



September 2020 Quarterly Production and Activities Report

ASX RELEASE
12 October 2020



September 2020 Quarter Operational Activity

		Quarter Ended Sep-20	Year to date Sep-20	Annual Guidance	Previous Annual Guidance
ROM coal mined	k tonnes ("kt")	266	564	700-750	550
Coal delivered to Beringovsky Port	kt	266	523		
Coal loaded	kt	498	657		
Coal sold ¹	kt	424	568	700-750	665
Total coal stocks	kt	410	410		
Product coal at port stockpile	kt	171	171		
Waste mined	Bcm	1 303	3 591		
ROM strip ratio ²	bcm : t	4.9:1	6.4:1		

1. Includes coal sold to local companies without shipment amounting to 2kt in Q3 2020 2kt in Q2 2020 and 5 kt in Q1 2020. Sales are recognized upon delivery of the contracted volumes of coal on board the vessel and signing of the consignment documents.

2. bcm waste: tonne ROM coal

Highlights

- **COVID 19** - No negative impact at site operations as of the date of this quarterly report. TIG continues to closely monitor the development of the COVID-19 pandemic and its impact on our employees and operations. No cases registered in Beringovsky.
- **Safety** - The cumulative Total Reportable Injury Frequency Rate ("TRIFR") decreased to 3.39 per million hours from 3.79 in June quarter. No lost time injuries ("LTI") recorded during September quarter.
- **Coal Production** - 266kt of coal was mined and delivered to port during the September quarter, an increase of 65% over the 161kt mined in Q2 2020. Mining guidance for 2020 increased from 550kt to 700-750kt. The increase was driven by lower than budgeted stripping ratio and significant improvements to haulage road conditions. The stripping ratio improved from 7.1:1 in the June quarter to 4.9:1.
- **Port operations** - As a result of TIG's decision to fully take over port operations, TIG has managed to decrease its loading costs by 50% as compared to the costs incurred with an outside contractor during the 2019 shipping season. During the Q3 2020 TIG has continued its success in loading operations: 498kt was loaded during the September Quarter, a 90kt increase (+22%) over Q3 2019. The average loading rate per weather working day for the season thus far is 7.3kt which represents an increase of 46% over 2019 performance. A record maximum loading of 12.8kt was achieved on 1 August 2020.

- **CHPP Project** – TIG has completed the plant process design and layout. The civil construction design works are ongoing. TIG expects to conclude an equipment supply contract by mid-October.
- **Sales Guidance** – Sales guidance for 2020 has increased from 665kt to 700 – 750kt due to improved mining results, port performance and the haulage road.
- **Compliance and licencing** – The Company is in compliance with all material license obligations.

Health and Safety

At both administrative and production facilities TIG continues to take all measures recommended by health authorities to mitigate risks related to COVID-19. No cases of COVID-19 have been identified at the mine or the port. There have been several cases amongst Moscow-based staff during the quarter. All of these individuals had fully recovered by the end of September and we have no further known active cases. As the number of cases in Moscow region is growing, there is a possibility that Moscow or Federal authorities may implement additional measures with respect to COVID-19. Management continues to closely monitor the development of the situation.

TIG's cumulative TRIFR decreased to 3.39 per million hours worked from 3.79 in September 2020 quarter. No lost time injuries ("LTI") recorded during September quarter. The company continues to improve and support its workplace safety culture with training and communication.

Mining and Haulage Operations

		July	August	September	Total
ROM coal mined	kt	92	102	72	266
Product coal mined & delivered to Beringovsky Port	kt	92	102	72	266
Waste mined	kbcm	433	430	440	1 303
Stripping ratio	bcm : t	4.7	4.2	6.1	4.9
Product Coal in Port stockpiles	kt	262	200	171	
Total Coal stocks (end of month)	kt	501	439	410	

During the September quarter, 266kt of ROM coal was mined and delivered to port (161kt mined and delivered in port in 2Q 2020 (+39%) and 242kt in Q3 2019 (+10%). The quarterly average stripping ratio decreased from 7.1:1 in the June quarter to 4.9:1. Average monthly mining and transportation in Q3 2020 amounted to 89kt which is 35kt (+65%) higher than was achieved in Q2 2020.



CHPP Project

TIG has made significant progress with its Coal Handling and Process Plant (CHPP) project. During the September quarter the CHPP process design and layout and the foundation design work was completed. The remainder of the civil design works are ongoing. Negotiations with Derek Parnaby Cyclones International Limited (Parnaby) with respect to a CHPP equipment delivery are well advanced and TIG expects to sign the supply contract by mid-October.

