

Potential Privatisation

Tigers Realm Coal Limited (ASX:TIG) (**Company**) refers to its ASX announcement dated 17 April 2023 under the heading "Subject Australian Sanctions Regime Update". The Company is considering possible avenues to address the potential application of Australia's *Autonomous Sanctions Regulations 2011* (Cth) (**Australian Sanctions Regulations**) on the Company's operations.

Overview of Potential Privatisation

The Company 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. Whilst these discussions and consideration of other opportunities continue, the Company is actively progressing its consideration and preparation for the potential privatisation, which is expected to be implemented by effecting each of the following:

- a selective capital reduction pursuant to section 256B of the *Corporations Act 2001* (Cth) (**Corporations Act**) to allow certain Shareholders to realise immediate value for their shares in the Company (**Shares**) (**Capital Reduction**);
- subject to approval of the ASX and satisfaction of any conditions the ASX may impose, delisting the Company by removing it from the official list of the ASX; and
- converting the Company from a public company to a private company pursuant to section 162 of the Corporations Act,

(Proposed Transaction).

The Proposed Transaction would require the approval of its Shareholders which would be sought at two consecutive meetings.

Independent Board Committee

As the Company's controlling shareholder Bruce Gray's interests will be affected as a consequence of the Proposed Transaction (if it is to be implemented), the Company has formed an independent board committee comprising of Mitchell Jakeman and Craig Wiggill to consider the Proposed Transaction (including the Capital Reduction) free from any actual influence or appearance of influence from Dr Gray (**Independent Board Committee**).

Lodgement of application for in-principle advice

Consistent with progressing its consideration of and preparation for the Proposed Transaction, the Company has, on 24 April 2023, lodged a request with ASX to provide in-principle approval for the proposed delisting that would form part of the Proposed Transaction. ASX is not required to act on the request and may impose conditions before agreeing to do so. The Company will make a further announcement to the market once it has finalised the necessary arrangements to effect the privatisation and once it has been advised by ASX whether it will agree to its delisting request.

Rationale for the Proposed Transaction

At this stage of its consideration of the Proposed Transaction, the Independent Board Committee considers that the following provides the rationale for progressing its consideration of, and preparation for, the Proposed Transaction.

Sanctions risk

As noted in the Company's ASX announcement dated 17 April 2023, DFAT has stated in an indicative assessment that it is of the view 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. The Company does not agree with DFAT's indicative assessment that its operations comprise a sanctioned import and is considering all avenues to mitigate risks related to Australian sanctions, including potentially seeking judicial relief. Nevertheless, Australian sanctions, both those already enacted and realistically potential new sanctions, represent an existential threat to the Company's ability to continue operating as a public company.

As a private company, the Company will be able to react more readily to both sanctions-related risks as well as to an array of other issues directly or indirectly related to the dramatic deterioration in the geopolitical space in which the Company operates.

Illiquidity of shares

Shares are currently illiquid as more than 92% of the Shares are held by four Shareholders - Dr Bruce Gray, BV Mining Holding Limited, RDIF Investment Management LLC and Namarong Investments Pty Ltd. Accordingly, the liquidity of Shares is significantly constrained with a very limited prospect there will be any improvement of such liquidity or any alternative liquidity event in the future. The Company considers the Proposed Transaction to provide a unique liquidity event for Shareholders.

Removal from ASX

If the Capital Reduction is approved by Shareholders and implemented, a continued listing on ASX would have limited benefits for the Company having regard to the above rationale. The Company therefore proposes that, subject to the necessary Shareholder approval being obtained, the Company will be delisted from ASX following implementation of the Capital Reduction, and the Company will convert from a public company to a private company.

Consequences of the Proposed Transaction

The consequences of the Proposed Transaction if implemented include:

- the Shares would no longer be quoted or traded on the ASX and Shareholders will only be able to sell their Shares through private transactions;
- the Company will be able to react more readily to both sanctions-related risks as well as to an array of other issues directly or indirectly related to the dramatic deterioration in the geopolitical space in which the Company operates;
- the Company will not be an Unlisted Disclosing Entity (as defined in the Corporations Act). Accordingly, the Company will not be subject to the continuous disclosure requirements set out in section 675 and 675A of the Corporations Act;
- the restrictions around the giving of a financial benefit to a related party under Chapter 2E of the Corporations Act will no longer apply; and
- various requirements of the ASX listing rules will no longer apply, and these may include relief from some reporting and disclosure requirements, restrictions on the issue of Shares by the Company, requirements concerning significant changes to the Company's activities and requirements to address ASX Corporate Governance Principles and Recommendations.

If a Shareholder considers the Proposed Transaction contrary to the interests of the Shareholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a Shareholder or Shareholders, that Shareholder may apply to the court for an order under Part 2F.1 of the Corporations Act. In addition, if a Shareholder considers the Proposed Transaction involves 'unacceptable circumstances', that Shareholder may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act.

Arrangements for sale of securities

Prior to the removal from the official list of the ASX, Shareholders may continue to trade their Shares on the ASX up until the date after the Meetings when the Shares are suspended – noting this date is yet to be formally determined and an indicative date will be provided in the explanatory statement for the Proposed Transaction that will be despatched to Shareholders in or around May 2023.

Subject to the conclusion of ongoing discussions with certain major Shareholders, all Shareholders will have between one to two months to seek to trade their Shares on the ASX to exit the Company prior to the delisting of the Company if they do not wish to remain as Shareholders.

After this date, Shareholders not participating in the Capital Reduction will be required to sell their Shares through private transactions and Shareholders may be personally responsible for sourcing potential purchasers.

Next Steps

Shareholders are not required to take any action at this time.

The Independent Board Committee is continuing its consideration of the Proposed Transaction and progressing preparation for its implementation so that, if it does determine to propose the Proposed Transaction to its shareholders, it can do so promptly.

If the Independent Board Committee makes that determination, it is expected that the notices of meetings and an explanatory statement for the Proposed Transaction will be dispatched to Shareholders in or around May 2023, with meetings to consider and vote on the Proposed Transaction being held in or around June 2023. If Shareholders approve the Proposed Transaction, the Proposed Transaction is expected to be implemented in or around July 2023.

This release is authorised by the Independent Board Committee of the Board of Directors of the Company.

D.Gavrilin

CEO