



March 2020 Quarterly Production and Activities Report

ASX RELEASE
29 April 2020

March 2020 Quarter Operational Activity

		Quarter Ended Mar-20	Quarter Ended Dec-19	Annual Guidance
ROM coal mined	k tonnes ("kt")	137	288	550
Coal delivered to Beringovsky Port	kt	96	212	
Coal loaded	kt	0	88	
Coal sold ¹	kt	5	136	665
Total coal stocks	kt	568	436	
Product coal at port stockpile	kt	329	238	
Waste mined	Bcm	1 149	1 186	
ROM strip ratio ²	bcm : t	8.4:1	4.1:1	

1. Includes coal sold to local companies without shipment amounting to 5 kt in Q1 2020.

2. bcm waste: tonne ROM coal

Highlights

- **COVID 19** - As of the date of release, there is no direct negative impact at site on our mining or logistical operations as a result of COVID-19.

In accordance with Government advice and global practice TIG has instigated a number of measures to mitigate the risks for our business, employees, community members and other stakeholders. Over the course of the past several weeks we have witnessed increased seaborne market price and demand weakness, largely driven by the COVID 19 pandemic. In TIG's case there may be decrease in demand for our product arising from general economic slowdown in Asian markets.

- **Safety** – No lost time injuries ("LTI") recorded during the quarter. The cumulative Total Reportable Injury Frequency Rate ("TRIFR") decreased to 3.64 per million hours.
- **Mine Production** – 137kt of coal mined and 96kt delivered to port during the March quarter. Mining guidance for 2020 of 550kt remains as previously announced. TIG did not extract coal during the March quarter as, in accordance with the 2020 mine plan, only pre-stripping operations were carried out during this month. This allowed for cost optimization during a period in which weather typically impacts the efficiency of haulage operations. TIG plans to deliver 40kt to the port stockpile in April.
- **Liquidity management** – TIG continues to apply and strengthen the measures it takes to provide tight controls over all cash expenses made in the course of its routine daily operations, as well as over significant payments made under key project implementations.

- **CHPP Project** – Design & engineering works are substantially completed for the first module of a CHPP with an annual production rate of about 600kt of saleable coking coal.
- **Sales Guidance** – Sales guidance for 2020 of 665kt remains as previously announced.
- **Entitlement Offer** - On 6 February 2020 Tigers Realm Coal announced that it had successfully completed the Institutional and Retail components of the 13:4 accelerated renounceable Entitlement Offer of fully paid TIG ordinary shares at an offer price of A\$0.01 per New Share. The Entitlement Offer which closed on 5 February 2020 raised A\$45 million. Entitlements amounting to A\$13 million which were not taken up were then offered for sale in a single shortfall bookbuild. Hanate Pty Ltd as Trustee of the Hanate Trust, an entity associated with director and substantial shareholder Dr. Bruce Gray, bid for the balance of shares not taken up by others in the bookbuild. The issue of these 1.3billion shares at A\$0.01 per share (A\$13 million) is subject to shareholder approval which will be sought at the Company's Annual General meeting to be held in early June 2020.
- **Compliance and licencing** – The Company is in compliance with material license obligations. Next resources and reserves update is to be completed in 2H of 2020.
- **Community relations** – TIG has continued to work with local and state authorities on obtaining support for its investment and ecological projects as well as joint response measures with regard to COVID 19 pandemic, assuming those projects may play significant role for Chukotka region.

Health and Safety

To date there is no direct impact at site on our mining or logistical operations as a result of COVID-19. The Company is focused on continual general sanitation and precautionary controls, as well as health diagnostics applied to the personnel. Russian Government authorities have adopted a number of restrictive measures to slow the rate of spread of the virus. Nevertheless, TIG's mining operations are recognized as a continuous process and as such, they continue to function as normal. Moscow office employees are working remotely, but at the operational site at Chukotka we are continuing with mining and trucking whilst preparing for 2020 shipping season. The Company is focused on continual general sanitation and precautionary controls, as well as health diagnostics applied to the personnel.