TIG plans, subject to arranging acceptable financing, to complete foundation work this year to be in a position to bring the first CHPP module online in 2021.

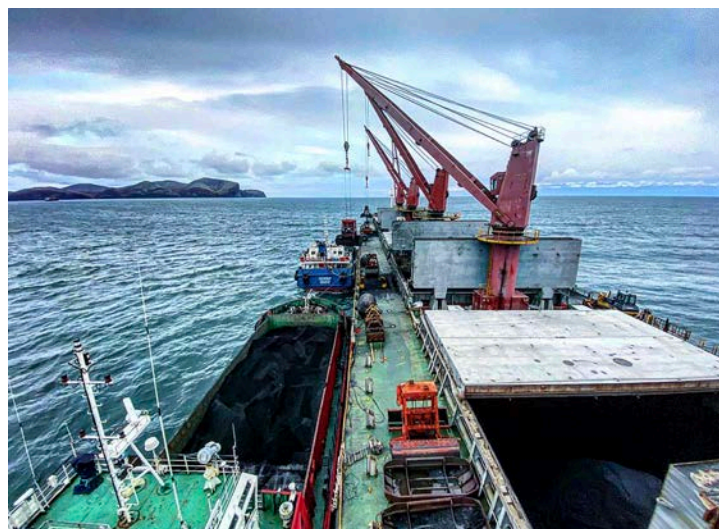
Beringovsky Port Operations

During Q3 2020 TIG shipped two cargoes of metallurgical coal and seven cargoes of thermal coal. A further metallurgical coal cargo was fully loaded by the end of September, but weighed anchor on 2 October.

		July	August	September	Total
Coal loaded	kt	202	143	153	498
Coal sold ¹	kt	159	164	101	424

1. Includes coal sold to local companies without shipment amounting to 2kt in Q3 2020, 2kt in Q2 2020 and 5kt in Q1 2020. Sales are recognized upon delivery of the contracted volumes of coal on board the vessel and signing the consignment documents

During the Q3 2020 TIG has continued to focus on improvement of its loading operations: 498kt was loaded during the September Quarter – a 90kt increase (+22%) compared to Q3 2019. This has been driven by 60% increase in daily loading rates from an average 5kt in Q3 2019 to 8kt in Q3 2020.



TIG has managed to decrease its loading costs by 50% relative to the costs incurred with an outside contractor during the 2019 shipping season. This success was primarily due to appropriate dredging works before start of 2020 shipping season, improving the coal conveyor system, training port personnel, and timely repair work on our barge fleet.

In Q3 2020 TIG has successfully unloaded five general cargo vessels to date with total 3,200 tonnes of cargo - for the first time in TIG's history.



Sales Guidance

TIG sales guidance for 2020 has been increased from 665kt up to 700-750kt due to increased mining volumes, improved haulage road conditions and the improved efficiency of port operations.

Coal Sales and Marketing

As of 6 October year to date, TIG had signed 14 contracts for the delivery of 524kt of thermal and 156kt of semi-soft coking coal ("SSCC") and has agreed commercial terms on a further cargo of thermal coal for shipping later in October. Additionally and weather permitting, TIG has one more vessel planned for October-November loading.

Market Outlook

The Asian coking coal market found a bottom during Q3, with a recovery driven by demand in China, India and South East Asia, and the re-start of blast furnaces in Japan by Nippon Steel and JFE Steel. This market is showing signs of returning to balance, and potentially risks tipping into undersupply if summer rainfall in Queensland is heavier than normal which is a possibility given that a "La Nina" weather event in 2021 has been forecasted by the Australian Bureau of Meteorology.

In thermal coal markets, COVID-19 related demand decline in markets outside of China has been somewhat balanced by production cuts, particularly in Indonesia, where 23-25MT of production had been cut YTD. The Chinese market bounced back strongly in August, with power demand lifting 6.8% YOY amid strengthening industrial production and manufacturing activity. Thermal coal inventories at power stations and ports have dropped below last year's level, reflecting not just the bounce back in thermal power generation but also tight domestic supply as overall thermal coal production has flattened YOY. Newcastle 6,000 NAR and 5,500 NAR coals are assessed last week at \$57/t and \$45/t respectively, up from \$47/t and \$36/t three months ago. The 5,500 (high-ash) price was \$50/t in October last year, and as high as \$57 in February 2020, so the recovery is in the early stages and could be reversed depending on COVID-19 over the northern winter and Chinese domestic coal supply policy.

