

# TIGERS

REALM COAL



**Annual General Meeting**  
**CEO Presentation**  
12 May 2016

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.

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## **Competent Persons Statements**

The information presented in this report relating to Coal Resources At Amaam North is based on information compiled and modelled by Anna Fardell, Consultant (Resource Geology) of SRK Consulting (Kazakhstan) Ltd, who is a Fellow of the Geological Society of London; and reviewed by Keith Philpott, Corporate Consultant (Coal Geology) of SRK Consulting (UK) Ltd, who is a Fellow and Chartered Geologist of the Geological Society of London. Keith has worked as a geologist and manager in the coal industry for over 40 years and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results. Mineral Resources and Ore Reserves”. Keith Philpott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information compiled in this report relating to exploration results, exploration targets or Coal Resources at Amaam 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.

The information in this report relating to the Project F, Amaam North Reserve Estimate based on information compiled by Maria Joyce, a consultant to Tigers Realm coal Ltd. and a Competent Person who is a Chartered Engineer of the Australasian Institute of Mining and Metallurgy. Maria Joyce is the head of the Technical Services division and full-time employee of MEC Mining Pty Ltd. Maria Joyce has sufficient experience that is relevant to the style of mineralization, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Maria Joyce consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

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

**Amaam Licences:** TIG’s current beneficial ownership is 80%. TIG will fund all project expenditure until the completion of a bankable feasibility study. After completion of a bankable feasibility study each joint venture party (TIG and Bering Coal Investments Limited) is required to contribute to further project expenditure on a pro-rata basis, or Bering Coal Investments Limited has an option to progressively convert its 20% ownership to a 2% royalty of gross sales revenue. Additionally, Siberian Tigers International Corporation is entitled to a royalty of 3% gross sales revenue from coal produced from within the Amaam licences.

**Amaam North Licences:** TIG’s current beneficial ownership is 80%. TIG will fund all project expenditure until the completion of a bankable feasibility study. After completion of a bankable feasibility study each joint venture party (TIG and BS Chukchi Investments Limited) is required to contribute to further project expenditure on a pro-rata basis, or BS Chukchi Investments Limited has an option to progressively convert its 20% ownership to a 2% royalty of gross sales revenue. Additionally, Siberian Tigers International Corporation is entitled to a royalty of 3% gross sales revenue from coal produced from within the Amaam North licences.

## **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. The potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to estimate a Coal Resource, and it is uncertain if further exploration will result in the estimation of a Coal Resource.

## **Note F – Reserves**

According to the commentary accompanying the JORC Code a ‘Reserve’ is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