No lost-time injuries (LTI) were recorded in March quarter 2020. TIG's cumulative TRIFR decreased to 3.64 per million hours worked from 3.99 in December 2019 quarter. The company continues to improve and support its workplace safety culture with training, communication and integration of success in this area into management's compensation structure.

Mining and Haulage Operations

		January	February	March	Total
ROM coal mined	Kt	73	64	0	137
Product coal mined & delivered to Beringovsky Port	Kt	59	37	0	96
Waste mined	k bcm	361	351	437	1 149
Stripping ratio (SR)*	bcm : t	5.0 to 1	5.5 to 1	N/A	8.4 to 1
Product Coal at Port in stockpiles	Kt	295	331	329	
Total Coal stocks	Kt	507	570	568	

During the March quarter, 137kt of ROM coal was mined, of which 96kt were delivered to Port (288kt in 4Q2019). The stripping ratio increased from 4.1 in December quarter to 8.4 (6.4 in 1Q2019) as TIG, in accordance with the 2020 mine plan, was engaged in pre-stripping throughout March. Consequently, no coal was extracted during that month. By engaging in pre-stripping only, we were able to focus our mining equipment on overburden removal at time when weather conditions typically impede the efficiency and safety of pit-to-port haulage operations. In April we plan to haul over 40kt to the port stockpile.

CHPP Project

In order to achieve its next strategic objective on the Amaam North deposit, TIG is focussed on the construction and financing of a coal handling and processing plant (CHPP) to enable the Company to sell a higher-value product of consistent quality into the Semi-Hard coking coal (SHCC) markets. This SHCC product will achieve significantly higher prices than those currently being achieved for the unwashed coal products being sold into thermal and SSCC markets.

The design & engineering works for the CHPP have been done with help from SibNii, one of the leading Russian coal process design bureaus, together with AB Mylec, a leading Australian coal process expert who have conducted washability optimization studies, as well as IMC Montan, a mining consultant, and CETCO, an engineering firm.

To optimise capital spend, TIG is evaluating the option of a modular plant design. The design & engineering works are substantially completed. The first module of 150tph (equivalent to an annualised production rate of circa 600kt product, assuming a yield of 65%) is targeted for delivery and commissioning to allow the SHCC product to be sold during the 2021 shipping season.

Beringovsky Port Operations

		January	February	March	Total
Coal loaded	Kt	0	0	0	0
Coal sold ¹	Kt	2	1	2	5

1. Includes coal sold to local companies without shipment amounting to 5 kt in Q1 2020

TIG has taken over management of all port operations so that it will no longer rely on a third-party service provider for this critical area of our operations. Consequently, during the 2020 navigational season, TIG will control the full production cycle, from pit to bulker. Port personnel has been engaged in dredging works to establish sufficient depth for our barges. The dredging was completed in April.

Repair works on the loading conveyor are being completed. All four 500-tonne barges are at site and will be ready to transship coal as soon as the 2020 shipping season begins.

In the course of preparation for the forthcoming shipping season TIG's vessels and other equipment in the Port have been undergoing regular maintenance and repairs. We have also been hiring the necessary crew and additional shore-based human resources.

Sales Guidance

Based on actual performance, current capacity, as well as actual and expected investment into equipment, the sales target for 2020 is set at 665kt.

Capital investments

Capital investments during the March quarter included:

- TIG continues with improvement of personnel facilities and storage areas at Chukotka site. These improvements are aimed at increasing the safety of the personnel.
- Regular maintenance and repair were performed in respect of TIG's barges in port.
- Foundation for boiler was completed during the March quarter.
- Project and detailed engineering works on CHPP, port and site infrastructure

Tight controls over expenses and works performed are applied to all capital investment expenses.

2020 Market Outlook

Hard coking coal spot prices finished March at around \$160/mt – prices have been fairly consistently around \$150 to \$160 per tonne so far this year. However, recent signs are emerging that indicate a weakening steel market, which has resulted in falling prices for metallurgical coals.

