

18 December 2019

Dear Option holder

**TIGERS REALM COAL LIMITED - ENTITLEMENT OFFER NOTIFICATION TO OPTION HOLDERS**

On 18 December 2019, Tigers Realm Coal Limited (**TIG** or **Company**) announced a 13 for 4 accelerated renounceable entitlement offer of fully paid TIG ordinary shares (**New Shares**) at an offer price of A\$0.01 per New Share (**Offer Price**) to raise up to US\$40 million (**Entitlement Offer**). The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as modified by ASIC Corporations Instrument 2016/84).

The Offer Price represents a 14.1% discount to the theoretical ex-rights price of \$0.0116.<sup>1</sup>

**DETAILS OF THE ENTITLEMENT OFFER**

The proceeds from the Entitlement Offer will be used to meet TIG's substantial need for capital on account of its current financial position, as evidenced by its public announcements regarding the on-going recapitalisation process. The proceeds are being proposed to be used as follows:

- US\$20.5 million to settle the existing Shareholder Debt, including interest;
- up to US\$5.0m for early repayment of leasing obligations with effective interest rate higher than 15% per year;
- up to US\$6.5 million for capital expenditures at the mine and port;
- up to US\$2.0 million for license compliance drilling; and
- up to US\$2.5 million for working capital.

Further information in relation to the Entitlement Offer has been disclosed to the ASX.

Further details about the Entitlement Offer, including an Investor Presentation, are set out in an Offer Booklet relating to the Entitlement Offer (**Offer Booklet**), which will be despatched to Eligible Shareholders (as defined below) on or around 23 December 2019.

**ELIGIBLE SHAREHOLDERS**

The Entitlement Offer is only being made to Eligible Shareholders, defined as persons who:

- (a) are registered as an existing TIG shareholder a holder of TIG shares as at 7.00 pm (Melbourne Time) on 20 December 2019 (**Record Date**);

<sup>1</sup> The theoretical ex-rights price is the theoretical market price for shares in TIG immediately following the Retail Entitlement Offer assuming the Retail Entitlement Offer is fully subscribed, based on the 5-day volume weighted average price (**VWAP**) of TIG shares prior to announcement of the equity raising on 18 December 2019. This is a theoretical calculation only and the actual market price may be higher or lower than this.

- For personal use only
- (b) have a registered address on the TIG share register in Australia, New Zealand, or certain foreign jurisdictions determined by the Directors (as described in the "Selling Restrictions" section of the Investor Presentation disclosed to ASX on 18 December 2019);
  - (c) are not in the United States; and
  - (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

You hold options over unissued shares in TIG. This letter is to inform you that your options do not entitle you to participate in the Entitlement Offer. To participate in the Entitlement Offer in respect of your options you will need to exercise your options (if vested) and be entered onto TIG's share register as a shareholder prior to the Record Date, being 7.00pm (Melbourne time) on 20 December 2019.

If you are considering exercising options, please consider carefully if you should do so bearing in mind your personal circumstances, including considering the exercise price for any option which may be above the current ASX price for TIG's shares and above the issue price under the Entitlement Offer. Please also refer to TIG's announcements to ASX in relation to the Entitlement Offer, which were released earlier today and which are available on TIG's website, [www.tigersrealmcoal.com](http://www.tigersrealmcoal.com).

Please complete your Notice of Exercise of Options and lodge that notice with Link Market Services Limited (at the address detailed below), together with your payment for the number of options you wish to exercise. Notice of exercise of your options and payment of the exercise price of options should be received by Link Market Services Limited before close of business on 18 December 2019, as option holders lodging notices of exercise after that date cannot be assured of the allotment of shares by the Record Date. An indicative timetable is provided at the end of this letter.

If you do not wish to participate in the Entitlement Offer in respect of your options, you do not need to take any action.

**Mailing Address**

Tigers Realm Coal Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes, NSW 2138

**Hand Delivery**

PO Box Address:  
Tigers Realm Coal Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney, NSW 2001  
**(Please do not use this address for mailing purposes)**

**This letter is only intended to inform you of your rights in relation to your options. This letter is not an offer or an invitation to acquire shares in TIG or to participate in the Entitlement Offer.**

## **INDICATIVE TIMETABLE**

<b>Event</b>	<b>Date</b>
Institutional Entitlement Offer opens	18 December 2019
Institutional Entitlement Offer closes	5pm, 19 December 2019
Trading halt ends and results of Institutional Entitlement Offer announced	20 December 2019
Record Date	20 December 2019
Retail Entitlement Offer opens and Information Booklet despatched	23 December 2019
Institutional Offer settlement date	30 December 2019
Institutional Offer issue date	31 December 2019
Retail Entitlement Offer closes	22 January 2020
Announcement of results of Retail Offer, notify ASX of undersubscriptions (if any)	28 January 2020
Bookbuild for any shortfall (if applicable)	29 January 2020
Announce results of Bookbuild (in relation to allocation of shares that do not require Shareholder Approval)	30 January 2020
Retail Offer issue date (issue of shares issued under the Retail Offer, and those shares issued under the shortfall bookbuild which do not require Shareholder Approval)	3 February 2020
Shares issued on the Retail Offer issue date commence trading on ASX	4 February 2020

This timetable is indicative only. The directors may vary these dates subject to the ASX Listing Rules. An extension of the closing date will delay the anticipated date for issue of the New Shares.

The directors of the Company also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares under the Entitlement Offer. In that event, the relevant application monies (without interest) will be returned in full to applicants.

## **FURTHER INFORMATION**

If you have any questions in relation to any of the above matters please contact Tigers Realm Coal on + 61 3 8644 1326 at any time from 9.00am to 5.00pm (Melbourne Time) during the Entitlement Offer period. You may also wish to contact your stockbroker, accountant or other professional adviser.

## **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

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This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. None of the entitlements or the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities law.