December 2017 Quarterly Production and Activities Report

ASX RELEASE
29 January 2018

Project F Production

		Quarter Ended December 2017	Year to date (12 months)
ROM coal mined	k tonnes	60.1	249.4
Coal at Port	k tonnes	56.0	227.3
Waste mined	k bcm	439.4	942.9
ROM strip ratio[1]	bcm : t	7.3:1	3.8:1
Thermal coal transshipped[2]	k tonnes	13.4	122.4
Coking coal transshipped[2]	k tonnes	11.3	42.2
Total TIG coal transshipped[2]	**k tonnes**	**24.7**	**164.6**

1. bcm waste : tonne ROM coal 2.TIG coal transshipped and sold

Highlights

- **Safety** - No LTIs recorded during the quarter.
- **Mine Production** – 60.1 kt of ROM coal mined and 56.0 kt delivered to the port. TIG mined coal for approximately 50% of the quarter due to the coal haulage fleet being used for haulage road construction activities. Mining and coal haulage operations recommenced 11 December.
- **Sales** - 24.7 kt TIG coal was loaded onto customer vessels before the shipping season ended in the second week of November. The total coal sold in 2017 was 164.6 kt.
- **Infrastructure** - The second phase of haulage road construction that commenced in late October was completed on 10 December. The company now has an all-season road in place for 2018 production.
- **Financing** - The company secured a RUR (Russian Rubles) 600 million (A$13.3M) working capital loan from Sberbank, Russia's largest bank. The purpose of the facility is to maintain TIG's funds at sufficient levels to cover operating and capital expenditure for Phase One of Project F prior to its next receipts from coal sales in July 2018.

2017 Summary

TIG has successfully completed its first year of production and sales from the Project F operation in Chukotka. While the company fell short on some of its aggressive internal targets and had one LTI (Lost Time Injury), the company successfully achieved its strategic objectives to prove the mining, coal haulage and transshipment operations, and gain acceptance of its coals by Asian customers. The major highlights of TIG's first year of mining operations were:

- Achieving a TRIFR (Total Reportable Injury Frequency Rate) of 6.3 per million hours. The TRIFR since operations commenced in July 2016 is 4.5.
- Completing capital projects during four months of the year (May/June and October/November) including:
  - Construction of a year-round coal haulage road.
  - Establishment of initial open pit operations and required environmental controls.
  - Site infrastructure upgrades to accommodation, offices and workshop facilities.
  - Port upgrades including the expansion of stockpile areas, and construction and commissioning of the customs checkpoint.
  - Procurement of equipment to support the planned expansion of production and sales in 2018.
- Production and logistical activities for eight months of the year achieving:
  - Mining 249 kt of coal and hauling 227 kt of coal to the port.
  - Transshipping and sales of 165 kt of coal. Coking coal was sold to customers in Japan and China, and thermal coal was sold to customers in Chukotka, Taiwan and China.
- Closing its first debt financing transaction, a working capital facility for RUR 600 million (A$13.3 million) from Sberbank, Russia's largest bank.
- Increasing its ownership of Amaam North to 100% (with the acquisition of 20% of the project from TIG's joint venture partners) and restructuring existing royalty arrangements, including capping Amaam North royalty payments at US$25 million over a maximum of 20 years and amending royalty rates down to a sliding scale of between 1.5% to 3%.
- Acquiring a mining and extraction licence over the Nadezhny area at the Amaam Project.
- Actively undertaking positive community and government relations initiatives including presentations by the company at the Far East Economic Forum in Vladivostok and presenting the company's progress to the President of the Russian Federation.

2018 Plan

TIG is well placed to increase its production in 2018. TIG forecasts it will:

- Mine and deliver between 500 kt and 560 kt of coal to the port.
- Transship and sell between 420 kt to 480 kt of coal during the shipping season from June to October.

Due to seasonal constraints, quarterly mining and coal haulage production is planned as follows:

- Quarter 1 - 110 to 125 kt
- Quarter 2 - 115 to 130 kt
- Quarter 3 - 155 to 170 kt
- Quarter 4 - 120 to 135 kt

Forecast coal sales are expected to include at least three cargos of coking coal with the remaining cargos comprising a high CV thermal coal with a calorific value around 6000 kcal/kg. Site cash costs for sales are forecast to be approximately US$36/t FOB (free on board) using a Ruble to US$ exchange rate of 58:1.

