TIGERS REALM COAL

June 2022 Quarterly Production and Activities Report

ASX RELEASE
21 July 2022

June 2022 Quarter Operational Activity

		Quarter Ended Jun-22	Year to date Jun-22	Annual Guidance
ROM coal mined	kt	329	626	1000 -1 200
Coal delivered to Beringovsky Port[1]	kt	124	381	
Coal loaded	kt	147	147	
Coal sold[2]	kt	13	18	850 - 1000
Total coal stocks,	kt	1 079	1 079	
- *Incl. washed coal*	*kt*	*95*	*95*	
Waste mined	bcm	947	2 032	
ROM strip ratio[3]	bcm : t	2.9:1	3.2:1	
Coal Feed to CHP	kt	189	189	
Washed coal received	kt	95	95	
Coal Yield	%	50%	50%	

1. Includes coal transported from intermediate stockpile to port
2. Includes coal sold to local companies
3. bcm waste: tonne ROM coal

Highlights

- **Geopolitical situation** – TIG continues to operate as planned by mitigating against geopolitical risks and closely monitoring the situation arising out of the conflict between Russia and Ukraine.
- **Safety** – The cumulative Total Reportable Injury Frequency Rate ("TRIFR") decreased to 2.20 per million hours from 2.37 in the March quarter. No lost time injuries ("LTI") were recorded during the June quarter.
- **Coal Production** – 329kt of coal was mined during the June quarter, 124kt was delivered to port for further sale. Overall 626kt mined during H1 2022 which is 63% (243kt) higher than during H1 2021.
- **CHPP Project** – with the launch of the CHPP in April, 189kt of ROM was delivered to the CHPP and 95kt of washed coal produced during the June quarter.
- **Port operations** – TIG started its shipping season in early June. Loading in the June quarter was 147kt kt. TIG achieved the historically highest loading rate of 16kt per day on 30 June with an average loading rate during the quarter of 10kt pwwd.
- **Sales** – 2022 sales guidance is estimated at 850 – 1000kt.
- **Production -** We believe it is appropriate to increase the guidance, based on the performance in the 1H.
- **Compliance and licencing** – The Company is in material compliance with all license obligations.

Health and Safety

TIG's cumulative Total Reportable Injury Frequency Rate ("TRIFR") decreased to 2.20 per million hours from 2.37 in the March quarter. No lost time injuries ("LTI") were recorded during the June quarter.

Mining and Haulage Operations

		April	May	June	Total
ROM coal mined	kt	97	96	136	329
Coal delivered to Beringovsky Port	kt	45	35	44	124
Waste mined	kbcm	156	363	428	947
Stripping ratio	bcm : t	1.6	3.8	3.1	2.9
Total Coal stocks (end of month),	kt	930	991	1 079	
- *Incl. washed coal*	*kt*	*18*	*49*	*95*	

During the June quarter, TIG mined 329kt of ROM coal and delivered 124kt to the port. Overall 626kt was mined during H1 2022 which is 63% (243kt) higher than during H1 2021 and 21% higher than budgeted. Coal mined increased by 11% compared to the March quarter. The quarterly average stripping ratio decreased from 3.7:1 in the March quarter to 2.9:1.

CHPP Project

		April	May	June	Total
Coal Feed to CHPP	kt	40	65	84	189
Washed coal produced	kt	18	31	46	95
Coal Yield	%	45%	48%	54%	50%

During Q2 2022 June 189kt of run-of-mine "ROM" coal was delivered to CHPP and 95kt of washed SHCC coal produced with an average yield of 50% for the first quarter of plant operations.

Beringovsky Port Operations

		April	May	June	Total
Coal loaded	Kt	0	0	147	147
Coal sold	Kt	2	1	10	13

In May TIG successfully completed pre-seasonal dredging procedures. During the June quarter TIG loaded 147kt, which is a decrease of 25% in loading results compared to Q2 2021 (197kt) due to the late arrival of our first vessel. TIG was able to catch up in July with 320Kt loaded as of July 16.

The highest loading rate was achieved on 30 June when TIG loaded 16kt, a historical maximum for our port. The average loading rate during Q2 2022 amounted to 10kt pwwd, in line with the Q2 2021 average of 10.2kt pwwd.

Loading rates during June notwithstanding, only 13 kt of coal was recognized as sold compared to 169kt of coal sold during Q2 2021 as revenue is recognized only when the vessel's loading is completed.

