



December 2020 Quarterly Production and Activities Report

ASX RELEASE
29 January 2021

December 2020 Quarter Operational Activity

		Quarter Ended	Full Year Actual	Previous Annual Guidance
		Dec-20	2020	
ROM coal mined	kt	228	792	700-750
Coal delivered to Beringovsky Port	kt	109	632	
Coal loaded	kt	103	760	
Coal sold ¹	kt	189	775	700-750
Total coal stocks	kt	453	453	
Product coal at port stockpile	kt	105	105	
Waste mined	Bcm	1 213	4 804	
ROM strip ratio ²	bcm : t	5.3:1	6.1:1	

1. Includes coal sold to local companies

2. bcm waste: tonne ROM coal

Highlights

- **COVID 19** – TIG continues to successfully implement appropriate measures related to the COVID-19 pandemic in order to minimize its impact on our employees and operations.
- **Safety** – The cumulative Total Reportable Injury Frequency Rate (“TRIFR”) decreased to 3.08 per million hours from 3.39 in the September quarter. No lost time injuries (“LTI”) were recorded during the December quarter and during 2020.
- **Coal Production** – 228kt of coal was mined during the December quarter, 792kt mined during 2020, an increase of 6% over the 750kt mined in 2019 and surpassing guidance for the year.
- **Port operations** – During Q4 2020 TIG loaded 103kt, achieving 760kt for 2020 – a historical maximum for Beringovsky port and an increase of 31% over 2019 results. TIG managed to significantly decrease its loading costs compared to previous shipping seasons.
- **CHPP Project** – As previously disclosed on 15 October 2020 in an ASX release, TIG signed an equipment supply contract with UK based Derek Parnaby Cyclones International Limited (Parnaby) for a modular coal handling & processing plant (CHPP). The contract is being implemented on schedule for delivery of the plant components to Beringovsky in June 2021.
- **Sales** – In 2020 TIG sold 775kt, an increase of 33% over 2019 coal sales. Overall 17 vessels were loaded, three of them with coking coal.
- **Compliance and licencing** – The Company is in compliance with all material license obligations.

- **Entitlement Offer** – On 16 December TIG launched a fully underwritten 1 for 1.4 pro-rata accelerated renounceable entitlement offer, priced at A\$0.008 per share, to raise A\$43.5 (US\$32) million. The Offer was sub-underwritten by TIG’s largest shareholder, Dr. Bruce Gray, and closed on January 14, 2021.

Health and Safety

TIG continues to implement measures as recommended by the health authorities in relation to the COVID – 19 pandemic. As a regional contribution, TIG provided both financial and logistical support to hospitals in Chukotka.

TIG’s cumulative TRIFR decreased to 3.08 per million hours worked from 3.39 as recorded in the September 2020 quarter. No lost time injuries (“LTI”) were recorded during the December quarter or 2020. The company continues to improve and support its workplace safety culture with training and communication.

Mining and Haulage Operations

		October	November	December	Total
ROM coal mined	Kt	72	65	91	228
Product coal mined & delivered to Beringovsky Port	Kt	72	36	1	109
Waste mined	Kbcm	440	400	373	1 213
Stripping ratio	bcm : t	6.1	6.2	4.1	5.3
Product Coal in Port stockpiles	Kt	152	134	105	
Total Coal stocks (end of month)	Kt	381	392	453	

During the December quarter, TIG mined 228kt of ROM coal and delivered 109kt to Port. 119kt was hauled to TIG’s intermediate stockpile near the location of the future CHPP. During 2020 TIG mined 792kt of ROM coal, 42kt (+6%) higher than was achieved in 2019. The quarterly average stripping ratio increased from 4.9:1 in the September quarter to 5.3:1.



CHPP Project

Progress continues on the CHPP project. In October TIG signed a GBP 5.5 million contract for supply of a modular CHPP with UK based Derek Parnaby Cyclones International Limited (Parnaby). Fabrication and works under the contract are proceeding on schedule for delivery to Beringovsky in June 2021. Detailed engineering works and preparation for civil construction are well underway.