Demand for TIG SSCC suffered significantly in 2020 due to the temporary suspension of operations at several blast furnaces by our major Japanese customers. SSCC demand has been weak and most of the major Asian steel mills reduced their coal supply contracts, which meant there was no room to purchase “seasonal” spot coals thus effectively limiting TIG marketing of SSCC to spot buyers in China. TIG was successful however in securing a trial cargo to Hyundai Steel, which cargo loaded in early October. This, along with Japanese demand recovery, bodes well for a better year in 2021. In terms of thermal coal, production this year has been mostly of higher ash (28%-30% ash) material with calorific value of around 5,000 kcal/kg NAR. A proportion of 5500kcal/kg NAR thermal coal has also been sold into Vietnam and China, which have remained relatively strong markets compared to the rest of the world.

Capital investments

Capital investments during the September quarter included:

- Materials for construction of CHPP foundation
- Continuing repairs of the accommodation facilities to house the newly arriving port personnel in Beringovsky
- Continuing construction of road culverts
- Project works for camp reconstruction and expansion
- Drainage construction at mine site

Corporate

In July 2020 2,606,000 options were removed from the Company’s option register.

In August 2020 Tav Morgan has resigned from Board, effective 26 August 2020. At the same date David Swan was appointed as an Independent Non - Executive Director.

Stakeholder relations

Effective engagement with a wide range of stakeholders is a strong contributor to TIG’s strategy. In Q3 2020 TIG has continued its work in the following areas:

Environment

- Public hearings were conducted in Anadyr regarding the environmental impact of TIG’s transshipment operations. Further environmental state expertise will be provided.
- The company has started instrumental control of the air and water quality in the zone of influence of production activities on the environment. On a monthly basis, experts have organized measurements of air and water samples to check compliance with permissible pollution levels. Certified laboratory equipment was purchased to carry out the measurements.
- Work on instrumentation and equipment to monitor the air quality at production sites was initiated
- A regulation on production and consumption waste management in port was developed and approved
- Coal stockpiles were partially covered by dust covers in Beringovsky in accordance with new guidelines in Russia

- The Company completed reconstruction of storm water overflows in port Beringovsky
- Beringovsky office staff took part in cleaning the Lakhtin lagoon together with the eco-activists of Beringovsky

Government Relations

- A technical project for the modernization of the Beringovsky port has been discussed with the Analytical Center under the Government of the Russian Federation. Beringovsky Port modernization will be considered for inclusion in the "Comprehensive Plan for the Modernization and Expansion of the Main Transport Infrastructure" by Federal Government Commission on Transport.
- Together with the Ministry of Transport of Russia, TIG has worked on a technical report on amendments to the boundaries of the checkpoint of the Beringovsky port. Upon completion of the installation work of the fence and equipment for video recording, a commission will be formed to accept the checkpoint.



Local community

- Donation to local projects in cooperation with the Association of Indigenous People of Chukotka.
- TIG football team took part in local football competitions and won 2nd place
- TIG has provided charitable assistance to 41 local school students to purchase school stationery
- Minor works at the Beringovsky church

Exploration and Licencing Activities

The Company is in compliance with all material license obligations.

Cash balances

At the end of the quarter, TIG had a cash balance of US\$12.1mln in cash with no bank liabilities outstanding. The Company continues implementation of tight liquidity management measures to secure the most efficient use of the funds.

During the current quarter, several lease restructuring agreements were signed, improving the Company's liquidity position by US\$1m over the next 18 months.

Capital Structure (as at 30 September 2020)

Ordinary shares on issue:	7,614,596,948
Options on issue:	11,536,000

This announcement has been authorized by the Board of Directors

ABOUT TIGERS REALM COAL (ASX CODE: TIG)

