



March 2022 Quarterly Production and Activities Report

ASX RELEASE
27 April 2022

March 2022 Quarter Operational Activity

		Quarter Ended Mar-22	Quarter Ended Dec-21	Annual Guidance ³
ROM coal mined	kt	297	303	850-1 000
Coal delivered to Beringovsky Port	kt	239	249	
Coal loaded	kt	0	155	
Coal sold ¹	kt	6	197	850-1 000
Total coal stocks	kt	858	567	
Waste mined	bcm	1 085	1 021	
ROM strip ratio ²	bcm : t	3.7:1	3.4:1	

1. Includes coal sold to local companies

2. bcm waste: tonne ROM coal

3. A high degree of uncertainty exists in relation to all guidance given the consequences of current geopolitical circumstances

Highlights

- **Geopolitical situation** – TIG continues to closely monitor the situation arising out of the conflict between Russia and Ukraine. At present we have not experienced a material, direct impact on our business operations.
- **Safety** – The cumulative Total Reportable Injury Frequency Rate (“TRIFR”) decreased to 2.41 per million hours from 2.58 in the December quarter. No lost time injuries (“LTI”) were recorded during the March quarter.
- **Coal Production** – 297kt of coal was mined during the March quarter – a 43% increase compared to March quarter 2021, 239kt of which was delivered to port.
- **Port operations** – During Q1 2022 TIG started preparations for the 2022 shipping season, which included repair and maintenance as well as dredging activities.
- **CHPP Project** – Commissioning works are continuing, and all equipment except the feeder breaker is operating to design. While we work to address the issues with the feeder breaker, we are utilizing another crusher for coal preparation. We have washed approximately 25kt of coal as of 25 April 2022.
- **Sales** – 2022 sales guidance is estimated at 850 – 1,000kt
- **Compliance and licencing** – The Company is in material compliance with all license obligations.

Health and Safety

TIG's cumulative TRIFR decreased to 2.41 per million hours worked, from 2.58 as recorded in the December 2021 quarter. No lost time injuries ("LTI") were recorded during the March quarter.

Mining and Haulage Operations

		January	February	March	Total
ROM coal mined	kt	102	74	121	297
Coal delivered to Beringovsky Port	kt	89	58	92	239
Waste mined	kbcm	303	347	435	1 085
Stripping ratio	bcm : t	3.0	4.7	3.6	3.7
Total Coal stocks (end of month)	kt	667	739	858	

During the March quarter, TIG mined 297kt of ROM coal and delivered 239kt to Port. The overall quarterly mining volume is 43% higher than in Q1 2021. The increase is due to concentrating on Seam 3 and delivering coal to intermediate stockpile for further processing with CHPP and increased mining and haulage capacity compared to the Q1 2021.

CHPP Project

Commissioning works are continuing, and all equipment except the feeder breaker is operating to design. While we work to address the issues with the feeder breaker, we are utilizing another crusher for coal preparation. We have washed approximately 25kt of coal as of 25 April 2022.



Beringovsky Port Operations

During the March quarter TIG has started preparation for the 2022 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. Most port personnel started to arrive in Beringovsky in April.

Coal Sales and Marketing

6kt of thermal coal sold to local companies in Q1 2022.

Sales Guidance

Based on actual performance year to date, current production capacity, as well as investment in additional mining equipment in 2021, the sales target for 2022 is set at 1Mt. 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

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 2021, and the effects of winter in Canada, USA and Russia, together with a demand recovery, led to prices increasing strongly in the global markets.

The Australian prime low-volatile hard coking coal (PLV) price rose to \$400/t by late October and exceeded \$600/t shortly after the war commenced between Russia and Ukraine. Currently Australian PLV is priced between \$500 and \$550 per tonne, PCI at \$450/t and SSCC at around \$300/t (all FOB). Platts report that Chinese pricing is currently around \$350-380/t CFR for hard coking coal. The prices achievable for Russian coal are being significantly discounted from the global seaborne market prices as a result of deep uncertainty around the possible extension to sanctions on both product, vessels and Russian ports.

