



June 2023 Quarterly Production and Activities Report

ASX RELEASE
21 July 2023



June 2023 Quarter Operational Activity

		Quarter Ended Jun-23	Year to date Jun-23	Annual Guidance
ROM coal mined	kt	410	737	1 500-1 650
Coal delivered to Beringovsky Port	kt	277	500	
Coal loaded	kt	265	265	
Coal sold*	kt	260	265	1 100
Total coal stocks	kt	922	922	
Waste mined	Bcm	1 360	2 670	
ROM strip ratio	bcm : t	3.3:1	3.6:1	

*Including coal sold ex-stockpile to local customers and coal loaded in the prior quarter

Highlights

- **Safety** – The cumulative Total Reportable Injury Frequency Rate (“TRIFR”) increased to 2.15 per million hours from 2.04 recorded in the March quarter.
- **Australian Sanctions Update** – On 26 June 2023 the Company advised that it has filed an application with the Federal Court of Australia seeking declarations that regulation 4A of the Autonomous Sanctions Regulations does not apply to its operations.
- **Potential Privatization** – On 4 July 2023 the Company announced that it decided to suspend further activities regarding the Potential Privatization due to concerns regarding the ability to procure the necessary regulatory relief on a timely basis under both Australian and Russian law. The regulatory process in Russia requires prior governmental approval, and neither the timing nor the conditions for receiving such approval can be predicted with any reasonable degree of certainty.
- **Coal Production** – 410kt of coal was mined during the June quarter, a 25% increase compared to March quarter 2023, 277kt of which was delivered to port.
- **Port operations** – During Q2 2023 TIG loaded 265kt, 80% higher than during Q2 2022 due to early start of the shipping season in May and more efficient loading. TIG’s 5th 500t barge arrived at Beringovsky and started loading in July.
- **CHPP** – 287kt were processed during the June quarter, a 23% increase versus the March quarter.
- **Sales** – 260kt of thermal coal was sold during the Q2 2023 which reflects an early start of the shipping season and efficient preparatory marketing activities by the company.

- **Compliance and licencing** – The Company is in material compliance with its license obligations.

Health and Safety

TIG's cumulative TRIFR increased to 2.15 per million hours worked, from 2.04 in the March quarter.

Sanctions Update

As advised in its 26 June 2023 ASX Release the Company announced that it does not agree with DFAT's indicative assessment that its operations comprise a sanctioned import and has filed an application with the Federal Court of Australia seeking declarations that regulation 4A of the Autonomous Sanctions Regulations does not apply to its operations.

Mining and Haulage Operations

		April	May	June	Total
ROM coal mined	Kt	126	143	141	410
Coal delivered to Beringovsky Port	kt	87	93	97	277
Waste mined	kbcm	450	457	453	1 360
Stripping ratio	bcm : t	3.6	3.2	3.2	3.3
Total Coal stocks (end of month)	kt	990	1 082	922	

During the June quarter, TIG mined 410kt of ROM coal and delivered 277kt to the port. The overall quarterly mining volume was 25% higher than in Q1 2023. The increase is due to improved capacity and weather conditions. The quarterly average stripping ratio decreased from 4.0:1 in the March quarter to 3.3:1 in the June quarter due to mining mainly on Fandyushkinsky Field as opposed to mining on both Fandyushkinskoe Field and Zvonkoe in the Q1. Coal haulage to port increased from 223kt in March quarter to 277kt in June quarter.

Beringovsky Port Operations

		April	May	June	Total
Coal loaded	kt	-	61	204	265
Coal sold	kt	2	1	257	260

(Coal loaded usually differs from coal sold for two reasons. First, coal may be loaded in a previous period but recognized as sold upon completion of loading. Second, some relatively small amounts of coal were sold ex-stockpile to local customers.)

During the June quarter TIG loaded 265kt, 80% more than during Q2 2022 due to an early start to the season and improved loading efficiency.



First vessel of the season being loaded

The new 500t barge arrived and started loading in July

Coal Handling and Process Plant (CHPP)

The CHPP equipment is fully functional and processed 287kt of ROM coking coal in the June quarter.

Coal Sales and Marketing

Thus far TIG has contracted seven cargoes, four of them completed loading current in the quarter.

Sales Guidance

The sales target for 2023 remains at 1.1Mt. While the 2023 loading season is off to a good start, the usual risks and uncertainties related to sales guidance remain (primarily availability of vessels and weather). Ongoing geopolitical uncertainties could also impact TIG's ability to meet its sales targets as sales are primarily focussed on Chinese market customers.

Market Outlook

Coking Coal

Moderate steel demand and a sharp increase of both domestic production and imports of coking coal led to an oversupply of coal (and coke) in China during the second quarter of 2023. Consequently, achievable coking coal prices fell sharply through May and June. Potential buyers in the Indian steel sector took a step back from purchasing June cargoes, instead focussing on depleting their coal stocks while waiting for coal and coke prices to level out and to balance their own coke production levels against the impact of lower-priced Chinese coke imports.

For a period of 6 weeks, coal prices dropped \$8-\$10/t per week, amid a weakening market and weakening RMB.

Looking forward to Q3 2023, it appears that coking coal prices have steadied but there remains uncertainty regarding the impact on trade flows caused by sanctions and restrictions on Russian coal sales. Most Russian coal continues to be sold in China and India, but is also spreading into Vietnam and SE Asia. We remain subject to strong Russian competition in our available markets.

Thermal Coal

The market pullback that started in late 2022 continued through the first half of 2023 amid rapid Chinese and Indonesian production growth, coupled with a mild Northern Hemisphere winter and weak power demand. High Chinese stocks at power stations and ports have been augmented by high levels of imports, in both cases putting downward pressure on coal sales pricing. Excessive purchasing during 2022 by Japanese and European buyers resulted in delays in shipping and in some cases, reloading of cargos already delivered, for redelivery to China, which became the major clearing market for excessive thermal coal availability during the second quarter.

All of the above led to high inventories and steeply falling prices during May and June, amid strong competition between the main exporting countries and domestic producers in China. The Chinese market is exhibiting short-term buying patterns and some degree of front-running with pricing.

Sales strategy

In the current price environment, with Chinese coking coal prices starting to recover and Indian demand expected to recover post monsoon, the sales strategy is to increase thermal coal sales in August and coking coal sales in September.

Capital investments

New capital investments during the June quarter included:

- Drilling rig
- Crusher

Corporate

Notice of TIG's Annual General Meeting ("AGM") was announced on 13 July 2023. The AGM will be held at 3 pm (Melbourne time) on Tuesday 15 August 2023 at Rendezvous Hotel, 328 Flinders Street, Melbourne. Shareholders have the opportunity to attend the meeting in person or virtually through the online platform provided by our share registry, Link Market Services.

Exploration and Licencing Activities

The Company is in material compliance with all license obligations.

Cash balances

At the end of the quarter, TIG had a cash balance of US\$2.0M in cash.

Capital Structure (as at 30 June 2023)

Ordinary shares on issue: 13,066,702,368

This announcement has been authorized by the Board of Directors.

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
9rd Floor, Leningradski avenue, 37
Moscow, Russia 125167

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
Website:	http://www.tigersrealmcoal.com