

**ASX RELEASE**

19 June 2012

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**STRATEGIC PORTFOLIO REVIEW COMPLETE**

**Highlights:**

- **Tigers Realm Coal to focus effort on large, high quality Amaam Project in far east Russia**
- **Withdrawal from Landazuri project in Colombia**

In January 2012 the Company announced the acquisition of the Amaam North tenement which significantly increased the scale of TIG's activities and potential resource endowment in Chukotka. With the increasing focus on far eastern Russia, TIG initiated a strategic review of its project portfolio to ensure that resources are allocated in a manner which will maximise shareholder value.

In parallel with the review, an open-hole drilling program was undertaken at Landazuri during Q1 2012.

**Landazuri Drilling Program - Results**

The open hole drilling program at Landazuri was targeted at assessing the geological interpretation of the areas which TIG had identified as having the best potential for open pit mining. These areas are largely located within the Rio Blanco block and the most eastern parts of the Dantas block within the Rio Blanco tenement FDH-161.

The data from this program has indicated that the coal measures within the Rio Blanco tenement are more structurally complex than earlier geological interpretations had indicated. As a result, tonnages of coking coal with the potential for open pit mining are likely to be at the lower end of the Company's expectations with strip ratios higher than originally anticipated.

**Strategic Portfolio Review**

In light of the recent drill results and prevailing weakness in the global economic environment, the Company considers the farm-in terms for the Landazuri option agreements are no longer commercially attractive:

- TIG believes the potential to delineate sufficient tonnages of coal in the short to medium term is limited without substantial additional exploration expenditure.

- The commercial terms of the farm-in agreement are no longer aligned with the project scale or development timeline as a total of US\$13.0M in option payments are still payable to the project vendors over the next 12 months as well as substantial exploration expenditure.
- Recent drilling results suggest that strip ratios at Landazuri are likely to be higher than originally anticipated, resulting in higher cash operating costs than modelled in the scoping study, significantly reducing the economic robustness of the project.

A sale process undertaken during the past 5 months has confirmed TIG's view that the farm-in terms are no longer aligned with the project potential – a number of prospective buyers conducted detailed due diligence on the Landazuri Project and were invited to make offers for the project but TIG was unable to secure a buyer for the project.

Following a number of unsuccessful attempts to renegotiate the terms of the agreement, TIG has made the decision to withdraw from the option agreements relating to the Landazuri tenements in order to focus on its large scale Russian coking coal project. This is consistent with Tigers Realm Coal's strategy of building a leading global coking coal company.

TIG has a clear duty to its shareholders to allocate capital in a manner which will maximise value. As a result of the factors outlined above, the Company must ensure that the majority of its capital is allocated to the Russian project.

The relinquishment of the Landazuri tenements will:

- Result in significant future cash savings which will be applied towards developing the strategically significant Amaam and Amaam North deposits – as at 31 March 2012 TIG's cash on hand was \$13.65M;
- Reduce TIG's near term capital requirements – the Landazuri option agreements require US\$13M in option payments over the next 12 months as well as substantial exploration expenditure;
- Reduce administrative costs and overheads associated with maintaining operations in multiple geographic locations; and,
- Free up management time to focus on the larger scale and strategically significant Amaam project.

TIG's vision is to build a leading coking coal company. Based on the scale and quality of its Russian assets, the Company is confident it can achieve this vision with the Amaam Coking Coal Project alone.

Progress at Amaam has been excellent, with recent drilling increasing Inferred Resources<sup>1</sup> to 406Mt coking coal with an additional exploration target<sup>2</sup> of 180-280Mt. The bulk of the 2011/12 drilling program was targeted at increasing the confidence levels of a significant proportion of the existing Resources to Indicated and Measured categories. Final results from the drilling are expected to be released in the third quarter of 2012.

A pre-feasibility study (PFS) is on schedule for completion by December 2012. The PFS is expected to confirm the project's large scale production potential and robust economics. Results of coal quality testwork and a logistics study will also be released to market progressively during the second half of 2012.

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

Tigers Realm Coal Limited is an Australian based resources company. TIG's vision is to build a global coking coal company by rapidly advancing the Amaam Coking Coal Project through resource delineation, feasibility studies and mine development to establish profitable operations.

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

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**Competent Persons Statement**

The information compiled in this release relating to resources is based on information provided by Tigers Realm Coal Limited and compiled by Neil Biggs, who is a member of the Australasian Institute of Mining and Metallurgy and who is employed by Resolve Geo Pty Ltd. Neil 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 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). Neil Biggs consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

**Note 1 – Inferred Resources**

According to the commentary accompanying the JORC Code, "the Inferred category is intended to cover situations where a mineral concentration or occurrence has been identified and limited measurements and sampling completed, but where the data are insufficient to allow the geological and/or grade continuity to be confidently interpreted. Commonly, it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration. However, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur. Confidence in the estimate of Inferred Mineral Resources is usually not sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning. For this reason, there is no direct link from an Inferred Resource to any category of Ore Reserves. Caution should be exercised if this category is considered in technical and economic studies."

**Note 2 – Exploration Target**

The potential quantity of the exploration target is estimated by Resolve Geo Pty Ltd, based on drilling and associated exploration studies undertaken so far. The potential quantity of the exploration target is conceptual in nature, and there has been insufficient exploration to date to define a mineral resource within the meaning of the JORC Code. Furthermore, it is uncertain if further exploration at its exploration target will result in the determination of a mineral resource.