Looking forward to June 2022, there remains high uncertainty regarding the impact on trade flows caused by sanctions and restrictions on Russian coal sales, affecting all coal producers globally. For the remainder of 2022, it appears likely that most Russian coal will be sold in the Asian market, primarily China and India. It is not clear to what degree the logistics infrastructure in the Russian Far East will be able to accommodate all of the volumes switching from Europe to Asia. In any event, these constraints will not impact TIG as we do not use rail transport to port, and we ship out of our own port.

Thermal Coal

Factors influencing the current market include:

- disruption in trade flows due to continued Chinese - Australian trade frictions
- improved demand in China driven by a recovery in industrial production, cold winter, and internal supply restrictions
- wet weather supply disruptions in Indonesia and Australia
- significant underperformance in South African exports, driven primarily by poor rail performance

The market pulled back in Q4 2021 as Chinese domestic production increased, and some pricing restrictions were implemented to address what Chinese regulatory authorities determined was an overheated market. However, subsequently some new factors have emerged:

- Strong demand in the global markets as economies recovered from Covid
- A ban on Indonesian exports during January (to ensure Producers' Domestic Market Obligations (DMO) were honoured)
- Ban in Europe on the import of coal from Russia.

In part due to the factors mentioned above, the price dichotomy between China and other markets has shifted such that Chinese coal prices have been lower than the global seaborne market prices during Q1 2022. Chinese imports have decreased, and domestic production mostly filled the gap. As

an example of this, the official market for thermal coal futures in China (the ZCE) was reported at less than \$140/t basis 5500 kcal/kg throughout Q1 2022. In comparison, thermal coal prices for sales to ex-China markets from all major origins increased to unprecedented levels, eg Newcastle 6,000 kcal was over \$400/t during in early March and Richards Bay over \$350.

Capital Expenditure

Capital expenditure during the March quarter included:

- 1 x Scania truck for coal haulage
- 1 x Liebherr L566 loader

Corporate

Notice of TIG's Annual General Meeting ("AGM") was announced on 22 April, the AGM to be held at 3 pm (Melbourne time) on Monday 23 May, 2022 at the Rendezvous Hotel, 328 Flinders Street, Melbourne.

Board changes

On 17 January 2022 Mitch Jakeman joined the Board as a Non- Executive Director and as a member of both the Nomination and Remuneration Committee and the Audit, Risk and Compliance Committee.

On 3 February 2022 Non- Executive Director Valery Doronin resigned from the Board having been a member since April 2021. Valery was a member of the Audit, Risk and Compliance Committee.

At the completion of the Company's AGM on 23 May 2022 Non- Executive Director Owen Hegarty intends to step down from the Board having completed over 11 years of outstanding service including Chairing and being a member of both the Nomination and Remuneration Committee and the Audit, Risk and Compliance Committee during that time.

Stakeholder relations

In Q1 2022 TIG continued its work in the following areas:

Environment

- Reports on the organization and results of industrial environmental control for 2021 prepared and sent to Rosprirodnadzor. The reports contain the results of production control in terms of pollutant emissions, incl. the results of instrumental measurements of atmospheric air, the results of laboratory studies of the quality of waste and natural waters, as well as the formation and handling of waste at industrial facilities. During 2021, no exceedances of the maximum permissible values were recorded.
- Prepared and sent reports on the implementation of plans for water protection measures and information on accounting for the volume of discharges and quality of wastewater to the Water Resources Department for the Chukotka Autonomous Region

Government and community relations

- Beringovsky Port was included in the list of the core companies in Chukotka in logistics field
- Project documentation on Beringovsky port reconstruction was approved with Rosmorport

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\$13.6mln in cash with no bank liabilities outstanding.