It is possible that Chinese steel demand could pick up before other major steel-producing countries, however the international demand for Chinese products will be subdued, so steel demand will have to come from Chinese government stimulus rather than the international market.

Hot idling of blast furnaces in Japan is following lockdowns in India, and cutbacks in Europe and the USA mean that overall demand for metallurgical coal may decline before returning to stable conditions.

Semisoft spot pricing remains subdued, with the current Platts spot index at c.\$68.60/mt, with reduced demand resulting in spot prices at relatively small premiums to energy-adjusted thermal coal pricing which are acting to provide some price support to SSCC (as many producers can switch between these two markets). However recent falls in thermal coal prices are eroding this support. This spot price level is becoming marginal for some producers - if it persists, we expect to see an eventual supply side response.

The Q2 SSCC benchmark price in Japan (TIG's SSCC market) was settled at c. \$103/mt. The current spot price level, together with blast-furnace outages and coke production cuts are likely to lead to further reductions in benchmark prices in Q3 2020.

Spot pricing for high quality Newcastle-specification thermal coal (6000 kcal/kg NAR) rose slightly during March with the price rally likely to have been influenced by the mine lockdowns in Colombia and South Africa with the temporary closure of the Richards Bay Coal Terminals. During April these gains were lost as prices started to fall, with current spot price now below \$60/mt FOB Newcastle basis 6000 kcal/kg NAR.

Lower CV coal (5500 kcal/kg NAR) has been flat, at between \$53 and \$52 pmt FOB during March. There was significant Chinese buying as the ports reopened, but it was concentrated mostly on the low priced, low rank (3800 NAR and below) Indonesian coals. This supported lower CV coal prices for a while, but now Chinese buyers are driving prices down below \$28/mt basis 3800 kcal/kg NAR FOB Kalimantan. The price of High Ash Australian coal (5500 kcal/kg NAR) has held up well to date but is now under pressure.

The market for all grades of coal is likely to remain very volatile over the next few months.

Corporate

On 6 February 2020 Tigers Realm Coal announced that it had successfully completed the Institutional and Retail components of the 13:4 accelerated renounceable entitlement offer of fully paid TIG ordinary shares at an offer price of A\$0.01 per New Share. The Entitlement Offer which closed on 5 February 2020 raised A\$45 million. Entitlements amounting to A\$13 million which were not taken up were then offered for sale in a single shortfall bookbuild. On 12 February 2020 TIG announced the result of the bookbuild which closed on 11 February 2020. Among the bidders was Hanate Pty Ltd as Trustee of the Hanate Trust, an entity associated with director and substantial shareholder Dr Bruce Gray, which bid for the balance of shares not taken up by others in the bookbuild. The issue of these 1.3 billion shares at A\$0.01 per share (A\$13 million), is subject to shareholder approval which will be sought at the Company's Annual General meeting to be held in early June 2020. This very strong show of support by Dr Gray enables the Entitlement Offer to be fully subscribed with proceeds of A\$58 million (US\$ 40 million) if shareholder approvals are received.

Stakeholder relations

During the March quarter TIG's environmental project roadmap was approved by Chukotka authorities.

TIG has also started process of obtaining the governmental support for its investment projects. The Company seeks collaboration with local and state authorities for development or modernization of specific objects (e.g. port facilities), which play important role in development of Chukotka region, including, but not limited to, the ADZ program implementation.

Exploration and Licencing Activities

The Company is in compliance with material license obligations. Next resources and reserves update is to be completed in the June quarter.

Cash balances

At the end of the quarter, TIG had a bank balance of US\$2mln. 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 raised at the recent Entitlement Offer.

