



March 2019 Quarter Operational Activity

		Quarter Ended Mar-19	Quarter Ended Dec-18	Annual Guidance
ROM coal mined	k tonnes ("kt")	77	143	680 to 750
Coal delivered to Port	kt	66	95	
Coal loaded	kt	-	62	
Coal sold	kt	-	86	650 to 720
Total coal stocks	kt	344	267	
Waste mined	k bcm	491	463	
ROM strip ratio ¹	bcm : t	6.4:1	3.2 to 1	

1. bcm waste: tonne ROM coal

Highlights

- **Safety** – No lost time injuries (“LTI”) recorded during March 2019 quarter. Cumulative TRIFR through 31 March 2019 decreased from 3.7 to 3.6 per million hours.
- **Mine production** – 77kt of coal mined of which 66kt delivered to port. 2019 coal mining guidance of 680 to 750kt remains as previously announced.
- **Sales guidance**– 2019 sales guidance of 650 to 720kt remains as previously announced.
- **First 2019 sales agreement** – TIG executed its first 2019 sales agreement for delivery of 100kt thermal coal.
- **Coal on stockpile** – 344kt of coal on stockpiles at the end of March 2019, of which 106kt was coking and 238kt thermal coal.
- **Funding and liquidity** – As of 31 March 2019, TIG has A\$9.0 million in cash and cash equivalents, an unused working capital facility of RUB 217.1 million (A\$4.7 million) and funding commitments from shareholders of US\$5.0 million (A\$7.1 million).
- **2018 Annual Results** – TIG released its 2018 Annual Financial Report, recording its first annual net profit after tax of A\$10.9 million for 2018.

All financial indicators are rounded to nearest hundred thousand dollars

Health and Safety

TIG is pleased to announce there were no LTIs during the March 2019 quarter, as a result of which TIG's cumulative Total Reportable Injury Frequency Rate ("TRIFR") decreased to 3.6 per million hours worked from 3.7 in the December 2018 quarter. There were no safety incidents during the March 2019 quarter.

During the March quarter, the focus on health and safety continued, including the following initiatives:

- ◇ "Arrive Alive" programme – Driving in winter conditions;
- ◇ Workplace organisation and safety;
- ◇ Fire safety drills and use of extinguishers;
- ◇ Regular inspections for 7 base risk areas; and
- ◇ Take 5 Hazard programme.

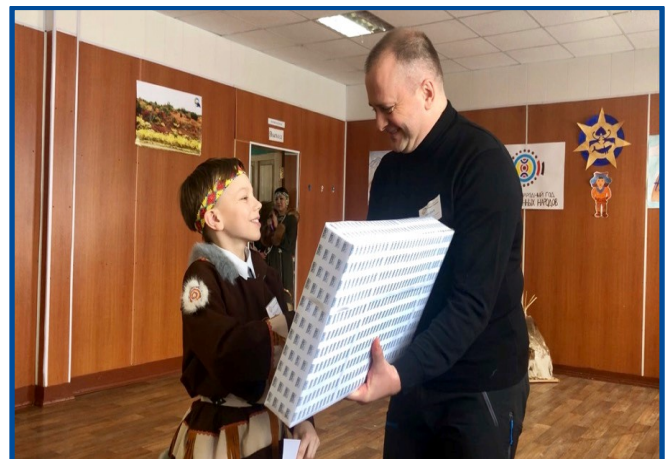


Demonstration of fire management drills

Community and stakeholder relations

In February, in accordance with the terms of the MOU signed in November 2018 with the "Association of the Indigenous Chukotkan People", the first meeting was held discussing a broad range of issues, including proposed funding of a range of projects supporting potential ecological, sporting and cultural programmes as well as employment opportunities.

TIG management also participated in the opening of the International Year of Native Languages at the local school of Alkatvaam village, awarding (together with the Association of the Indigenous Chukotkan People) one of the students with a laptop for excellence in the native Chukotkan language.



Dmitry Gavrilin awarding Efim Suvorov for excellence in his knowledge of the native Chukotkan language

TIG continued its support of furthering knowledge and education, TIG employees making presentations to 40 grade 7 to 11 students from Beringovsky and Alkatvaam, on their own personal experiences on "looking into the future", a perspective on career guidance and development. TIG staff spoke about their own personal career experiences and what it takes to succeed in their chosen careers.

