TIGERS REALM COAL

September 2018 Quarterly Production and Activities Report

ASX RELEASE
29 October 2018

September Quarter Activity

		Quarter Ended September 2018	Year to date September 2018	Guidance Sept Quarter	Guidance Sept YTD
ROM coal mined	k tonnes	188.9	433.1		
Coal delivered to Port	k tonnes	188.9	433.1	160 to 190	404 to 434
Waste mined	k bcm	532.8	1,436.9		
ROM strip ratio[1]	bcm : t	2.8 to 1	3.3 to 1		
Coal loaded	k tonnes	302.7	331.6		
Coal sold	k tonnes	307.0	307.0		
Coal at port in stockpiles	k tonnes	167.0	167.0		
Committed coal stocks	k tonnes	80.0	80.0		

1. bcm waste : tonne ROM coal

Highlights

- **Safety** – 1 LTI recorded during the quarter. Cumulative TRIFR increased to 4.3 per million hours.
- **Mine Production** – 189 thousand tonnes ("kt") of coal mined and delivered to port, at the upper end of TIG's 160 to 190kt guidance. Achieved highest historical monthly mining of 69kt.
- **Production Costs** - Mine to port production unaudited unit costs were in line with expectations.
- **Operating cash surplus** – The Group generated an unaudited net operating surplus from cashflows, the first in the Project's history.
- **Sales guidance** – annual sales guidance range amended to between 400 and 430kt, due to the effect of unexpectedly prolonged adverse weather conditions and swell on port loading experienced in late September and October.
- **Coal Marketing** –as of 30 September, TIG had contractual sale agreements for 80kt of the 167kt of coal held on port stockpiles."
- **Port Operations** – 303kt of coal was loaded onto vessels and 307kt shipped to customers during the quarter under review.
- **Compliance and licencing** –an exploration and mining licence was granted over the Zvonkoye licence area within the Amaam North deposit.

Health and Safety

TIG's cumulative TRIFR[1] increased to 4.3 per million hours worked from 3.3 at the end of June 2018 as a result of one lost time injury (LTI), there also being a further two safety incidents. Both safety incidents were vehicle related. Site efforts continue to result in a relatively low level of vehicle incidents, particularly on the road.

In conjunction with the local police department, an ongoing road safety training and awareness programme commenced in September aimed at improving vehicle driver culture.

The company continues to identify and implement processes, practices and an environment which encourages ongoing improvement in vehicle operations and safety through supporting workplace culture, training, communication and awareness of procedures and practices also aimed at operational efficiency and effectiveness.

Project F Phase One Mining and Haulage Operations

		July	August	September	Total
ROM coal mined & delivered to port	k tonnes	60.1	60.0	68.8	188.9
Waste mined	k bcm	190.0	172.8	170.0	532.8
Stripping ratio	k bcm: k tonnes	3.2 to 1	2.9 to 1	2.5 to 1	2.8 to 1
Coal at Port in stockpiles	k tonnes	229.6	190.3	167.0	
Haulage trucks commissioned	Units	15	15	17	
Haulage trucks in operation	Units	12	12	11	

During the quarter, 189kt of ROM coal was mined and transported to the port stockpiles, comparing favourably to 104.4kt in the June and 139.7kt in the March quarters. Coal mining and haulage was at the higher end of TIG's Q3 2018 guidance of between 160 to 190kt, monthly production being 60kt, 60kt and 69kt of coal in July, August and September, respectively. Coal production increased primarily due to greater capacity from investments in mining and haulage equipment throughout the year to date.

During the September quarter, mining activities have been focused on the central and western flanks of the Project F deposit. Waste removal and coal mining during the period has largely been unrestricted by weather conditions, daily coal mining and haulage to port peaking at 2.7kt a day in late September. Coal mined during the September quarter comprised of 39kt of low CV thermal coal and 150kt of fresh (SSCC and high-ash SSCC) coals.

Based on performance to date, existing circumstances and expectations, October production is expected to be in the range of exceed 35 to 55kt. Management believe TIG is well placed to achieve the upper end of our annual production guidance range for 2018 of between 530 and 575kt.