## **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.

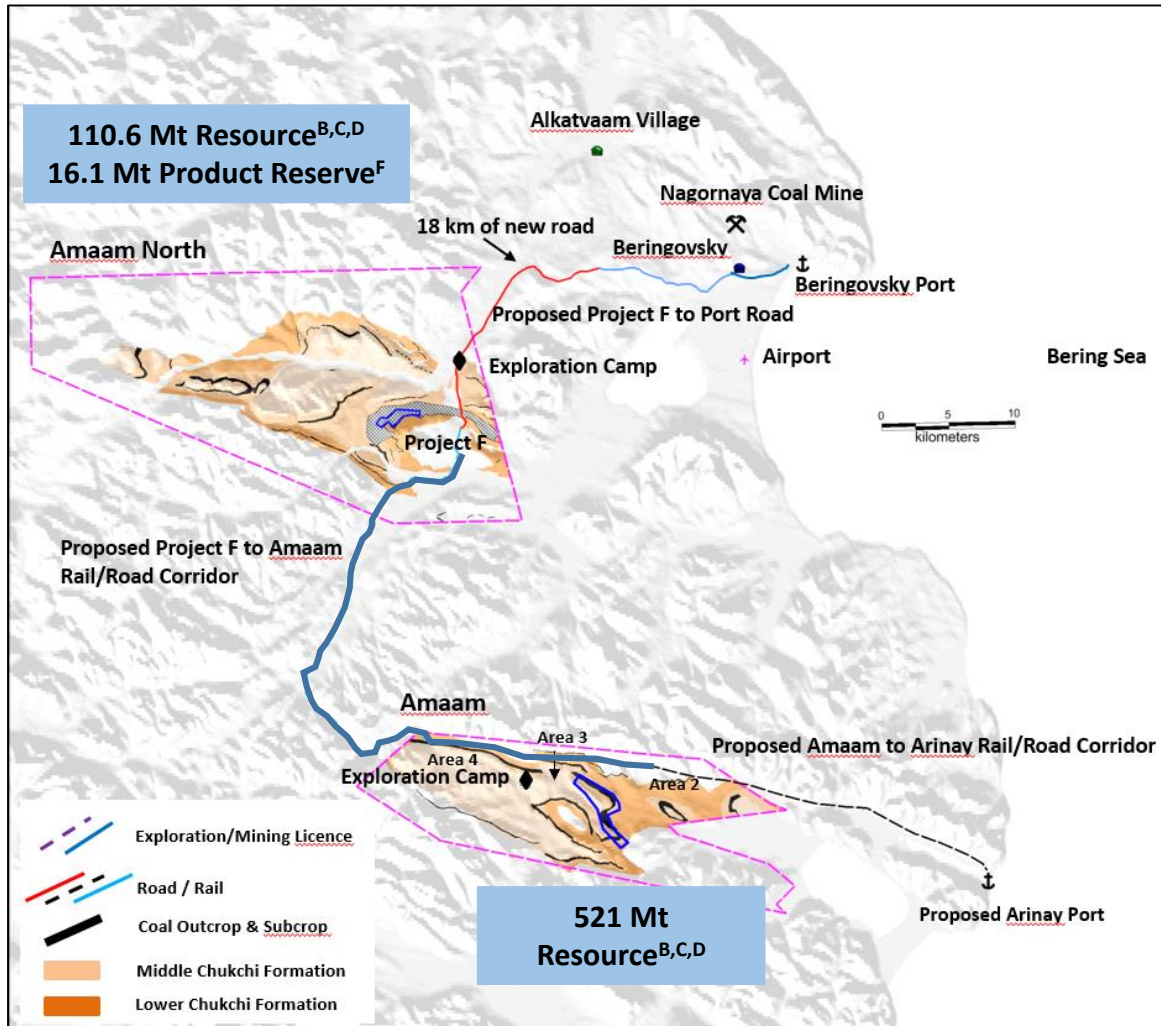
Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the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

- 1. Amaam and Amaam North coking coal basins have combined Coal Resources<sup>B,C,D</sup> of 632 million tonnes.**
- 2. The Projects are very well located on the Pacific coast, 37 km to open water TIG owned coal port and on Asia's doorstep**
- 3. Project F to be brought into phased production quickly as one of the lowest cost producers in the world**
  - Coal Resources<sup>B,C,D</sup> of 111 Mt, Product Coal Reserves<sup>F</sup> of 16.1 Mt**
  - Low Capital of US\$99M for a 1 Mtpa product open pit for 20 years**
  - Relatively low incremental capital costs for potential expansion to 2+ Mtpa**
  - Steady state 1 Mtpa site production costs of US\$41/t FOB, with further reductions to unit operating costs with potential expansion**
- 4. In a stable and supportive jurisdiction – Chukotka, Far East Russia**
- 5. A team of mine builders with a proven track record**

# Overview of Assets

- |   |  |  |
|---|--|--|
| <p><b>Projects</b></p> <hr/> <p><b>Total Resources<sup>B,C,D</sup> (JORC)</b></p> <hr/> <p><b>Project F Reserves<sup>F</sup> (JORC)</b></p> | <ul style="list-style-type: none"> <li>■ Amaam Coal Basin</li> <li>■ Amaam North Coal Basin (including Project F)</li> <li>■ 632 Mt</li> <li>■ 16.1 Mt Product Coal</li> </ul> | <p><b>Exploration Target<sup>E</sup> (JORC)</b></p> <hr/> <p><b>Other Assets</b></p> <hr/> <ul style="list-style-type: none"> <li>■ Plus 115 to 410 Mt Exploration Target<sup>E</sup></li> <li>■ Beringovsky Port and Coal Terminal</li> <li>■ Initial CAT mining fleet</li> </ul> |
|---|--|--|





