

ASX RELEASE

7 March 2017

**Update on Project F Operations and
Heads of Agreements with Project Joint Venture Partners**

Ahead of the First Quarter Report due to be released in April, Tigers Realm Coal (TIG) is pleased to report on progress:

- at Project F where mining and coal transport operations commenced in December 2016, and on
- the two binding Heads of Agreement (HOAs) with its joint venture partners in relation to the Amaam North Project (including Project F) and the Amaam Project.

Project F Operations

A short video overview on the company's operations from mine to port is available on the company's website – http://tigersrealmcoal.com/wp-content/uploads/2017/03/Amaam_North.mp4.

Through January and February the mining and coal transport to port operations have continued with site operating systems and mine planning working well. The waste material movement during the ramp-up period has been in line with budget and our coal production is steadily improving. Coal delivered to port and waste mined to end February is summarised below:

	December 16	January 17	February 17	Total
Coal kt	3.6	21.2	23.3	48.1
Waste kbcm	46.9	74.9	80.9	202.7

An additional 12kt of coal has been delivered to intermediate stockpiles near the pit. After accounting for trucking days lost due to poor weather conditions, average daily coal trucking performance improved by 27% from 920 t/day in January to 1,167 t/day in February.

On balance, the results of the first two months of production are broadly in line with the company's expectations, and the site team continues work on improving performance.

Coal quality delivered to port is also in line with company expectations. Initial coal production by necessity has come from the lowest quality coal containing weathered materials near surface, and better quality coals will be mined going forward. The stockpiled coal key qualities are as follows:

- 35kt of thermal coal with a calorific value of 5,150 kcal/kg NAR
- 10kt thermal with a calorific value of 6,670 kcal/kg NAR
- 3kt of semisoft coking coal with Ash of 7% and a CSN of 6

The company plans to blend its thermal coals for 2017 shipping to target the sale of a typical calorific value coal of 6000 kcal/kg Net As Received (NAR) but will also produce some lower quality material with an average calorific value of 5,300 kcal/kg NAR out of the weathered coal at surface.



Pit operations during late January



30,000 tonne stockpile at Beringovsky Port

Heads of Agreements with Project Joint Venture Partners

As reported to the ASX on 29 June 2016 and subsequently updated in the December 2016 Quarterly Report, TIG has signed two binding Heads of Agreement (HOAs) with its joint venture (JV) partners - one in relation to the Amaam North Project, and the other in relation to the Amaam Project.

Following the detailed work required to prepare and agree the binding documentation, the parties have prepared the final versions of the related agreements including key commercial terms pertaining to Amaam North and amendments to the Amaam agreement.

Apart from the required corporate approvals, our JV partners are currently undertaking some restructuring of their holdings prior to the agreements being executed. The completion and final signing of the documents will proceed once this restructuring has been completed.

The conditions agreed in the documentation are in line with the HOAs, will take TIG's ownership of Amaam North to 100%, will improve Amaam North Project's value and fundability, and simplify ongoing corporate and approval processes for the Amaam Project.

Governor's Visit to Site

During February, the Governor of Chukotka, Roman Kopin visited site with senior members of the Administration and the head of the Municipality of Anadyr. A news crew accompanied the Governor and the visit was reported on the evening television news across Russia – http://tigersrealmcoal.com/wp-content/uploads/2017/03/News_Report_On_Governors_Site_Visit.mp4

The Governor visited the open pit, haulage road and port stockpiles. Following the visit he communicated his positive impression of the operations and site management team. Discussions during the visit focused on aspects of the operation that could be improved through cooperative arrangements between the company and the Chukotka Regional and Municipal Governments.



On the coal haulage road



First coal being delivered to port stockpiles

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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