



## December 2021 Quarterly Production and Activities Report

**ASX RELEASE**  
**25 January 2022**



### December 2021 Quarter Operational Activity

		Quarter Ended	Year to date	(Previous) 2021 Annual Guidance
		Dec-21	Dec-21	
ROM coal mined	kt	303	1 025	950-1 000
Coal delivered to Beringovsky Port	kt	249	926	
Coal loaded	kt	155	885	
Coal sold	kt	197	911*	800-850
Total coal stocks	kt	567	567	
Waste mined	bcm	1 021	4 063	
ROM strip ratio	bcm : t	3.4:1	4.0:1	

\*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 2.58 per million hours from 2.35 in the September quarter due to 1 LTI in December quarter. Roughly 70% of TIG personnel have been vaccinated against COVID-19 with the Sputnik V vaccine.
- **Coal Production** – 303kt of coal was mined during the December quarter, 1 025kt mined during 2021, an increase of 29% compared to 2020.
- **Port operations** – During Q4 2021 TIG has loaded 155kt, achieving 885kt loading in 2021, an increase of 16% compared to 2020 and the maximum annual volume achieved in the port’s history. The average loading rate in 2021 increased to 8.2kt per weather working day (“pwwd”) compared to 6.5kt pwwd in 2020.
- **CHPP Project** – The CHPP equipment is fully installed, and winterization of the plant is near completion. TIG expects to complete commissioning procedures and begin processing washed coal during the March quarter 2022.
- **Sales** – In 2021 TIG sold 911kt, an increase of 18% compared to 2020 results. Overall, 15 vessels were shipped, two of them with metallurgical coal.
- **Compliance and licencing** – The Company is in compliance with all material license obligations.
- **NED Appointment** – Mitch Jakeman appointed to TIG Board on 17 January 2022.

## Health and Safety

The vaccination program at site using the Sputnik V vaccine is ongoing. More than 70% of staff members are vaccinated. Measures taken during 2021 allowed TIG to avoid any negative impact of COVID on our operations.

TIG's cumulative TRIFR increased to 2.58 per million hours worked, from 2.35 in the September 2021 quarter due to 1 lost time injury ("LTI") recorded in the December 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

		October	November	December	Total
ROM coal mined	kt	91	119	93	303
Coal delivered to Beringovsky Port	kt	91	86	72	249
Waste mined	kbcm	344	400	277	1 021
Stripping ratio	bcm : t	3.8	3.4	3.0	3.4
Total Coal stocks (end of month)	kt	492	478	567	

During the December quarter, TIG mined 303kt of ROM coal and delivered 249kt to the port. Overall, during 2021 TIG mined 1 025kt of ROM coal which is 29% higher than in 2020. The quarterly average stripping ratio decreased from 3.5:1 in the September quarter to 3.4:1 in the December quarter. Average annual stripping ratio for 2021 amounted to 4.0:1, a significant decrease from the 5.3:1 of 2020 which was due to focussing our mining activities on Seam 3, which material will be sent for further processing with CHPP in 1H 2022. Coal haulage to port increased to 926kt, a 47% increase over 2020. Maximum truck haulage per day reached 5kt.

## Beringovsky Port Operations

		October	November	December	Total
Coal loaded	kt	95	60	-	155
Coal sold	kt	60	133	4	197

(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 2021 TIG's loading rate increased to 8.2kt per weather working day ("pwwd") compared to 6.5kt pwwd in 2020. As TIG's port has a limited navigational season with weather conditions, particularly toward the end of the season, which can be unpredictable, it is critical to maximize loading when weather allows. Multiple factors impact average loading rates, among these are effective scheduling of bulker arrivals, pre-season & intra-season dredging so that barges are able to work with maximum loads and proper planning of inter-season maintenance.

The building of 5<sup>th</sup> 500t barge is in progress and TIG expects to receive the barge on site by the start of the 2022 shipping season. This additional barge will further increase TIG's annual loading capacity and it has also been configured with a front-access ramp to enable better handling of incoming equipment and spares than the currently utilized 100t barges.