**TIG's Strategy is to become a significant supplier of 5 to 10 Mtpa of Coking Coal to the seaborne market via the progressive development of the Amaam and Amaam North coal basins**

▪ **Stage 1**

Development of Project F to a 1.0 Mtpa operation through Beringovskiy Port

- Phase One to 0.6 Mtpa utilising existing infrastructure and mining fleet
- Phase Two to 1.0+ Mtpa with construction of CHPP, additional infrastructure, and port and mining fleet upgrades

▪ **Stage 2**

Production increases from Project F and Amaam North

▪ **Stage 3**

Development of Amaam to full capacity and the establishment of a transportation corridor to a year-round port at Arinay Lagoon

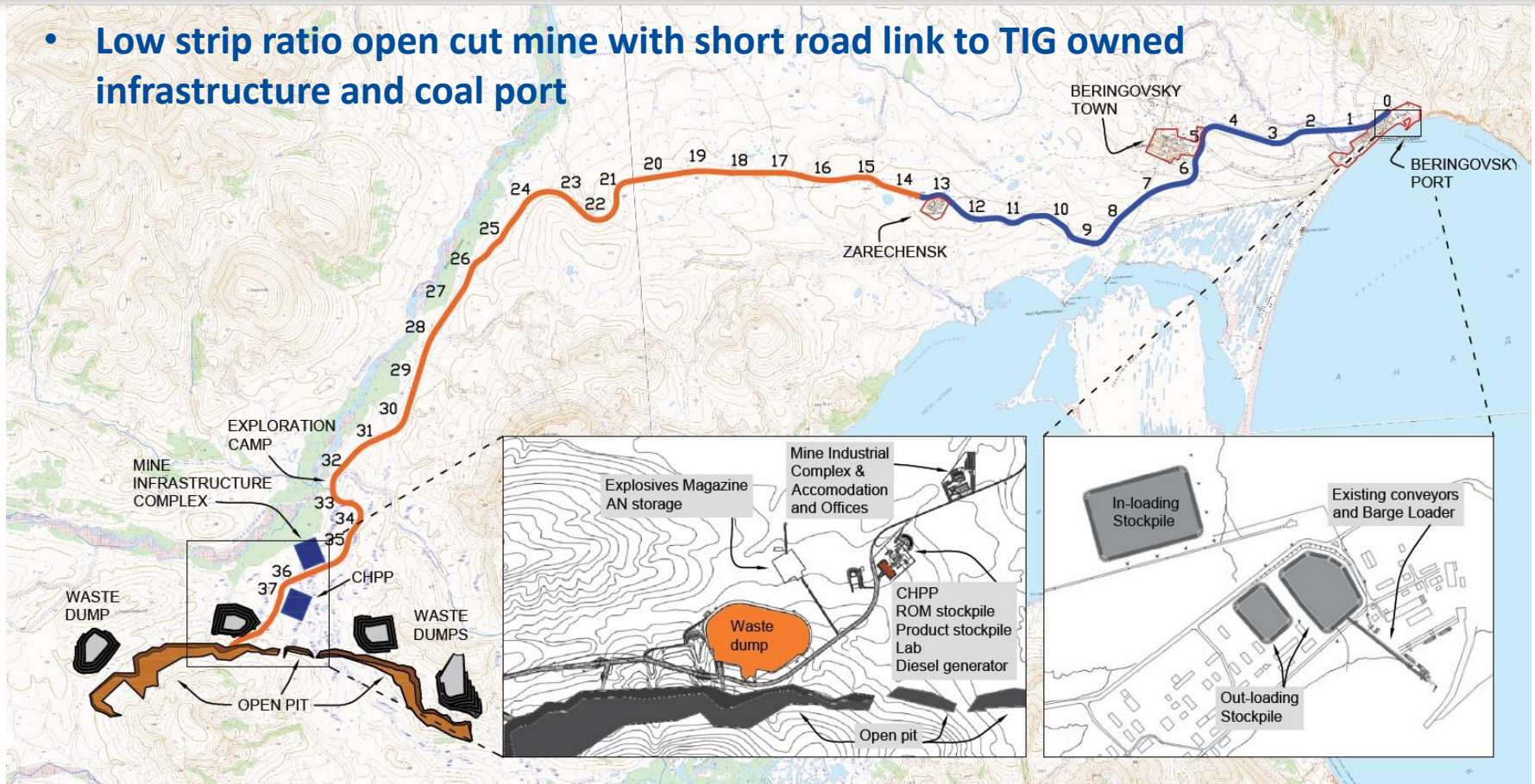
## Overview of Project F



Taking customer coal samples – April 2016

# Project F Layout

- Low strip ratio open cut mine with short road link to TIG owned infrastructure and coal port