December 2017 Quarter Update

Health and Safety

In the December quarter, there were no lost time injuries (LTI), but TIG experienced six safety related vehicle incidents. The increase in the number of vehicle incidents compared to the previous quarter, which occurred with the onset of winter conditions and a change to road construction activities, has been met with increased management focus on the safety of this key activity. Management remains focussed on embedding safety leadership and a culture that ensures controls for hazards are in place.

The TRIFR (Total Reportable Injury Frequency Rate) from the commencement of Project F (July 2016) to 31 December 2017 is 4.5 per million hours.

Project F 2017 Construction and Procurement

At Project F, TIG has completed its planned works on pit infrastructure and the coal haulage road, and mining and coal haulage to the port has recommenced. The company now has an all-season road in place for 2018 production.

The second phase of haulage road construction commenced in the second half of October, and was completed on 10 December. These works were required prior to the commencement of 2017/2018 winter operations to ensure good trucking conditions during both the winter and the spring thaw. The work included the installation of remaining roadside and under road drainage; straightening, filling and and/or cutting of some sections to improve visibility and gradients; additional topping of some sections of road with gravel; and the installation of road markers and signs.

Project F Phase One Production and Sales

During the quarter, 60.1 kt of ROM coal was mined at a strip ratio of 7.3:1 (bcm waste : t coal), and 56.0 kt of coal was transported to Beringovsky Port. Coal haulage was in-line with expectations, given the focus on road construction during the quarter. With the increase in the trucking fleet and improvements to the road, the daily haulage rates on the road increased to an average 1600 t of coal per day of production during December.

Waste mining was in line with expectation, the high stripping ratio was due to intentional maximisation of mining waste that was used as construction material during the road construction works.

Site cash costs[1] year to date (31 December) for 164.6 kt of sales were US$48/t FOB. The cash cost increased in the quarter due to issues with the loading of the last vessel of the year. Weather conditions at the end of season were not favourable and the performing vessel itself was not well suited to our port's open water conditions. These issues did not arise with any of the other five vessels loaded earlier during the season, and future planning will take this experience into account.

Site cash costs are estimated to reduce to approximately US$36/t FOB due to an agreed reduction in contract transshipment costs and general economies of scale.

Coal sales for the quarter were 24.7 kt. The average received price[1] for the 164.6 kt of coal sales in 2017 was approximately US$ 67.0/t FOB.

[1] Unaudited management report as at 31 December 2017

Coal Outlook

Coal prices during the December quarter remained strong. The Q4 2017 semisoft coking coal benchmark price was settled at US$120/t, and hard coking coal spot prices have been in the range US$170 to US$280/t. The Newcastle index price (for 6000 kcal/kg NAR thermal coal) in Q4 ranged between US$95 to US$105/t.

TIG's next coal exports from Beringovsky Port will commence in June 2018. At present coking and thermal coal prices remain at similar levels to the second half of 2017. TIG anticipates its 2018 coal exports will be sold into a similar market.

TIG's received prices for coal sales in 2018 may be lower than the industry benchmarks and indexes because TIG has relatively higher freight costs (since we are generally loading handymax size vessels and the benchmarks/indexes assume transport in capesize and panamax vessels), and TIG may continue to see some slight discounts as it presents new product into the market.

Working Capital Facility

In December, Tigers Realm Coal (ASX: TIG) was pleased to report that it had received a working capital loan from Sberbank, Russia's largest bank. The purpose of the facility is to support TIG's expenditure prior to next revenue from sales in June 2018, and to fund capital improvements to Phase One of Project F.

The RUR 600 million (A$13.3M) loan has the following key terms - drawdown from December 2017 through August 2018, repayment in instalments from August 2018 to December 2018, and covenants and security typical for this type of facility.

