



March 2023 Quarterly Production and Activities Report

ASX RELEASE
28 April 2023



March 2023 Quarter Operational Activity

		Quarter Ended Mar-23	Quarter Ended Dec-22	Quarter Ended Mar -22	Annual Guidance
ROM coal mined	kt	327	392	297	1 500-1 650
Coal delivered to Beringovsky Port	kt	223	259	239	
Coal loaded	kt	0	226	0	
Coal sold*	kt	5	303	6	1 100
Total coal stocks	kt	905	687	858	
Waste mined	bcm	1 310	1 297	1 085	
ROM strip ratio	bcm : t	4.0:1	3.3:1	3.7:1	

*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”) decreased to 2.04 per million hours from 2.13 recorded in the December quarter. No LTI’s were recorded in the March quarter.
- **Australian Sanctions Update** – On 17 April 2023 the Company announced: 1) that DFAT had provided an indicative assessment indicating that the Company’s Operations are likely to be prohibited by, or subject to authorisation under, regulation 4A of the Australian Sanctions Regulations which relates to sanctioned imports and 2) that the Company does not agree with DFAT’s indicative assessment that its operations comprise a sanctioned import. The Company is exploring its options with respect to this issue.
- **Potential Privatization** – On 27 April 2023 the Company announced that it is in discussions with a number of the Company’s shareholders (**Shareholders**) to ascertain whether they would, in principle, support a potential privatisation of the Company. Please refer to that announcement for a description of the potential privatization and its rationale.
- **Coal Production** – 327kt of coal was mined during the March quarter, a 10% increase compared to March quarter 2022, 223kt of which was delivered to port.
- **Port operations** – During Q1 2023 TIG started preparations for the 2023 shipping season, which included repair and maintenance as well as dredging activities.
- **CHPP** – 234kt processed during the March quarter

- **Sales** – 2023 sales guidance is estimated at 1 100kt, subject to satisfactory resolution of TIG's compliance assessment by DFAT
- **Compliance and licencing** – The Company is material compliance with its license obligations.

Health and Safety

TIG's cumulative TRIFR decreased to 2.04 per million hours worked, from 2.13 in the December 2022 quarter. No LTI's were recorded in the March 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.

TIG is particularly pleased to report no LTIs in CHPP construction notwithstanding this area being particularly susceptible to workplace hazards due to working from height and non-routine work processes.

Sanctions Update

- On 17 April 2023 the Company announced: 1) that DFAT provided an indicative assessment indicating that the Company's operations are likely to be prohibited by or subject to authorization under, Regulation 4A of the Australian Sanctions Regulations which relates to sanctioned imports and 2) that the Company does not agree with DFAT's indicative assessment that its operations are prohibited by Regulation 4A or any other sanctions regime.
- The Company is contemplating, amongst other options, a privatisation and delisting from the ASX as a necessary next step for the protection of the value of its assets and continued operation of its business.
- The Company is also exploring a further approach to DFAT on the interpretation and operation of Regulation 4A and the seeking of judicial relief.
- We will advise further as these matters progress.

Mining and Haulage Operations

		January	February	March	Total
ROM coal mined	kt	107	108	112	327
Coal delivered to Beringovsky Port	kt	74	71	78	223
Waste mined	kbcm	455	389	466	1 310
Stripping ratio	bcm : t	4.2	3.6	4.2	4.0
Total Coal stocks (end of month)	kt	760	829	905	

During the March quarter, TIG mined 327kt of ROM coal and delivered 223kt to the port. The overall quarterly mining volume is 10% higher than in Q1 2022. The increase is due to improved capacity as a result of additional equipment purchased in Q2 – Q4 2022. The quarterly average stripping ratio increased from 3.3:1 in the December quarter to 4.0:1 in the March quarter due to mining mainly on Seam 3 as opposed to Seam 4 in the December quarter. Coal haulage to port decreased insignificantly from 259kt in December quarter to 223kt in March quarter – mainly due to weather conditions.