Coal Sales and Marketing

Thus far TIG has contracted six thermal coal cargoes, four for export and two for the domestic market. Only one of these cargoes completed loading in the quarter, primarily due to suboptimal loading conditions (ice, wind, and swell) in June. Despite the unusually bad June weather, TIG had loaded over 140kt of coal by the end of June onto the vessels at anchor.

TIG has focused on the Chinese market but is also exploring potential sales opportunities in India. As the season progresses TIG will keep evaluating sales prospects in other Asia-Pacific markets. Sales have been either contracted or terms commercially agreed for approximately 400kt, with approximately 360kt of additional shipping capacity on vessels booked to cover the majority of the remaining sales requirement for the season.

Market Outlook

The global steel industry is under some pressure at the moment, and this is weighing on coking coal, coke and iron ore pricing. Now is the first time in several years that iron ore prices are lower than coal prices, and the first time in living memory that Australian coking coal prices are significantly lower than thermal coal prices.

<u>Coking Coal</u>

The Asian coking coal market changed significantly in the June quarter, driven by a downturn in the steel market across the board, including China, which was weighed down by Covid lockdowns. China has been exporting steel products and eating into the markets of other steel producers, which in turn has placed downward pressure on global steel markets and margins. Sharply higher energy prices have led to inflationary pressures and the return of central banks tightening monetary policy – all of which has had a negative impact on steel demand across multiple sectors.

Coking coal prices have halved from over $500/t FOB Queensland earlier in the year to below $250/t at present. Many metcoal producers in Russia and Australia have changed production and processing strategies now to produce thermal coal instead of metcoal where possible. In China, where imported prime hard coking coal is an essential part of large blast furnace coke oven feedstock, prices have held up better – but only for those premium prime HCC grades that cannot be replaced. For producers of lower grade metcoal products such as TIG, with a coking product attracting prices of around CFR $220/mt - $230/mt, the economics of bypassing the washing plant, increasing product yield and selling thermal coal instead of coking coal is looking attractive, considering the relative price of the different products.

<u>Thermal Coal</u>

The Asia-Pacific thermal coal market strength of late 2021 intensified on the back of the Indonesian government export ban during December 2021/January 2022 which resulted in approximately 40Mt of lost supply, followed by the military action in Ukraine during Q1, which has driven the entire global energy complex.

With restrictions being placed on Russian gas supply networks and offtake, gas prices have sky-rocketed globally, which has resulted in strongly negative spark-spreads (difference in electricity generation revenue and gas price) for gas-fired power stations, which in turn has driven very high power prices not just in Europe but everywhere, including Asia. This has led to very strong thermal coal demand.

Renewed European coal demand has changed global coal flows, most particularly for high CV thermal coal. At the same time, restrictions on Russian supply in Japan, Taiwan, other Asian countries, and the EU has driven demand for alternative coal supply from other regions.

Notwithstanding broad marketing challenges facing TIG in several Asian importing countries as well as Chinese prices for thermal coal being significantly lower than in the rest of Asia, at CFR levels of around $160/mt for high-ash run-of-mine 5500 kcal NAR product, and $130/t for 4800 kcal NAR product, TIG is still experiencing strong pricing relative to historical benchmarks.

Capital investments

Capital expenditure during the June quarter included:

- Continuing work related to permanent CHPP infrastructure
- Construction of fuel reservoir

Corporate

On 23 May Annual General Meeting ("AGM") was held. All resolutions considered at the AGM were passed by the requisite majorities.

TIG has been advised by BV Mining Holding Ltd (18.2% shareholder) that it has launched a formal sales process for these shares and is seeking non-binding offers by 12 August 2022.

Stakeholder relations

In Q2 2022 TIG continued its work in the following areas:

Environment

- Required reports for 2Q 2022 were sent to the Authorities regarding implementation of water management and water protection measures
- The characteristics of the waste disposal facility Zvonkoye dump was submitted to Rosprirodnadzor for further inclusion to register

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$4.7m in cash with no debt outstanding other than equipment leasing obligations.

Capital Structure (as at 30 June 2022)

Ordinary shares on issue:	13,066,702,368
Options on issue:	8,002,000

This announcement has been authorized by the Board of Directors.

