

17 August 2020

Further Paringa-related writedown

On 9 June 2020, TGF reported to the market that it had decided to write off approximately 80% of the value of its loan to Hartshorne Mining Group LLC (“**Hartshorne**”), a subsidiary of Paringa Resources Ltd. That decision resulted from Hartshorne having filed Chapter 11 petitions in the USA which ultimately resulted in no prospective buyers for Hartshorne’s assets emerging.

In order for TGF to be able to expect to make recoveries from Hartshorne sufficient to support the written down value of its Hartshorne loan, it required the US Court to agree that various contracts for the supply of coal by Hartshorne to several of its customers could be assigned. We received advice on 15 August (Australian time) that the Court determined not to allow the contracts to be assigned.

While there remains a possibility that the Court may review that decision, TGF has determined that the appropriate decision is to immediately write off the balance of its exposure to Hartshorne, while retaining its right to recover amounts owing to it should circumstances so enable.

We estimate that the impact of our decision to write off TGF’s direct exposure to Hartshorne, and the expected impact to TGF’s indirect exposure to Hartshorne through TGF’s investment in the Tribeca Global Natural Resources Credit Fund (“**TGNRCF**”), will be to reduce TGF’s July NTA, which was released to the market on 14 August 2020, by approximately 3.0% (post-tax). Assuming the valuation agents for the TGNRCF further elect to write down that fund’s Hartshorne debtor-in-possession loan exposure to zero, the negative impact on TGF’s July NTA will increase by a further 0.9% to 3.9% in total.

This impairment has occurred against the backdrop of a material positive contribution from the Company’s listed equity portfolio as noted in our most recent Investment Update, contributing approximately 18% over the second quarter and has continued to contribute strongly this financial year accounting for the bulk of July’s positive return of 4.52% on a post-tax basis. As per the July 2020 – NTA Statement released to the ASX on 14 August 2020 the last post-tax NTA was \$1.8115.

Should there be further relevant developments, we will make further announcements to the market.

For any enquiries in relation to this matter please contact TGF at TGFinvestors@tribecaip.com.au or by calling +61 2 9640 2600.

Authorised for release by the Board of Tribeca Global Natural Resources Limited.

Bruce Loveday, Chairman
Tribeca Global Natural Resources Limited