Capital Structure (as at 09 April 2020)

Ordinary shares on issue: 6,310,720,012

Options on issue: 28,346,000

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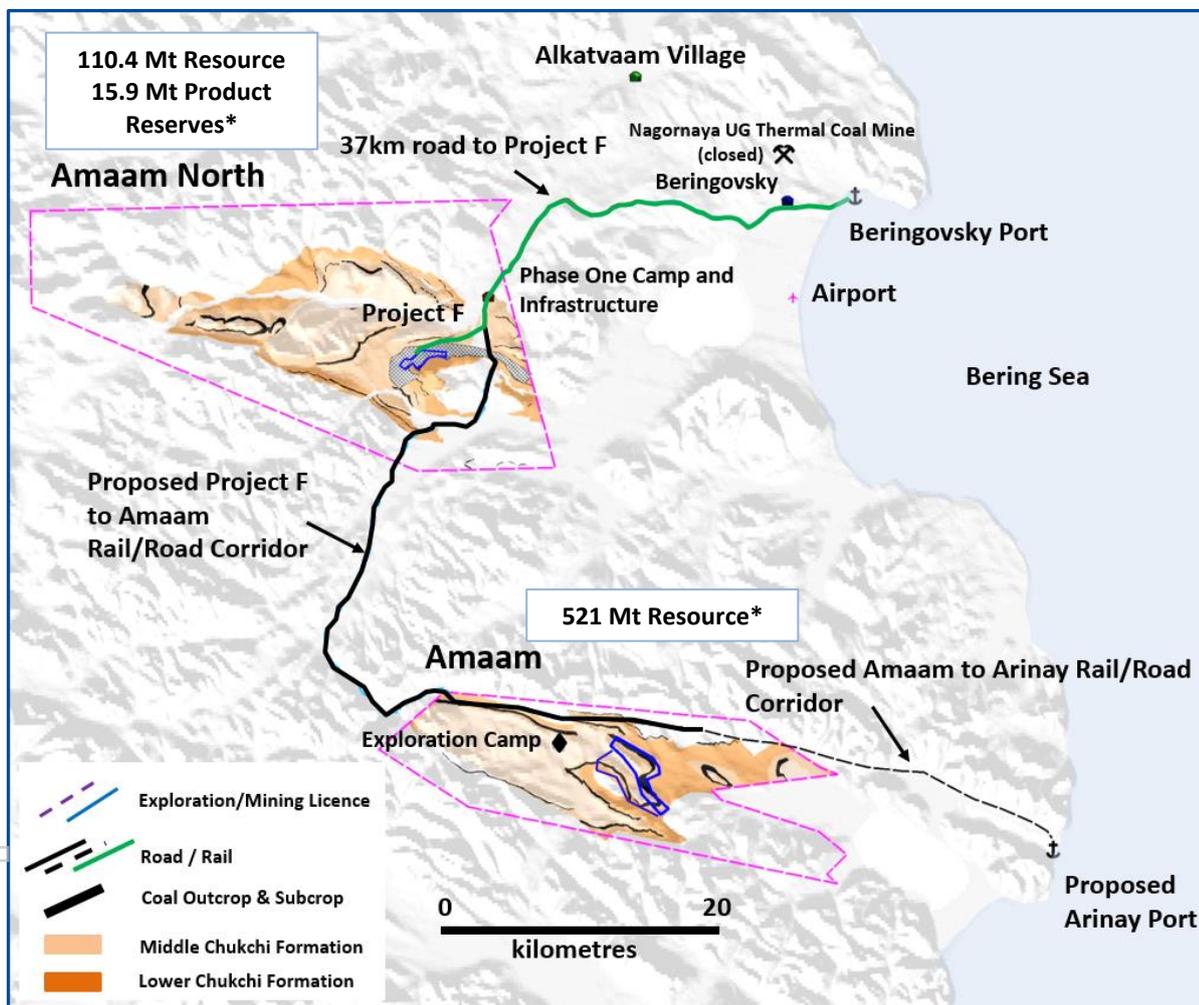
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PROJECT SUMMARY

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 No. AND 01277 TP (Zapadniy 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 at December 31st , 2020 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

The planned wash plant is 25 km from the planned year-round port site, only 8 days shipping to China, Korea and Japan

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