Beringovsky Port Operations

		January	February	March	Total
Coal loaded	kt	-	-	-	-
Coal sold	kt	1	2	2	5

(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 the March quarter TIG has started preparation for the 2023 shipping season, including maintenance of the conveyor and loading system in the port, initial dredging works as well as the necessary minor repairs on the fleet and cranes.

Coal Handling and Process Plant (CHPP)

The CHPP equipment is fully functional and processed 234kt of ROM coking coal in the March quarter.

Coal Sales and Marketing

No sales (except for domestic) in Q1 2023.

Sales Guidance

Based on actual performance year to date and current production capacity, the sales target for 2023 is set at 1 100kt subject, to satisfactory resolution of TIG's compliance assessment by DFAT. In addition to the typical risks and uncertainties related to sales guidance, the current geopolitical uncertainties could impact TIG's ability to meet its sales targets.

Market Outlook

Coking Coal

Factors influencing the current market include:

- Resumption of Australia – China coal trade flows
- The end of seasonal supply constraints (Northern Hemisphere winter / Australian wet season)
- Post Covid restriction demand recovery in China

Coking coal demand has recovered strongly in the global markets since 2021, as the global economy recovered from the Covid-induced slowdown in 2021. A shortage of metallurgical coal, driven by wet weather impacting production in Australia during Q4 2022, and the effects of winter in Canada, USA and Russia, together with a demand recovery, led to prices increasing in the global markets through Q1 2023. This tightness has since eased, with the passing of the seasonal restrictions.

Currently Australian Prime low-volatile hard coking coal is priced at c. \$270 per tonne FOB, and CFR China at \$270-\$290/t. A Russian April loading PCI cargo recently sold at \$162/t CFR China. (Data from "Inside Coal and Steel Raw Materials, McCloskey 17 April 2023).

Looking forward to May/June 2023, there remains uncertainty regarding the impact on trade flows caused by sanctions and restrictions on Russian coal sales, affecting all coal producers globally. As in 2022, it appears likely that most Russian coal will be sold in China and India. Russian logistics infrastructure has proven resilient in that it has accommodated much of the volumes switching from Europe to the Subcontinent and Asia, primarily via Far East and Black Sea ports. TIG is not constrained by Russian infrastructure as we do not use rail transport to port and we ship out of our own port. We are, however, impacted by Russian competition in our available markets and accordingly expect to receive continued pressure to discount our prices from global seaborne market benchmarks.

Thermal Coal

Factors influencing the current market include:

- Resumption of Australia – China coal trade flows
- Improved demand in China driven by a recovery in industrial production (not housing)
- Huge Chinese domestic supply increase (China added over 300Mt in 2022)
- Record Indonesian production (684Mt in 2022)

The market pulled back in Q4 2022 as Chinese and Indonesian production increased, amid a mild Northern Hemisphere winter and weak European demand. As the anxiety around the energy crisis of 2022 waned, thermal coal prices reverted to levels seen before the military action in Ukraine.

Driven by the factors mentioned above, the price differential between thermal coal and coking coal reverted to a more normal position (coking priced higher than thermal). However, despite record Chinese coal production, Chinese imports have increased as demand recovered post Covid-lockdowns. This has led to stable inventories and a sluggish import market, amid strong competition between the main exporting countries for this market.

Russian high CV thermal coal prices have been stable for some weeks at c. \$140/t CFR India and \$135/t CFR China, basis 6000 kcal/kg NAR, and Vostochny 5500 kcal/kg NAR material at c. \$100/t FOB.

Sales strategy

In the current price environment, the production and sales strategy is to maximise coking coal output within the constraints of the 2023 mine plan.

Capital investments

New capital investments during the March quarter included:

- 2x Bell B50D trucks
- 1 Kamaz mobile crane

Stakeholder relations

Environment

- The necessary environmental permissions for mining on the Eastern Block of Zvonkoye have been granted.

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\$5.9M in cash with no bank liabilities outstanding.

Capital Structure (as at 31 March 2023)

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

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
9th Floor, Leningradski avenue, 37
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.

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