Beringovsky Port Operations

		October	November	December	Total
Coal loaded	Kt	63	31	9	103
Coal sold ¹	Kt	105	54	30	189

1. Includes coal sold to local companies without shipment amounting to 6kt in Q4 2020. Sales are recognized upon delivery of the contracted volumes of coal on board the vessel and signing the consignment documents.

During Q4 2020 TIG successfully loaded 103kt, achieving total loading of 760kt during 2020 – the highest loading volume ever achieved by Beringovsky port. This represents a 31% growth compared to the tonnage loaded in 2019. TIG completed several sales to customers within the local domestic market – 20kt to Pevek power station, 4kt for boilers at Kuril islands and 14kt to local boilers in Beringovsky and Alkatvaam.



During the December quarter TIG completed loading of four vessels with thermal coal. Four general cargos with construction materials, spare parts and products were unloaded. In non-navigational months, TIG will concentrate on repair and maintenance of the port fleet and equipment.

Coal Sales and Marketing

For 2020, TIG delivered 17 cargoes with a total of 760kt of coal sold. This consisted of 602kt of thermal and 158kt of semi-soft coking coal (“SSCC”). COVID – 19 affected demand for both TIG’s metallurgical and thermal coal products generally, but most significantly in its core Japanese customer base. Consequently, sales were concentrated mostly in China and Vietnam during 2020. Sales were also

made to a long-standing customer in Taiwan and a trial SSCC cargo was delivered to Korea. In addition, three thermal coal cargos were sold to domestic customers.

Market Outlook

The Asian coking coal market recovered in Q4 2020, driven by demand in China, India and South East Asia together with the partial re-start of blast furnaces in Japan by Nippon Steel and JFE Steel. The market was severely disrupted by a Chinese import ban on Australian coal which changed trade flows for coking coal and effectively split the market into two segments with two different price structures – China (the non-Australian Supplier's Market), and the rest of the world (where Australian coking coal is in oversupply).

The Chinese spot metcoal market has been very strong for US, Canadian and Russian coal, with recent CFR prices around \$210/t for second-tier coals.

The rest of the world has been weaker, but is now recovering. Prices for Peak Downs, the Australian benchmark coking coal, have recently increased from \$103 to \$130/t. Some trade flow substitution is now being seen, with Australian low-volatile coking coal recently being sold in Europe and Brazil in place of US and Canadian coal which has been sold to China.

In thermal coal markets, prices have bounced back strongly on winter demand in China, which faced some of its coldest weather in many years, compounded by a supply chain disruption in Indonesia, due to heavy rain, which has prompted Force Majeure notices and shipment delays of up to 3 weeks from some suppliers.

Tight supplies, cold weather and strong industrial activity in the run up to Chinese New Year of 11 February pushed Chinese domestic thermal prices to highs of around CNY 900/t (~US\$139/t) in early January. Newcastle 6,000 NAR and 5,500 NAR coals have been sold this week at \$80/t and \$55/t respectively, up from \$57/t and \$45/t last October. This price recovery has been faster than many industry participants (including TIG) expected.

Demand for TIG SSCC suffered significantly in 2020 due to the temporary suspension of operations at several blast furnaces by our major Japanese customers. These customers are now returning and requesting SSCC cargos for 2021 delivery. However, with the commissioning of the CHPP in 2021, much of the raw coking coal feedstock will be washed to produce semi-hard. The demand from Japan bodes well for future sales of higher quality washed coking coal from Amaam North.

In terms of thermal coal, production this year was mostly of higher ash (28%-30% ash) material with calorific value of around 5,000 – 5500 kcal/kg NAR. It is expected that this quality of production will continue during 2021 until the CHPP is commissioned, and that high-ash thermal coal sales into China and Vietnam will be the mainstay of TIG's marketing efforts until washing commences and SHCC production begins.

