rosmiro Investments Limited (“Rosmiro”), the sole shareholder of Beringpromogul LLC, the Russian company which owns the Amaam North exploration licence. B.S. Chukchi Investments Limited holds the other 20% of Rosmiro. TIG will fund all project expenditure until a bankable feasibility study is completed as agreed by the Rosmiro shareholders. After completion of a bankable feasibility study each Rosmiro shareholder is required to contribute to further project expenditure on a pro-rata basis. Siberian Tigers International Corporation, a company incorporated in Cyprus, is entitled to receive a royalty of 3% gross sales revenue from coal produced from within the Amaam North licence. In the event of TIG’s partner not contributing to finance the project capital requirement and diluting its share below 20%, a royalty is payable to the JV partner proportionately to the amount of dilution, up to a maximum of 2%. This was not included in the financial assessment at the project level.

#### **Note B – Inferred Resources**

According to the commentary accompanying the JORC Code an ‘Inferred Mineral Resource’ is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration

#### **Note C – Indicated Resources**

According to the commentary accompanying the JORC Code an ‘Indicated Mineral Resource’ is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered.

#### **Note D – Measured Resources**

According to the commentary accompanying the JORC Code a ‘Measured Mineral Resource’ is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.

#### **Note E – Exploration Target**

According to the commentary accompanying the JORC Code an ‘Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. Any such information relating to an Exploration Target must be expressed so that it cannot be misrepresented or misconstrued as an estimate of a Mineral Resource or Ore Reserve. The terms Resource or Reserve must not be used in this context.

#### **Forward Looking Statements**

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements in this release include, but are not limited to, the capital and operating cost estimates and economic analyses from the BFS.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company’s business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company’s control.

Although the company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.