[1] Total Reportable Injury Frequency Rate

Project F Phase One Mining and Haulage Operations (continued)

Mining has moved deeper along the upper coal seam, resulting in significantly lower ratios of oxidised coal mined to fresh coals. Higher ash content, high CV fresh coals have both been sold as a standalone product as well as being blended into other products. Our stripping ratio for the quarter was 2.8:1 (bcm waste: t coal) as compared to 4.3:1 in the June quarter, reflecting benefits obtained from some of the pre-stripping and pit preparation works performed.

Haulage operations were largely uninterrupted during the September quarter, with all coal mined transported via the TIG constructed road to port. The haulage fleet of fifteen trucks at the start of July has been supplemented by the purchase and commissioning of an additional two trucks in the first half of September.

2018 Production Guidance

TIG has increased the lower level of its guidance range to reflect actual results to the end of September, whilst slightly adjusting the Quarter 4 guidance range to between 120 and 140kt of coal mined and hauled to port. (see table below).

2018 Mining and haulage guidance:

Quarter 1 (actual)	140kt
Quarter 2 (actual)	105kt
Quarter 3 (actual)	190kt
Quarter 4 (guidance)	120 to 140kt
Total coal mined and hauled to port (Guidance)	**555 to 575kt**

Project F Phase One Port Operations

Beringovsky port performance:

		July	August	September	Total
TIG coal loaded	kt	111.2	99.4	92.1	302.7
TIG coal shipped	kt	98.1	99.2	109.7	307.0
Beringovsky port loading capacity	# of barges	6.2	7.8	7.0	
Average productivity per barge	kt/ day	943	864	942	
Average loading days per barge	days	19.1	14.7	14.0	
Lost barge capacity due to weather	days	9.5	13.1	14.8	

Port activities in the September quarter focused on the management of coal stockpiling, loading and shipping activities, in parallel with the organisation and management of receipt of supplies and equipment for the upcoming winter-spring seasons during which port operations will be shut down. Coal on stockpile at 30 September 2018 was 167kt, of which 83kt was thermal and 64kt was suitable for metallurgical markets, with a further 35.5kt of metcoal coal loaded onto vessels still within the port.

Coal received and stockpiled into the port during the quarter was 189kt. Coal is stockpiled based on a product quality basis. Coal quality sampling is initially made prior to haulage from the mine to port. Upon arrival at the port, coal is processed, crushed and sized, after which it is analysed in the port laboratory. During the September quarter, to prepare for shipping, 144kt tonnes of coal was processed.

Total coal loaded for the quarter was 302.7kt. Coal loading rates are primarily influenced by weather conditions, the management of the available barge resources to load TIG coal, unloading incoming supplies and equipment and loading different coal types in parallel.

The full site cash cost for 2018 is estimated to remain within the previous guidance range of between US$37/t to US$39/t. The estimated full site cash cost includes production costs, port costs, stevedoring costs and an estimate of demurrage costs.

Annual sales guidance update

Our current sales guidance has changed from 440-495kt to 400-430kt. TIG has contracted sales for up to 430kt and loaded 358kt as of 27 October. Unexpectedly sustained adverse weather conditions and swell have limited the ability to load in the port and most recent weather forecasts result in the necessity to adjust TIG's previous sales guidance. There have been eight loading days for the period from 26 September through to 27 October, loading days in October lower than expected, with persistent deferral of the timing of recommencing coal loading.

Management's analysis of both current and historical weather conditions during the remaining shipping window through October and November has concluded that it is unlikely that the previous sales guidance of 440-495kt will be achieved, reducing the annual sales guidance to between 400-430kt.

Capital investments

Capital investments during the quarter included:

- Continuation of the port stockpile expansion programme to meet the port's stockpiling needs in preparation for 2019.
- Receipt of a bulldozer, an excavator, two haulage trucks.
- Signed an agreement and paid an advance for the construction and delivery of two 500 tonne barges in 2019;
- Mine pit infrastructure works; and
- Minor road and other infrastructure works.

Coal Sales and Marketing

On the coal sales and marketing front, as of the date of 30 September, TIG had signed 8 contracts for the delivery of 250kt of thermal and 137kt of fresh coal, of which 202kt of thermal and 93kt of fresh coal had been shipped by 30 September 2018. An additional contract for the delivery of 44kt of fresh coal was signed in the first week of October.