Capital Structure (as at 31 March 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

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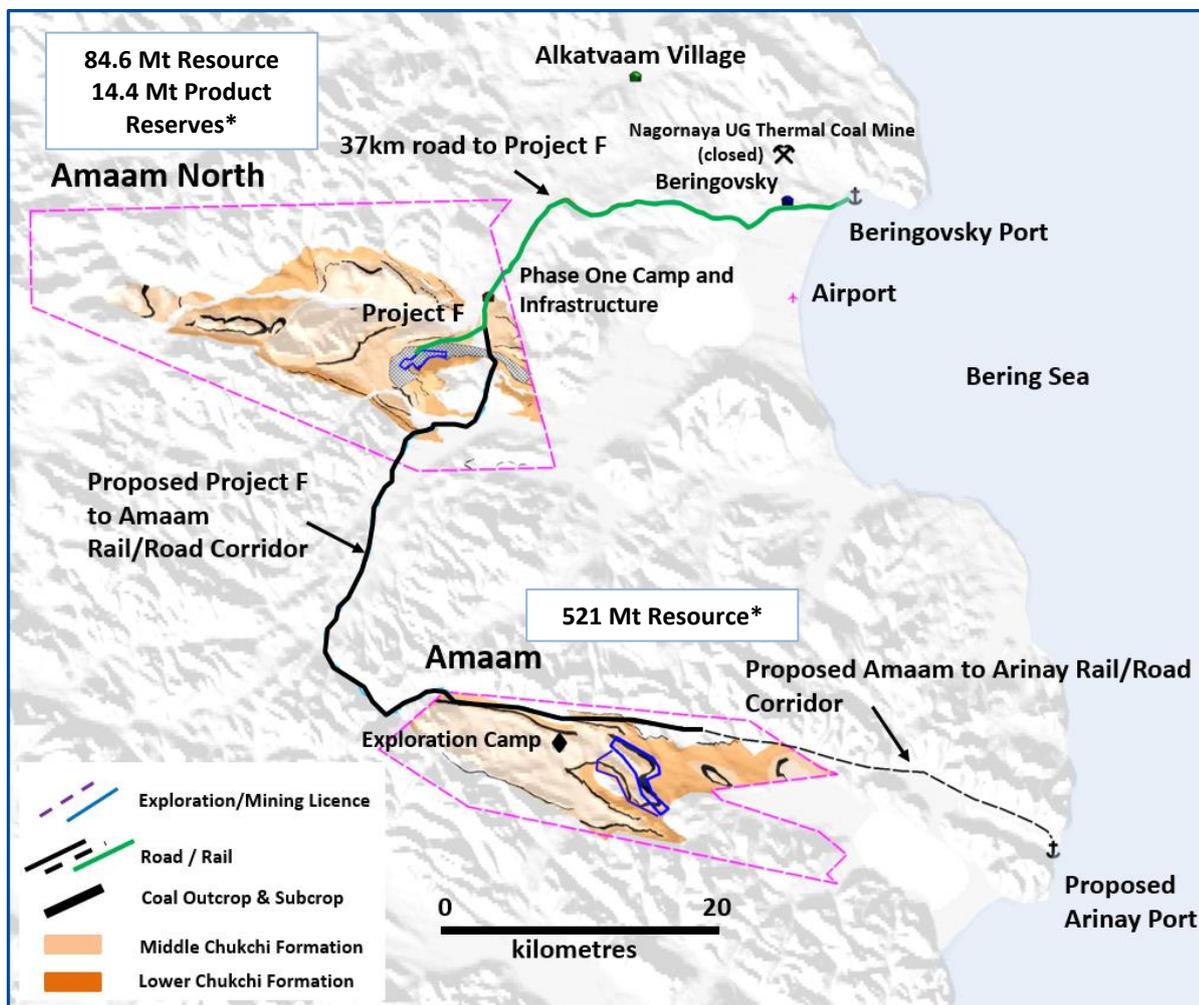
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PROJECT SUMMARY

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 606 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 2021 Annual Report.
 - 14.4 Mt of Marketable Reserves, 8.8 Mt Proven & 5.6 Mt Probable;
 - 84.6 Mt Total Resource, 23.8 Mt Measured, 25.8 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