

16 December 2019

Tribeca Global Natural Resources Ltd (ASX:TGF) Addresses Share Price Discount to NTA

The Company is aware of considerable discussion in the financial media about the discounts at which a number of Listed Investment Companies are currently trading in relation to their NTA, and it has also received communication from several shareholders and its advisors in this regard.

The Company regards the price of its shares as being a value that is determined by investors operating in an open, well-regulated and properly informed market and it is not a value that the Company is able to determine. While there is, therefore, no immediate action the Company is able to take that will cause the current discount to be reduced or removed, it wishes to advise the market of several decisions it has taken in relation to a number of the ideas that have been circulating in the public domain.

Weekly Performance Estimate

Following the release of the Company's November NTA Statement, the Company will commence publishing a weekly performance estimate in addition to the current monthly NTA Statement. The weekly estimate will be an indicative and unaudited figure calculated by the Manager. The Manager will use its best endeavours to ensure that the estimate is as accurate as possible.

The Company is taking this action because it has been advised that some current and potential shareholders are reluctant to trade in the Company's shares in the lead-up to the monthly NTA being published. The Company hopes that weekly estimates will help establish a more continuous market for the Company's shares.

Dividend Policy

The Company wishes to advise the market of its policy in respect of paying dividends in the future which remains as was disclosed in the Company's IPO prospectus dated 24 August 2018.

Subject to normal prudent business practice, the Company intends to pay dividends, franked to the maximum extent possible from available profits derived from dividend and interest income it receives from its investments. Subject to the Board's assessment at the time, the Company may also pay an interim dividend following the finalisation of its half-yearly accounts. The amount of any dividend will be at the discretion of the Board and will depend on a number of factors, including the availability of profit reserves, future earnings, capital requirements, financial conditions and other factors (including the availability of franking credits) that the Board deems relevant.¹

The Company also intends to establish an appropriate Dividend Reinvestment Plan (DRP) to shareholders, details of which will be announced once finalised.

Conversion to an Unlisted Unit Trust

The Company is aware of other Listed Investment Companies deciding to de-list and convert to some form of open-ended structure. After consideration, the Company has determined that this would not be in the best interests of its shareholders and, accordingly, has no intention of pursuing such a strategy.

¹ The dividend policy is not intended to be a forecast, it is an objective only. The Company may not be successful in meeting this objective.

There is one very practical reason why the Company has made this decision. As shareholders are aware, the Company has invested in making loans to natural resources companies, both directly and by acquiring units in the unlisted Tribeca Global Natural Resources Credit Fund, a wholesale unit trust. Unlisted loan assets are, by their very nature, illiquid in the short run and the Board has determined that an open-ended fund structure would be inappropriate for the investment strategy being pursued by the Company as outlined in its Prospectus.

Share Buyback

Some commentators claim that, when the shares of a Listed Investment Company are trading at a discount to its NTA, share buybacks can reduce the discount and, therefore, be of value to shareholders. It is not immediately clear that claims like this are always accurate.

What is much more likely to be accurate is that a share buyback in such a circumstance may cause the company's NTA to rise. However, there is less certainty what the impact on the share price will be (if any).

As of 13 December 2019, the Company's share price was trading at a discount of ~16% to its last reported NTA. Irrespective of whether (and how) a buyback at such a discount will impact the Company's share price, it may be seen that the cheapest way for the Company to invest in its current investment strategy would be to buy its own shares.

The Company will continue to consider the balance between the clear benefits it would derive from being able to invest in its own investment strategy and whether this would be in the best interests of all shareholders.

This announcement was authorised by the Company's Board. For further information, please contact Tribeca Investor Relations.

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