The focus over the recent weeks, as noted above, has been on restructuring coal shipments for the last part of the shipping season so as to optimise coal sales. Negotiations with customers are ongoing and management are focused on achieving the best result possible in the circumstances.

Coal Outlook

Prices in the metallurgical coal market in Asia have remained strong during 2018. Premium low volatile hard coking coal (HCC) declined from around US$250/t in early January to approximately US$197/t in the July quarter and have recovered to US$216 currently. Supply concerns once again raised their head in Australia due to a long closure of a major HCC mine Queensland (Peabody's North Goonyella mine suffered an underground fire and has been sealed for the last month). This has supported the HCC price in recent weeks.

Third Quarter (Q) 2018 (July to September) quarterly pricing was agreed between Japanese steelmaker JFE Steel and certain Australian suppliers for SSCC at US$137/t FOB Australia, which is effectively a roll-over of the Q2 settlement. The spot price is currently around US$123/t FOB Australia.

Coal Outlook (continued)

Thermal prices have decreased in Q3 this year. In July, the NEWC thermal coal index was at levels around US$118/t FOB basis 6000 kcal/kg NAR. Current NEWC pricing is around US$106/t. Physical sales from Russia are now pricing at similar level to the NEWC index with FOB Vostochny prices currently around US$106/mt basis 6000 kcal/kg NAR. The lower quality coal types (5500 kcal/kg NAR) are still heavily discounted, with 5500 NAR coal selling at around $65/t FOB today.

Corporate

At the end of the quarter, TIG had $A4.8 million in cash and bank liabilities of Russian Rubles (RUB) 510mln (A$10.5 million), at 30 June balance of the Sberbank working capital facility was RUB 596 million (A$12.95 million).

As noted in the September Appendix 5B, TIG has achieved an unaudited cash surplus from operations for the first time in its short history of mining operations, amounting to A$ 5.989 million for the quarter.

Stakeholder relations

During the September quarter, TIG management participated in the Far east Economic forum held in Vladivostok. TIG's development received positive feedback from both local and Federal government representatives.

In August, TIG was a major sponsor of the indigenous Chukotkan people's sports and cultural festival, timed to coincide with International Indigenous People's Day and the 65th anniversary of Alkatvaam region's inauguration, focusing on supporting local community development and sporting activity.

Leading into the commencement of the Russian school year in September, TIG played a leading role in the support of local families in need, through the provision of school supplies and other resources to ensure local children are not limited in their schooling solely as a result of their families' circumstances.

In September, in conjunction with the local Beringovsky school, TIG commenced a programme focused on increasing students' awareness of and interest in the ecology & environment; workplace health and safety; student creativity; and career development programmes and opportunities. The first element of the programme was a photo competition "The wonderful world in which we live", aimed at students taking photos of local nature, aimed at reinforcing their awareness of and respect for the environment.

Executive Management changes

Effective 1 October 2018, Dale Bender joined the company as Chief Financial Officer ("CFO"). Prior to joining TIG, Dale served as CFO at Kolmar and Mechel Mining, as well has holding senior finance positions at Coalco and Metalloinvest. He has extensive experience in the mining space in strategy development, financial management and internal control enhancement.

Exploration and Licencing Activities

TIG was granted an Exploration and Mining licence ("the Zvonkoye Mining Licence"), Number AND 01314 TE, over the previously disclosed Zvonkoye deposit, geographically located next to and an eastern extension of the existing Fandyushinksy Mining Licence.

The Zvonkoye Mining Licence is for a tenure of 20 years, ending in 2038. The Licence provides for an initial period of further drilling and on the basis of this additional drilling work, TIG will develop and have approved a Mining and Excavation Plan ("TPRM"), outlining the expected mining approach and volumes from the Licence area. This process is expected to take up to a maximum of three years.