Amaam North Mining and Haulage Operations

		January	February	March	Total
ROM coal mined	kt	28	32	17	77
ROM coal hauled to port	kt	18	31	17	66
ROM coal hauled to interim stockpile	kt	10	1	-	11
Waste mined	k bcm	211	110	170	491
Stripping ratio	bcm:t	7.5 to 1	3.4 to 1	10.0 to 1	6.4 to 1
Days lost due to weather	days	17	13	23	53 (1)
Haulage trucks in operation (2)	Units	8	9	8	8

(1) 18 working days lost due to weather conditions in March 2018 quarter

(2) Average

During the quarter, 77kt of ROM coal was mined (140kt in March 2018 quarter), of which 66kt was transported to our port stockpiles. The balance of 11kt ROM coal stored at the interim stockpile (higher-ash oxidised/thermal coal being stored at the interim stockpile).

Mining and haulage operations were impacted throughout the March quarter by extremely poor weather conditions which impacted on operational safety and accordingly led to continued and ongoing operational constraints. During the quarter, 53 days of mining and haulage capability were lost due to poor weather either at the pit or on the haulage road. During the period when the haulage road was unsafe for use, all resources were focused on pre-stripping activities, which are expected to facilitate an improvement both in the volume of coal mined and stripping ratio in the June quarter. Accordingly, coal mined for the quarter comprised of 12kt coking and 65kt of thermal coal.

In the June quarter, coal mining activities will be focused on the central, western and far eastern sections of the Project F mine. Coal production guidance for the June quarter is between 150-170kt.

TIG will be well placed to commence the shipping season on the basis of the existing 344kt of coal on stockpile at the end of March and expected production in the June quarter.

Capital investments

The Company continues to invest in operating capacity, particularly in enhancing port throughput capabilities. In the March 2019 quarter, the construction in China of two 500t barges contracted in 2018 continued, the barges launched for their sea trials in April. Their delivery to Beringovsky port and final commissioning is expected to be completed in the first half of the 2019 shipping season.



Launching of the "Arinay" 500t barge for sea trials on 20 April



The "Keliney" 500t barge ready for sea trials on 20 April

Beringovsky port operations

TIG commenced a range of preparatory works to ensure its capacity to utilise any weather-related shipping opportunities which may arise should the ice thaw arrive earlier than expected. Accordingly, planned port infrastructure works commenced, including the general inspection, testing, repair and maintenance of all onshore infrastructure. Specific works on sea wall strengthening and coal pier repairs also began, this work programme is currently on track to be completed in readiness for the 2019 shipping season.



Beringovsky port 17 April 2019

Negotiations with the incumbent port contractor, Seaport of Anadyr ("SoA"), were progressed and delineation of responsibilities, tonnages and tariffs having been confirmed for the forthcoming shipping season, 2019 being the first year when TIG owned and operated barges will undertake coal loading activities, in conjunction with SoA and its fleet of 100t barges.

2019 production and sales guidance

Based on actual performance, current capacity and expected investments in both mining and haulage equipment, the previously announced 2019 production guidance of 680 to 750kt and coal sales guidance of 650 to 720kt remain in force.

Coal Sales and Marketing

Marketing activities over the last quarter have been concentrated on sales arrangements for the 2019 shipping season and securing pre-payment finance arrangements on the back of these sales arrangements. In general, sales progress is solid, and difficulties are not expected regarding the marketability of TIG products.

Coal Outlook

The metallurgical coal market in Asia has remained strong during early 2019. Premium low volatile hard coking coal (HCC) prices (FOB Australia) closed the 2018 year at around US\$227/t and are holding at ~US\$215/t as at the end of March 2019. Australian supply remained tight due to continuing restrictions on rail capacity. Russian supply has been restricted as usual by the winter season. In the face of sustained demand, the inability of producers to increase production has resulted in the continuation of strong pricing from 2018 into 2019.

The First Quarter (Q1) 2019 coal pricing for semisoft coking was agreed between Japanese steelmakers and Australian suppliers at US\$131-132/t FOB Australia. The spot semisoft price is currently reported at around US\$109/t FOB Australia, albeit that this has been reported on thin trading volumes.

Thermal coal prices for different grades have continued to drop this year, in response to Chinese import restrictions and increasing Chinese domestic production. The JFY19/20 Japanese reference price for high quality (6000 kcal/kg NAR) Newcastle thermal coal was settled at \$US94.75/t FOB in late March. In the week since this settlement, the spot price for Newcastle-specification coal has dropped sharply, to US\$79.60/t FOB on 1 April. The price of 6000 kcal/kg Russian thermal coal ex Vostochny has dropped below US\$75/t FOB, a reduction of nearly US\$7 in a week.

Lower CV coal is pricing at significant discounts to the higher CV products (5500 kcal/kg NAR currently around US\$57/t FOB Newcastle and US\$67.20/t FOB Vostochny).

Financing and cash balances

As of 31 March 2019, TIG had A\$9.0 million in cash held in bank accounts and RUB 217.1 million (A\$ 4.7 million) in an unused Sberbank working capital facility limit.