Disclaimer

This document contains certain forward-looking statements. The words ‘expect’, ‘anticipate’, ‘estimate’, ‘intend’, ‘believe’, ‘guidance’, ‘should’, ‘could’, ‘may’, ‘will’, ‘predict’, ‘plan’, ‘targets’, and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward looking statements, opinions and estimates provided in this document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This document contains such statements that are subject to risk factors associated with the mineral and resources exploration, development and production industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to the following risks: dependence on commodity prices, availability of funding, impact of inflation on costs, exploration risks, including the risks of obtaining necessary licenses and diminishing quantities or grades of reserves, risks associated with remoteness, environmental regulation risk, currency and exchange rate risk, political risk, war and terrorism and global economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. The forward-looking statements in this document speak only as of the date of this document. Subject to any continuing obligations under applicable law or any relevant ASX listing rules, the Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this document to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this document will under any circumstances create an implication that there has been no change in the affairs of TIG since the date of this document.

ABOUT TIGERS REALM COAL (ASX CODE: TIG)

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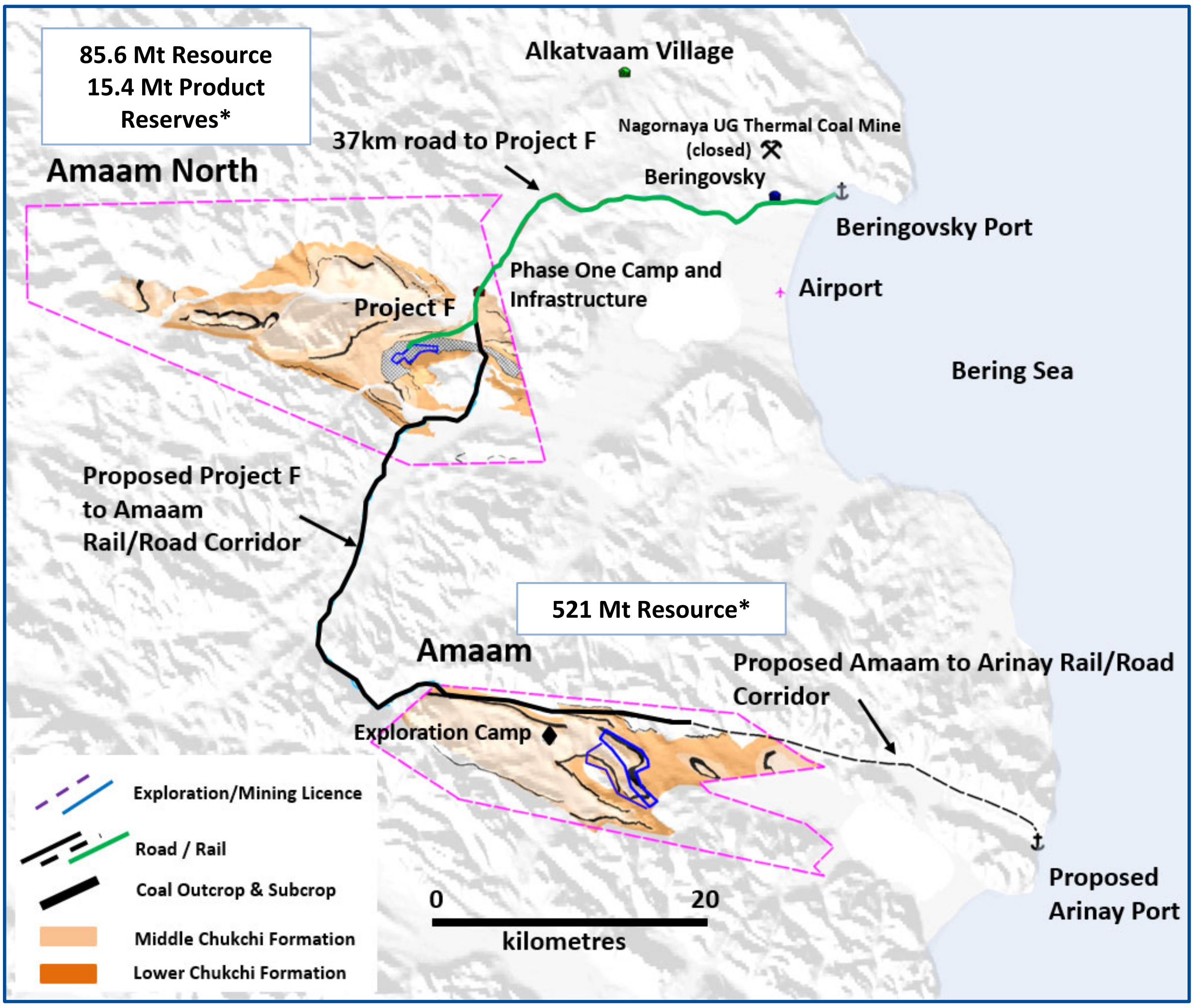
PROJECT SUMMARY

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 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 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