## Coal Handling and Process Plant (CHPP) Project

Construction works continued to be adversely affected by extremely poor weather conditions, especially during December. Nonetheless, the CHPP equipment is now fully installed, and the plant cladding and winterization is close to being complete. TIG expects to complete testing and commissioning procedures and begin running at nominal capacity in the March quarter. During this period, we will also complete installation of key CHPP-related infrastructure such as the boiler facility.



## Coal Sales and Marketing

During October – November, TIG completed loading three export cargos for a total of 131kt and two domestic cargos totaling 10kt.

One of these cargos was an export semi-soft coking coal cargo. All the others were thermal coal cargos.

Total sales for the year 2021 were 911kt, (120kt SSCC, remainder thermal) slightly ahead of our total sales volume guidance range.

## Market Outlook

In general, the global coal market undertook a downward correction in October 2021, as a result of the introduction of a Chinese Government price cap, and a directive given to Chinese producers to increase coal production. In addition, Chinese steel demand fell heavily through October to December, on the back of a significant downturn in the Chinese construction sector.

### Coking Coal

The Asian coking coal market changed significantly in the December quarter, driven by restricted supply from Australia and strong demand from India and North East Asia. China, which had been a strong market for most of the year, was significantly impacted by a downturn in the residential construction market in China. The impact on steel demand has been material, with coke makers operating at less than 50% of capacity.

The result of the change (negative in China, positive outside of China) is that the spot coking coal market has adjusted, and CFR China prices for hard coking coal (HCC) are now slightly lower than Australian FOB prices.



### Thermal Coal

The Asia-Pacific thermal coal market corrected strongly on the back of the Chinese government price cap introduced in late October. The price of 5500 kcal NAR domestic thermal coal at Qinhuangdao dropped by roughly a third. This led to an even sharper price correction for imported coal with many cargoes being rejected. By late December Russian and Indonesian prices were about 40% lower than in early October.

In late December, the Indonesian government announced a ban on exports that has continued into mid-January. As a result, Newcastle 6,000 NAR and 5,500 NAR coals have recovered. This recovery is likely to be temporary. No such recovery has been observed in the Russian high-ash price index with current spot market prices lower than in December.

### **NED Appointment**

On 17 January 2022 Tigers Realm Coal appointed Mr. Mitch Jakeman as a non - executive Director to the Board. Mitch is a well credentialed and highly experienced mining executive having held senior operational and management roles with various mining companies including Shell Coal Australia, Anglo Coal Australia and Stanmore Coal.

We look forward to working with Mitch as we continue to develop and grow the Company.

### **Capital investments**

New capital investments during the December quarter included:

- Diesel generator for CHPP
- Continuing construction of CHPP building
- Continuing construction of road culverts
- Water runoff management infrastructure completed
- General repair and maintenance projects in the port

### **Stakeholder relations**

In Q4 2021 TIG continued its work in the following areas:

#### **Environment**

- Plans for water protection and water management measures for 2022 for the discharge of wastewater were developed and agreed upon
- Water runoff management infrastructure was completed in the port (as noted above)
- The adverse weather action plan was updated and agreed with
- An article was prepared for the Far North newspaper describing the environmental protection measures taken in 2021 (<https://www.ks87.ru/ehkonomika/169/13662>)

#### **Government and community relations**

- TIG was included in the list of key projects of the Russian Federation under the personal control of the supervising Deputy Prime Minister of the Russian Federation

- At the annual Star of the Far East award ceremony sponsored by Presidential Administration, TIG received an award in the category of Best Foreign Investor
- TIG was included in the working group for the implementation of the federal project "Clean Arctic"
- TIG held a New Year celebration for the schoolchildren of Beringovsky and Alkatvaam
- TIG and the Association of Indigenous People of Chukotka selected a number of community projects for mutual support in 2022



### 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\$24.1M in cash with no bank liabilities outstanding.

**Capital Structure (as at 31 December 2021)**

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

Options on issue: 8,002,000

This announcement has been authorized by the Board of Directors.

**ABOUT TIGERS REALM COAL (ASX CODE: TIG)**

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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 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.

### 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