Exploration and Licencing Activities

No exploration field activities were undertaken on TIG's other exploration and mining licences in the December quarter. Key activities during the quarter included the preparation of Russian regulatory reports that will be used for further conversion of parts of the Project F Resource area from an Exploration Licence to an Exploration and Extraction (Mining) Licence. A successful milestone was met in this process when the company received a positive ruling from the State Expert Commission for the company's estimate of Project F coal reserves to the east of the existing Mining Licence.

Capital Structure (as at 31 December 2017)

Ordinary shares on issue:	1,791,669,870
Options on issue:	59,437,000
Cash	A$2.1 million

For further information, please contact:

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Recent Site Photos

Transshipping coal, the last vessel of the 2017 season

The haul road prior to recommencement of coal haulage in December

Constructing sedimentation ponds **Early evening open pit operations**

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 15813 TE and No. AND 01288 TE.

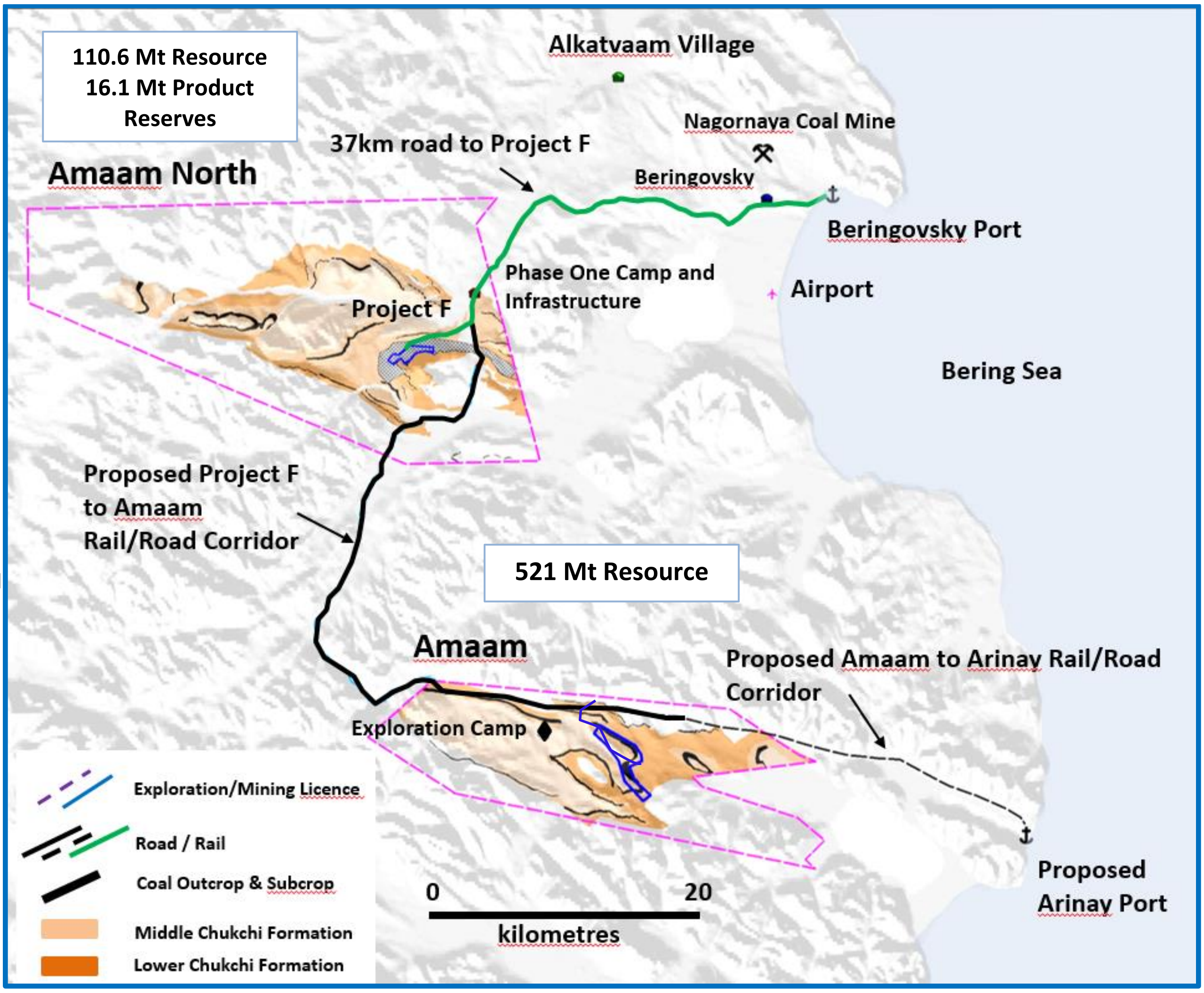

Figure A **Amaam and Amaam North Coking Coal Projects**

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

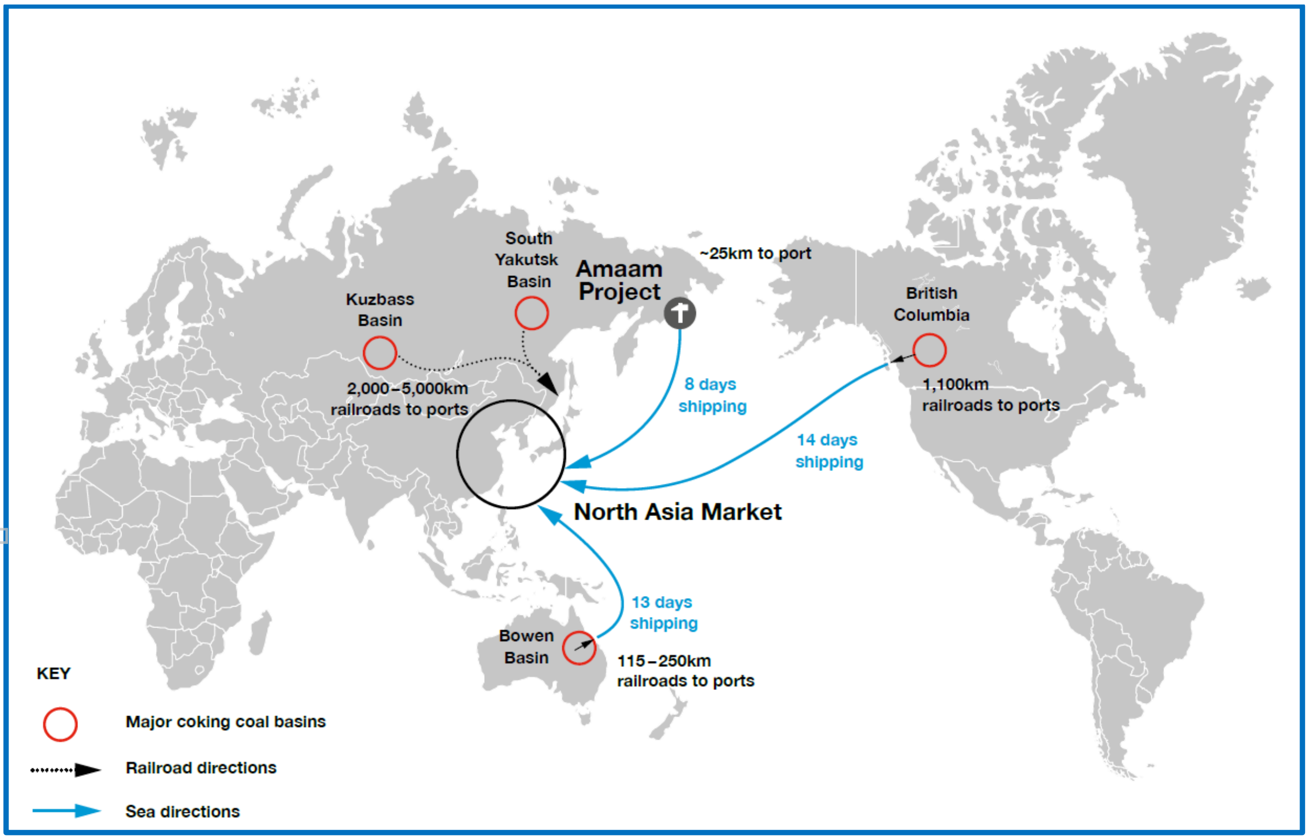

Figure B **Amaam Project - Location Map**