There was no expenditure on exploration activities during the period

Capital Structure (as at 30 September 2018)

Ordinary shares on issue:	1,791,669,870
Options on issue:	33,669,000

For further information, please contact:

Dmitry Gavrilin	Chief Executive Officer
Dale Bender	Chief Financial Officer
Phone:	+7 495 646 8353 (Moscow)
David Forsyth	Company Secretary
Phone:	+61 3 8644 1300 (Melbourne)
E-mail:	IR@tigersrealmcoal.com

ABOUT TIGERS REALM COAL (ASX CODE: TIG)

Tigers Realm Coal Limited ACN 146 752 561
Australian Corporate Office
151 Wellington Parade South
East Melbourne VIC 3002
Russian Head Office
6th Floor, 29 1st Brestskaya Street,
Moscow, Russia

Phone: +61 (3) 8644 1300 (Melbourne)
Phone: +7 495 646 8353 (Moscow)
E-mail: IR@tigersrealmcoal.com
Website: http://www.tigersrealmcoal.com

PROJECT SUMMARY

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

At Amaam North, TIG owns a 100% beneficial interest in Exploration Licence No. AND01203 TP (Levoberezhniy Licence), the Exploration and Extraction (Mining) Licence, No. AND 15813 TE, which covers the initial Project F mine development area and the Exploration and Extraction (Mining) Licence No. AND 01314 TE, which covers the Zvonkoye licence area, the eastern extension of the Project F licence 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.