The optimal funding of TIG's capital investment programme has been one of the key activities undertaken during the March 2019 quarter, as a result of which capital investments for 2019 are fully funded, through a combination of cash generated from operations and debt financing.

TIG announced in March the agreement of debt financing terms with its two largest beneficial shareholders ("Shareholder Loans"). In accordance with these Shareholder Loans, each shareholder will make available to the Group an unsecured non-revolving loan facility of up to US\$2.5 million each, US\$5.0 million in total (A\$7.1 million), to be utilised for capital investments required to support the expansion of TIG's operating capacity. These loans are expected to be available for drawdown in the second half of the June quarter.

Corporate

In March TIG released its 2018 annual financial report, the highlights of the results of operations being the generation of its first net profit after tax of A\$10.9 million and the reporting of a net cash operating surplus of A\$8.0 million.

Notice of TIG's Annual General Meeting ("AGM") was announced on 12 April, the AGM to be held at 3pm on Tuesday 14 May 2019 at the Rendezvous Hotel, 328 Flinders Street, Melbourne.

Exploration and Licencing Activities

During the March quarter, A\$0.06 million was incurred on exploration related expenses and initial exploratory drilling at the Zvonkoye licence which is in addition to grade quality control drilling at the Fandyushkinskoye Field licence area. It is currently expected that a further 500m will be drilled at Zvonkoye during April 2019.

In order to advance our exploration drilling, management have deemed it necessary to engage an independent contract driller to supplement our internal capabilities. We expect the independent contractor to arrive on site in Q3 2019, assisting us to realise our drilling plans for 2019.

Capital Structure (as at 31 March 2019)

Ordinary shares on issue: 1,791,669,870

Options on issue: 33,669,000

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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 632 Mt.

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 Amaam North, TIG owns a 100% beneficial interest in Exploration Licence No. AND 01203 TP (Levoberezhniy Licence), the Exploration and Extraction (Mining) Licence, No. AND 15813 TE, which covers the initial Project F (Fandyushkinsoye Field) 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 (Zapadny Subsoil Licence) and two Exploration and Extraction (Mining) Licences, No. AND 01278 TE and No. AND 01288 TE.

At Project F and Amaam North

- Project F Phase One commenced production in 2017.
- Project F 1.0 Mtpa Feasibility Study completed, Resources and Reserves as at 31 March 2019:
 - 15.3 Mt of remaining Product Reserves, 5.8 Mt Proven and 9.5 Mt Probable;
 - 109.8Mt total Resource, 21.5 Mt Measured, 55.4 Mt Indicated and 32.9Mt Inferred.
- TIG owns and operates the Beringovsky coal port terminal.
- There is exploration potential and production expansion upside.

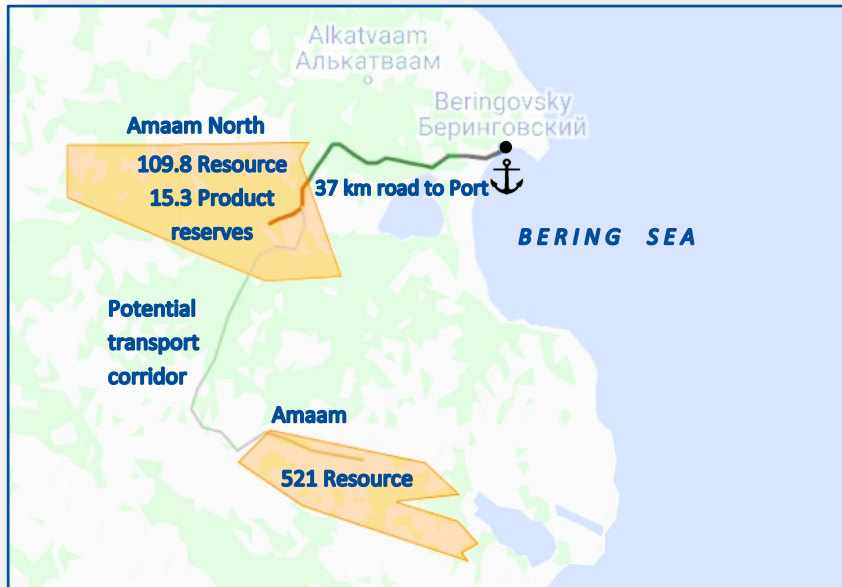


Figure A Amaam and Amaam North Coking Coal Projects

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

Competent persons’ statements

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions, except to the extent resources and reserves have been depleted through mining and technical parameters underpinning the ore resource estimates continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Persons’ findings, as presented, have not materially modified from the original market announcements.

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