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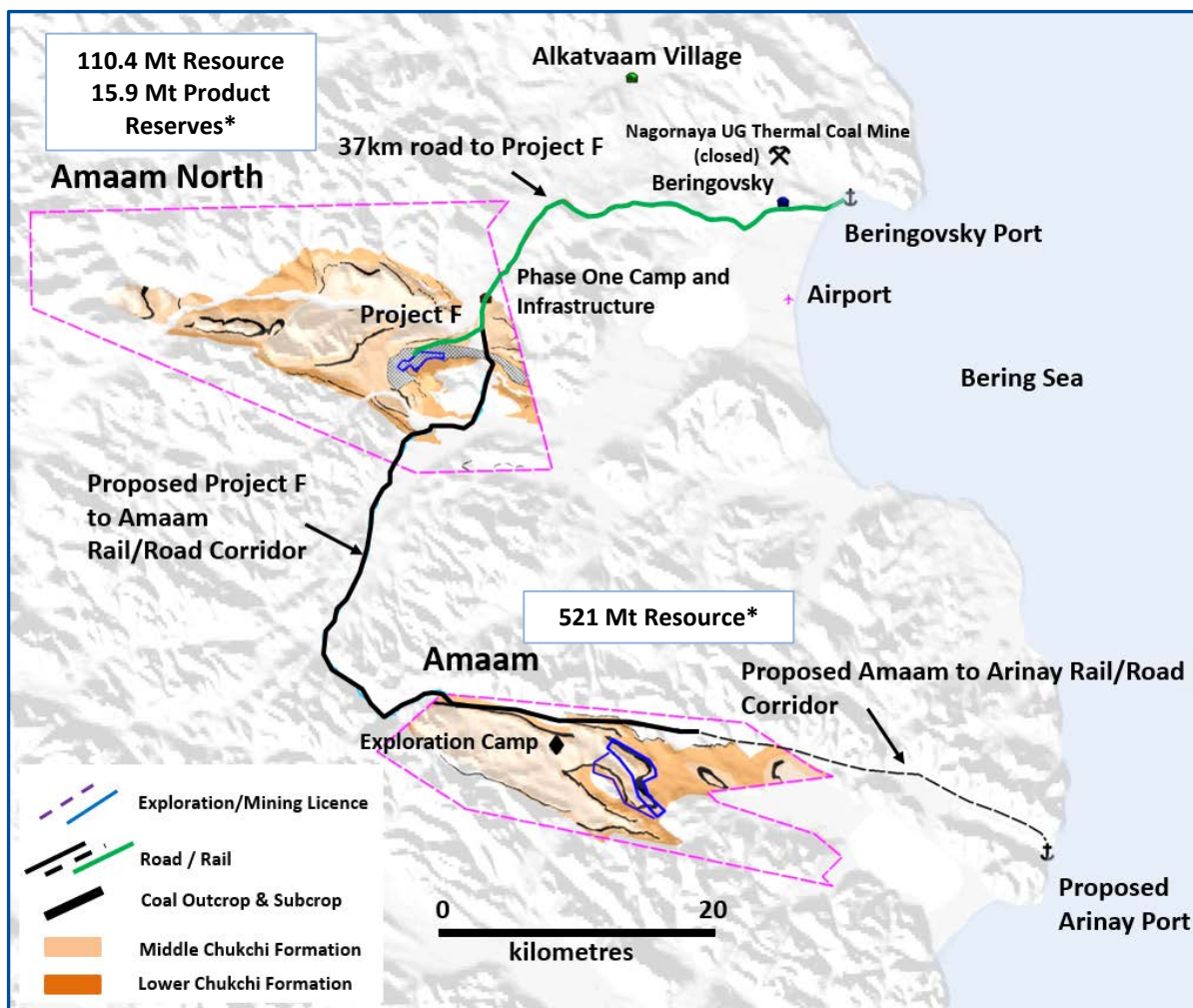
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PROJECT SUMMARY

TIG is developing a large-scale coking coal basin that covers two areas, Amaam and Amaam North (Figure A below), with combined Resources of up to 630 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 (Fandyushkinskoe Field) 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 Amaam AND 01379 TP (former AND 01277 TP Zapadny Subsoil Licence) and two Exploration and Extraction (Mining) Licences, No. AND 01278 TE and No. AND 01288 TE.



*Total estimated project

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.

At Project F and Amaam North

- Project F Phase One is in production
- Project F 1.0 Mtpa Feasibility Study completed, Resources and Reserves as of December 31, 2019 of:
 - 15.7 Mt of remaining Product Reserves, 6 Mt Proven & 9.7 Mt Probable;
 - 109 Mt Total Resource, 21.5 Mt Measured, 54.6 Mt Indicated & 32.9 Mt Inferred.
- TIG owns and operates the Beringovsky coal port terminal

At Amaam:

- A Project Feasibility Study completed on 5.0 Mtpa open pit operation producing a high vitrinite content (>90%) coking coal with excellent coking properties
- The total Resource is 521 Mt comprising 3 Mt Measured, 91 Mt Indicated, and 427 Mt Inferred