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## Chairman's Address

*Tigers Realm Coal Limited (ASX: TIG) (Company) is pleased to provide the address by Craig Wiggill, Chairman, to be presented at its Annual General Meeting at the Rendezvous Hotel today at 3pm.*

Ladies and gentlemen, on behalf of the Company, my fellow board directors and senior management team, I am pleased to welcome you to Tigers Realm Coal's 2023 Annual General Meeting.

We have in attendance Mr Mitch Jakeman as director, Mr David Forsyth as Company Secretary as well as by telephone our senior management team of CEO Dmitry Gavrilin and CFO Dale Bender, whom I also welcome. Our third Director Dr Bruce Gray has had some recent family health issues and is unable to attend today's meeting. Thank you to Mr Mitch Jakeman who is chairing the AGM session in Melbourne on my behalf. I would also like to thank Mitch for assuming the responsibility for the role of Chairman of both Audit & Risk and Remuneration & Nominations committees after the resignation last year of Mr. David Swan as a director.

This year's AGM is taking place substantially later than in prior years, for reasons that I believe are apparent to all of us. The terrible war by Russia on Ukraine, which started in February 2022, has led to global geopolitical uncertainty, political challenge and global market instability. These factors have replaced, what in hindsight we look at as the "relatively straightforward" operational challenges of the Covid years of 2020 and 2021. As a result of the enhanced sanctions measures by the Australian and United States governments against Russia, many functions pertaining to the operations of the providers of services to the Company were affected. This extended also to our international banking facilities, auditors, legal, insurance, mining equipment as well as logistical and spare parts service providers.

While the Company was able to navigate through these issues and still report improved results for last year, there remains a substantial negative impact on the Company. The more significant impacts that remain are the continued restrictions on sales to certain end consumers, the need to discount significantly to global seaborne export prices, the difficulty in sourcing replacement large mining equipment and spares together with increased consumables cost due to shortages in the Russian market.

The degree to which these issues will continue or worsen and the status of mining and selling operations in Russia remains uncertain. The board and management team are constantly monitoring and adapting to changing circumstances, suitably informed by our legal and political consultants.

Two particular focus areas deserve some discussion today:

- On 10 March 2022 the Australian Minister for Foreign Affairs designated coal as an 'import sanctioned good' for Russia for the purpose of regulation 4A of the *Autonomous Sanctions Regulations 2011* (Cth) (Australian Sanctions Regulations), which relates to sanctioned imports.

As noted in the Company's ASX announcements dated 17 April 2023 and 26 June 2023, DFAT stated in its non-binding, indicative assessment that it was of the view the Company's operations are likely to be prohibited by, or subject to authorisation under, regulation 4A of the Australian Sanctions Regulations. DFAT also invited the Company to apply to the Minister for an exemption permit.

The Company does not agree with DFAT's indicative assessment that its operations comprise a sanctioned import and, in June 2023, advised the market that it had filed an application with the Federal Court of Australia seeking declarations that regulation 4A of the Autonomous Sanctions Regulations does not apply to its operations (Application). The Company has not applied for an exemption permit as it has determined it is not appropriate to do so where the Company does not consider its operations fall within the scope of regulation 4A.

On 7 August 2023 the Federal Court made orders timetabling the progression of the Application. A hearing date has yet to be determined but on the current timetable the substantive hearing is expected to take place in Quarter 4 of 2023.

- On 27 April 2023 the board indicated that, for various reasons, including issues related to the deterioration in the geopolitical space in which the Company operates, it was considering a potential restructuring exercise involving: (1) a selective capital reduction; (2) followed by a delisting of the Company from the official list of the ASX; and (3) the conversion of the Company from a public company to a private company (Potential Privatization).

On 4 July 2023 the Company announced that it had decided to suspend further activities regarding the Potential Privatization due to concerns regarding the ability to procure the necessary regulatory relief on a timely basis under both Australian and Russian law. The regulatory process in Russia requires prior governmental approval on any transaction involving Russian assets, and neither the timing nor the conditions for receiving such approval can be predicted with any reasonable degree of certainty.

We believe that the original intent of the Presidential Decree as published on 25 April 2023, which gives the government legal power to take foreign assets into administration, was partly to respond to the nationalizations of Russian assets abroad as well as to protect the operations of businesses that are important strategically or socially in Russia. There have been several revisions made to the decree which have increased the risks associated with any restructuring or potential transaction for the Company.

The conundrum facing companies in a similar position to Tigers Realm has been well documented in the International Press and you will certainly be well aware, from a Russian risk perspective, that it is now dangerous to declare or signal an intention to leave or wind down activities. By implication, those companies that have said they are staying or say nothing but operate as normal, appear to be at reduced risk.

Currently we are managing the issues confronting us, and we, as your Company's board, are united in our resolve to navigate this uncertain period to achieve the best possible outcome for each and every one of our shareholders.

Given the circumstances that the Company is and has been facing to this point, both in relation to the potential applicability of Australian sanctions as well as Russian imposed controls to process, management and asset ownership, the Board is currently adopting a strategy of exporting our product only to those countries unaffected by the sanctions that have been imposed. Of necessity, our expansion capital spend and growth plans have been temporarily suspended until we have further clarity. The Company will continue to monitor the possibility of future dividend payments.

I will leave to Dmitry the responsibility for detailing our recent operational performance which has been achieved notwithstanding the enormous headwinds faced as described above. This is a credit to the team both in Moscow and at site, each one of whom has faced the same uncertainties that we as shareholders in this venture are feeling and yet have delivered continued momentum towards our company goals. I do wish to state that I am particularly pleased that our safety record continues to improve at site, illustrative of ongoing emphasis by the senior team on our core values of care and respect. We reported no lost-time injuries during the entire CHPP construction and commissioning programme, notwithstanding some exceptionally challenging weather conditions experienced during this period.

In conclusion, I would like to thank all our employees and stakeholders, the senior management team as well as our Board, for their perseverance and resilience during 2022. The Company continues to operate in 2023 with a backdrop of significant uncertainty. The Board and senior management will continue to address all issues as they arise whilst abiding by the laws of both Australia and Russia.

After Dmitry's presentation, which follows the formal part of the meeting, we will be available for any questions that you may wish to present.

Thank you for your participation.

Craig Wiggill

*This announcement is authorised for release by the Company's Chairman Mr Craig Wiggill.*

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