Project F - Mine to Port in 37 km

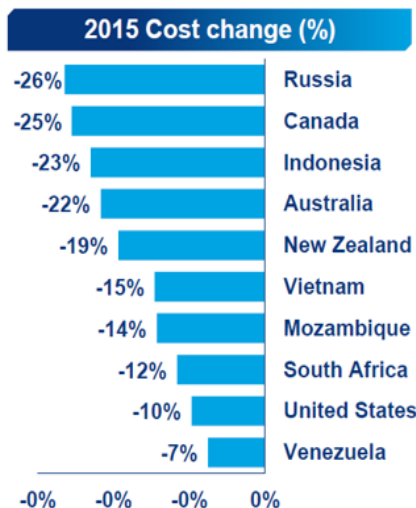


# Project F – Financial Information

Product Operating Costs	US\$/t FOB Expected	US\$/t FOB Range
Site FOB Operating Costs	40.60	37 to 45
Other Company Costs	7.30	6 to 9
<b>Total TIG Costs</b>	<b>47.90</b>	<b>43 to 54</b>

Project Capital Costs	US\$M LOM Expected	US\$M LOM Range
Direct	87	76 to 97
Indirect & Contingency	25	18 to 23
Closure	20	22 to 28
<b>Total</b>	<b>132</b>	<b>111 to 148</b>

Source: Project F Feasibility Study Update March 2016



Source: Wood Mackenzie February 2016

## Saleable Products

### Semi Hard Coking Coal (SHCC)

- **Approximately 88% of revenue 1.0 Mtpa Base Case**
- **The quality is similar to some well known and utilised Queensland SHCC (Blackwater, Dawson Semi-hard, Cook, Poitrel)**
- **Additional selling points are very low sulphur and phosphorus**

### Thermal Coal

- **Two general types – lower and higher CV**
- **Saleable products to be blended depending on customer requirements**