Capital investments

Capital investments during the December quarter included:

- Prepayment for a modular CHPP in the amount of GBP 2.5 million (US\$3.3 million)
- Continuing construction of road culverts

- Project works for camp reconstruction and expansion
- Installation and commissioning of boiler at mine site
- Commissioning of warehouse in port
- Drainage construction at mine site

Corporate

In November 2020 1,629,000 options were removed from the Company's option register.

On December, 16 TIG launched fully underwritten 1 for 1.4 pro-rata accelerated renounceable entitlement offer at a price of A\$0.008 per share to raise up to A\$43.5 (US\$32) million. The Institutional Entitlement Offer closed on December 17 raising gross proceeds of approximately A\$17.2million (US\$12.7million) with the Company's largest shareholder Dr. Bruce Gray taking up his full entitlement. The retail component of the Offer opened on December 21 and was completed on 4 January 2021 with very good support from a number of shareholders, including Mr. Paul Little, taking up full and partial entitlements. The Retail Offer raised approximately A\$3.7 million (US\$2.8 million). On January, 11 the arising Shortfall Bookbuild was completed. The Bookbuild process was managed and fully underwritten by CLSA Australia Pty Ltd and sub-underwritten by Dr. Bruce Gray. Pursuant to his sub-underwriting agreement, 2.7 billion shares were issued to Dr. Gray, increasing his overall shareholding in the TIG to 59.95%. In total TIG raised A\$43.5 (US\$32) million.

Proceeds from the Entitlement Offer will be used to fund the construction and commissioning of the CHPP, working capital and transaction costs, as follows:

- US\$20 million for the development of the CHPP, as follows:
 - Design works - US\$0.9 million;
 - Civil works – US\$6.5 million;
 - Equipment supply and construction – US\$10.8 million; and
 - Contingency – US\$1.8 million
- US\$11 million for working capital
- US\$1 million of transaction and other costs

Stakeholder relations

In Q4 2020 TIG continued its work in the following areas:

Environment

- An emissions permit was received for the mine through 2024.
- The plans of water management and water protection measures for the brook Fandyushkin and the Bering Sea were drawn up and submitted to the regulatory authorities.
- Programs of industrial environmental control have been developed for the following facilities: camp, coal mine, seaport
- Continued cleanup of old legacy scrap metal and polluting materials at the port and within all areas of operational footprint

Government Relations

- TIG took part in the meetings of the Russian-Chinese working group on cooperation in the coal sector, the development of the coal industry, and the digital transformation of the coal industry.
- Together with the Government of Chukotka, work is underway to create a natural park "Sandpiper Land". The creation of an area to protect the sandpiper bird is a coordinated effort with ecological and state authorities aimed at securing future for the species.
- Organized the process of port reconstruction documentation approval by Russian port authorities

Local community

- Jointly with the traffic police the Company held a training session for local school children called "Become noticeable on the road". During the conversation with the schoolchildren, TIG personnel explained how to stay safe near roadways and the need to wear reflectors.
- TIG attended the concert of the local national band celebrating their 55 year anniversary



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\$14.5mIn in cash with no bank liabilities outstanding. In December 2020 TIG has received US\$12.7mIn proceeds from the Entitlement Offer. In January 2021 further US\$20mIn was received.

Capital Structure (as at 31 December 2020)

Ordinary shares on issue:	9,758,492,642
Options on issue:	9,907,000

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
3rd Floor, 12A Aviakonstruktora Mikoyana
Moscow, Russia 125167

For further information, please contact:

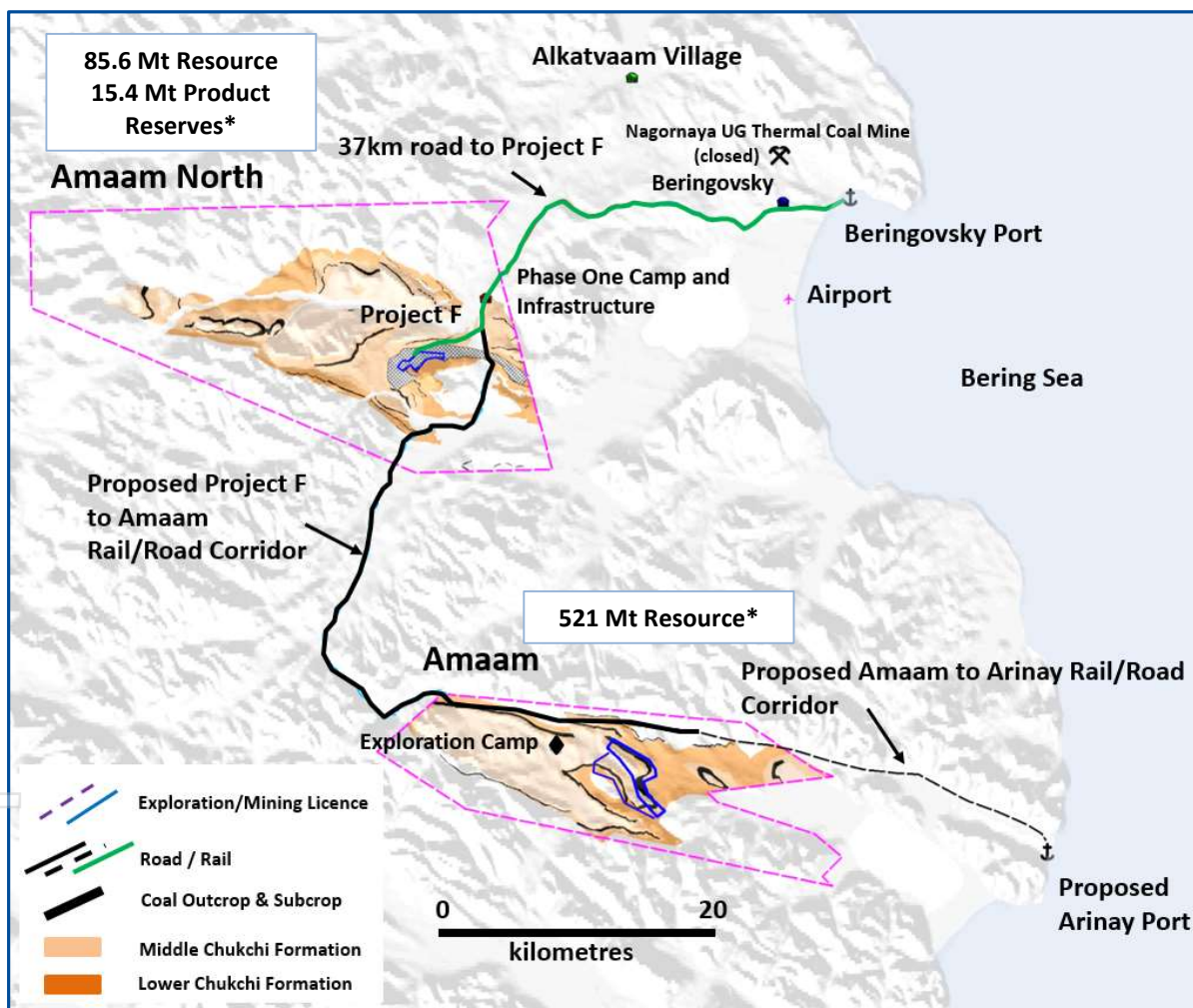
Dmitry Gavrilin	Chief Executive Officer
Dale Bender	Chief Financial Officer
Phone:	+7 495 646 8353 (Moscow)
David Forsyth	Company Secretary
Phone:	+61 3 8644 1300 (Melbourne)
E-mail:	IR@tigersrealmcoal.com
Website:	http://www.tigersrealmcoal.com

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 607 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 Amaam North – Project F

- Project F Phase One is in production
- Amaam North – Project F reserves as disclosed in ASX release “TIG Announces Results of New Amaam North JORC Report” on 24 November 2020:
 - 15.4 Mt of Marketable Reserves, 9.8 Mt Proven & 5.6 Mt Probable;
 - 85.6 Mt Total Resource, 24.2 Mt Measured, 26.4 Mt Indicated & 35.0 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

For personal use only