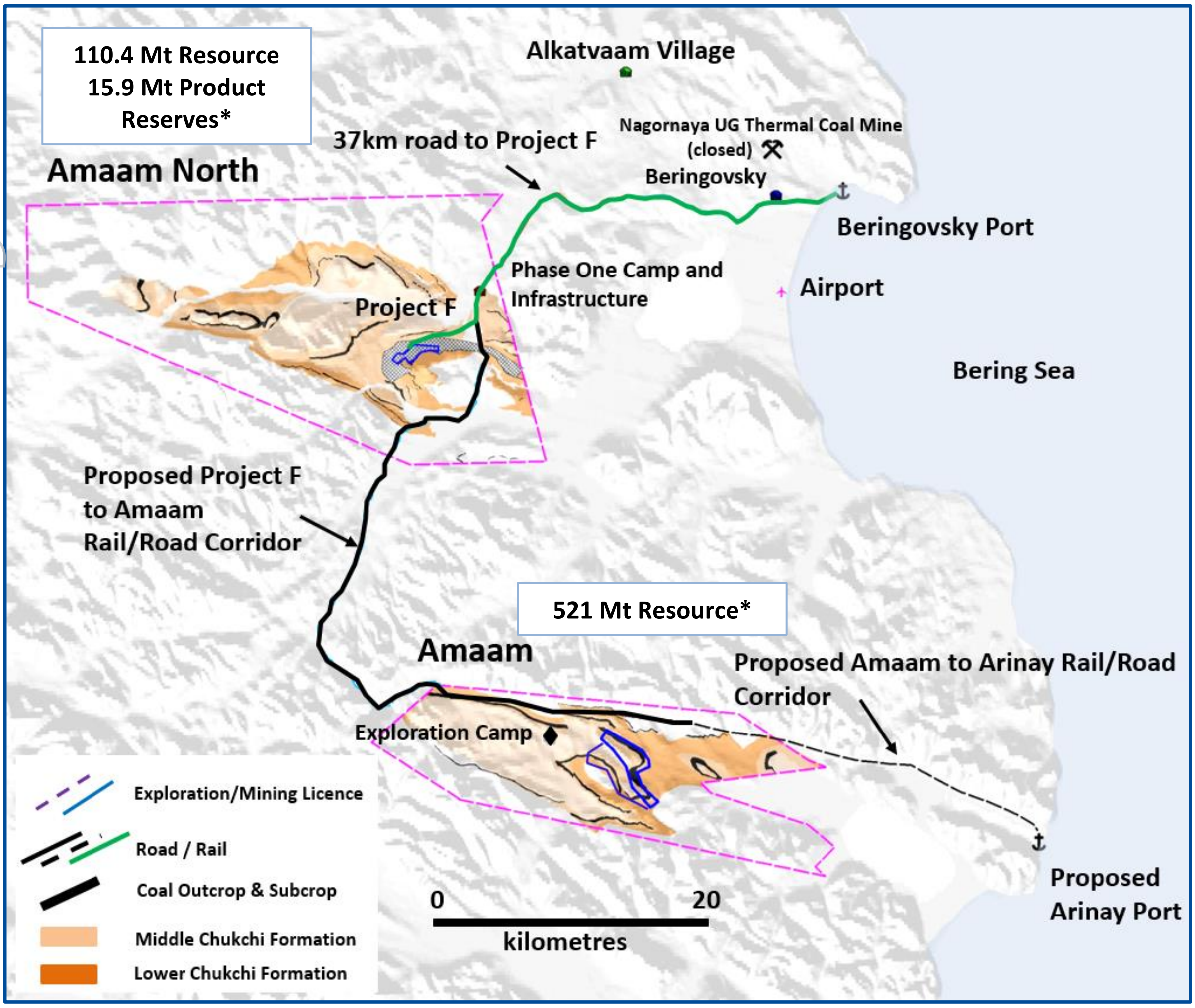

Figure A Amaam and Amaam North Coking Coal Projects *Total estimated project

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.

At Project F and Amaam North

- Project F Phase One is in production.
- Project F 1.0 Mtpa Feasibility Study completed, Resources and Resources as at 30 September 2018 of:
  - 15.3 Mt of remaining Product Reserves, 5.4 Mt Proven & 9.9 Mt Probable;
  - 110.64Mt total Resource, 21.9 Mt Measured, 55.6 Mt Indicated & 32.9Mt Inferred.
- TIG owns and operates the Beringovsky coal port terminal.
- There is exploration potential and production expansion upside.

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Tigers Realm Coal Limited

ABN	Quarter ended ("current quarter")
50 146 752 561	30 September 2018

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	23,876	27,634
1.2	Payments for		
	(a) exploration & evaluation	-	(111)
	(b) development	-	-
	(c) production	(10,612)	(16,919)
	(d) staff costs	(637)	(1,735)
	(e) administration and corporate costs	(885)	(2,076)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(434)	(984)
1.6	Income taxes paid	-	(40)
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)		
	Stevedoring and port handling costs	(2,472)	(5,043)
	Shipping costs	(2,847)	(2,847)
	Royalties	-	(84)
1.9	**Net cash generated by / (used in) operating activities**	**5,989**	**(2,205)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1,861)	(4,067)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	210	418
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash used in investing activities**	**(1,651)**	**(3,649)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	11,885
3.6	Repayment of borrowings	(1,785)	(1,897)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) Finance lease payments	(886)	(1,080)
3.10	**Net cash (used in) / generated by financing activities**	**(2,671)**	**8,908**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,309	2,067
4.2	Net cash generated by / (used in) operating activities (item 1.9 above)	5,989	(2,205)
4.3	Net cash used in investing activities (item 2.6 above)	(1,651)	(3,649)
4.4	Net cash (used in) / generated by financing activities (item 3.10 above)	(2,671)	8,908
4.5	Effect of movement in exchange rates on cash held	(185)	(330)
4.6	**Cash and cash equivalents at end of period**	**4,791**	**4,791**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	4,791	3,309
5.2	Call deposits		-
5.3	Bank overdrafts		-
5.4	Other (provide details)		-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,791**	**3,309**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	(39)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

A$38,969 is in respect of board fees, per diems and expenses reimbursed.

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

N/A

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities	12,654	12,654
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

A RUB 600 million one-year credit line with Sberbank, Russia, was entered into in December 2017, interest accruing at 9.90% per annum on drawn down, unsettled amounts. In addition to the pledging of mobile fleet owned by the Group, the credit line is secured by cross guarantees provided by the Company's Russian subsidiaries. As of 30 September 2018, the facility is fully drawn down (RUB 89.8 Mln was repaid in the September quarter and RUB 9.7mln was repaid during June quarter. A further RUB 90mln was repaid on 1 October.

9.	**Estimated cashflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	(98)
9.2	Development	-
9.3	Production	(6,381)
9.4	Staff costs	(452)
9.5	Administration and corporate costs	(351)
9.6	Other (provide details if material)	
	Receipts from customers	25,293
	Other receipts	37
	Stevedoring and port handling costs	(4,399)
	Shipping costs	(1,120)
	Proceeds from settlement of investments	395
	Repayment of borrowings	(10,589)
	Interest payments and finance charges	(251)
	Finance lease payments, excluding finance lease charges	(1,095)
	Payments for property, plant and equipment	(1,480)
9.7	**Total estimated cashflows**	**(491)**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A			

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: .... Date: ....29/10/2018.........................
(Director/Company secretary)

Print name: ....David Forsyth...

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.