## Project Costs

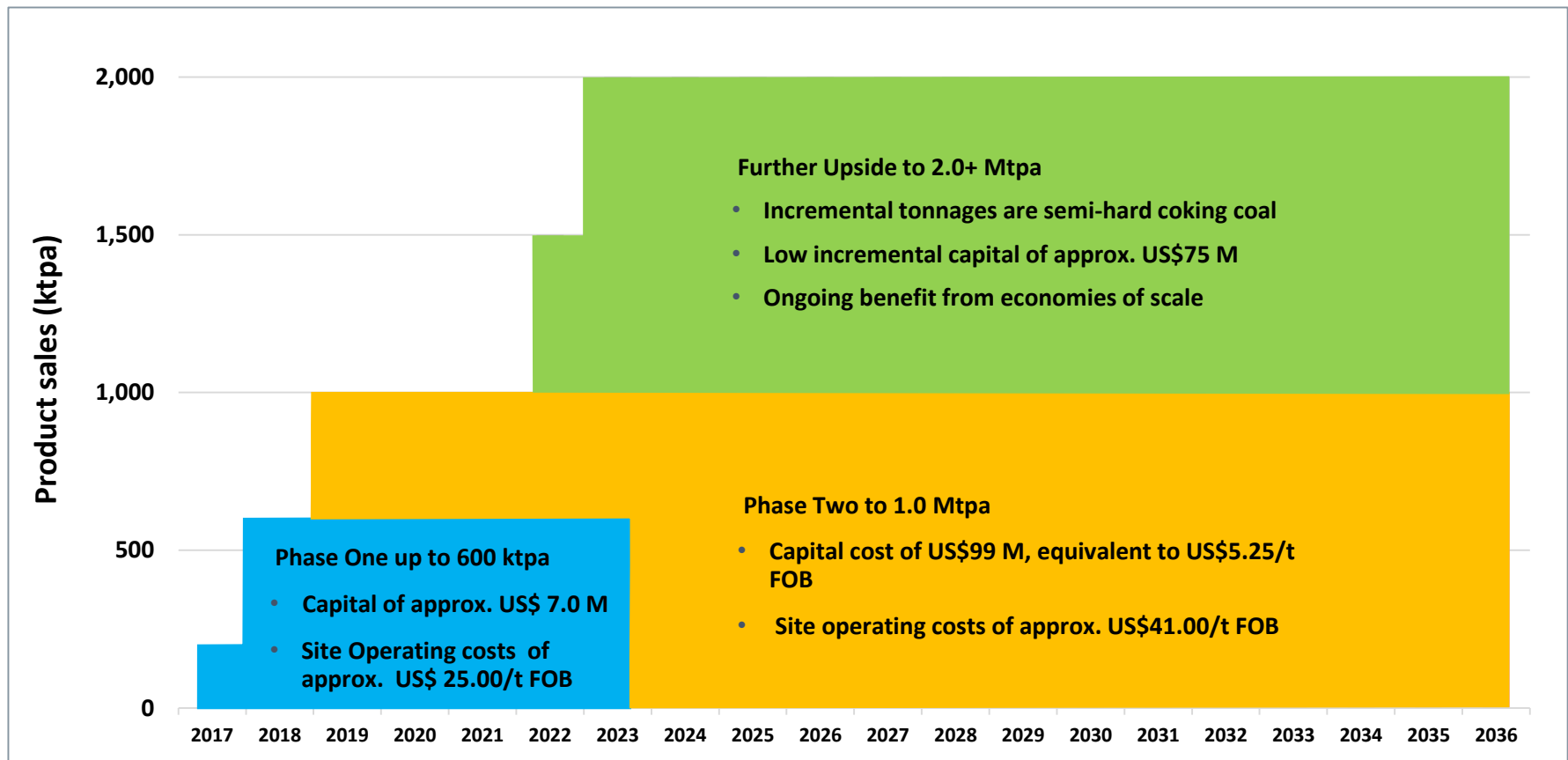
- **Project F key cost advantages:**
  - **Very low stripping ratio compared to competitors**
  - **Short overland transport**
  - **TIG owned port eliminates third party charges**
- **2015 Seaborne HCC Costs ranged between US\$50/t and US\$160/t FOB**
- **With site operating costs of approximately US\$41/t FOB, Project F has the potential to be one of the world's lowest cost coking coal producers**

### **Phase One of Project F will target near surface thermal and coking coals.**

- It is the springboard to the full development of Project F which in turn is expected to enable the development of the whole Amaam Project.
- It will involve the construction of a temporary haul road and utilise existing company owned infrastructure and mining equipment which is already on site.
- Additional site Capital Costs are expected to be US\$ 7 M.
- It is expected to produce up to 600 ktpa of product with a site operating cost of approximately US\$25/t FOB.

# Project F Development Strategy

- Market Analysts expect coking coal prices to improve post 2018
- The 1.0 Mtpa Project is ready for development, with low capital and operational costs, and upside to expand further
- Phase One is a low cost start up that moves the Project forward and improves expansion funding options



**With the completion of the Project F Feasibility Study, TIG is now focussed on moving Project F to production. In the near term, TIG's works programs include:**

- Concluding the technical and financial evaluation of "Phase One" of the Project F development
- Finalising permitting
- Providing potential customers with Project F coking coal and thermal coal samples
- Securing off-take partners for Project F products
- Continuing to evaluate options (for example, increases in scale and contracting of various activities) to improve the project

## **Conclusion**

- The results of the Update to the Project F Feasibility Study confirm the viability of Project F as a simple, conventional, open-cut mining operation with a short logistics chain. The operation will primarily produce a low sulphur, semi-hard coking coal product as well as subordinate thermal coal from the oxidised, weathered coal seams close to surface. Mining operations will have a low stripping ratio and coal will be exported via the company owned Beringovsky Port. Project F has the potential to be one of lowest cost coking coal projects in the world, and development of the project in the near to medium term should position the company to benefit from forecast improvements in coking coal prices in the future.

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

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