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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 2024 Annual General Meeting.

We have in attendance Mr Mitch Jakeman as an independent 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.

Dr Bruce Gray is unable to attend today's meeting but I understand that he is dialled in to listen.

Thank you to Mr Mitch Jakeman who is chairing the AGM session in Melbourne on my behalf.

For the sake of completeness, I have asked Mr Dmitry Gavrilin as CEO to present a few slides summarising our performance for last year and that of the current year to date. We will not dwell on this material much but as I am certain you will agree, it is yet another illustration of what has been achieved on this development project, despite the uncertainty and headwinds we have been facing. Our stocks awaiting 2024 shipment are good, our community relations are strong, our mining has settled into a regular rhythm and our sales customers have evolved. It is also an unequivocal illustration of the degree of asset value erosion arising from the geopolitical landscape that has to be faced by our shareholders in responding to the vote today that we, the board, are recommending to the shareholders on the disposal of these mining assets.

After Dmitry's presentation, I will continue with some background as to the proposed sale transaction. Thereafter we will be available for any questions that you may wish to present.

I will now ask Dmitry to detail our recent operational performance.

*Thank you, Dmitry.*

I will now go on to discuss briefly why the board has made the recommendation to sell our Russian assets.

- Russia's war on Ukraine has created a jurisdictional operating nightmare for a predominantly Australian owned and listed, but Russian managed, company with its principal assets being the Amaam coal deposits in Chukotka in the Far East of Russia.
- The sanctions regime imposed in response to the Ukraine war by USA, Australia and "the aligned Western countries" affected many functions pertaining to the providers of services to the Company. This extended to our international banking facilities, auditors, legal, insurance, mining equipment as well as logistical and spare parts service providers.
- We have faced continued restrictions on sales to certain end consumers and have had to deal with the need to discount significantly to global seaborne export prices to secure sales in China.
- The difficulty in sourcing replacement large mining equipment and spares together with increased consumables cost due to shortages in the Russian market continues.
- The counter measures imposed by the Russian State, on what they deem as "hostile countries" foreign owned assets, have made operations increasingly untenable. The restrictions imposed on dividend and capital flows, license conditions, continuity of mining production requirements irrespective of foreign hostile sanction imposition, together with the Russian legislated requirement for the sale of the Port Ugolny facilities to Russian owned entities etc. to name but a few.
- As noted in the Company's ASX announcements through 2023, the Department for Foreign Affairs and Trade (DFAT) stated in its non-binding, indicative assessment last year that it was of the view the Company's operations were likely to be prohibited by, or subject to authorisation under, regulation 4A of the Australian Sanctions Regulations. The Company filed an application with the Federal Court of Australia seeking legal clarity and a declaration that regulation 4A of the Autonomous Sanctions Regulations does not apply to its operations. Last month the Court ruled in favour of DFAT's opinion that the "transport" of coal within Russia at our mine constituted a breach of the import sanction regulation.
- Accordingly, DFAT sought and was given an assurance by the Company that all transport activities within Russia would be stopped once TIG had completed the disposal of the Russian subsidiary companies and their assets, with a deadline to achieve such sale by 30<sup>th</sup> June 2024.

- The general consensus is that solutions to the Ukrainian war and potential for future improvement in the geopolitical landscape between Russia and Australia appears negligible. The status quo on sanctions is unlikely to be lifted for many years (if not decades) and, now that we have been handed a High court judgement that “transport” at our mine and to our own port is caught under the Import Sanctions regulations (*however illogical this may be*) we can no longer effectively continue operations - we have no remaining alternative but to comply with the Australian law as interpreted by the High Court.

It is hence with a deep sense of frustration and regret that I, as Chairman, must stand before you and tell you that we have reached the end of the road in relation to our aspirations to build our mines in Chukotka. This end is to be achieved through the disposal of all of our subsidiary companies and their assets in Russia. I believe strongly that we as a Company have done our shareholders proud in that we have stood up to all of the challenges thrown at us in the development of the Amaam basins, but any continued involvement is now seen by both the board and our majority shareholders as impossible.

*We have balanced on this tightrope together for the last 2 years – it is now being cut at both ends.*

The Transaction Highlights As per our press release of 15<sup>th</sup> April

The Board, on behalf of the Company, has entered into a share purchase agreement (SPA) with Limited Liability Company APM-Invest (APM) for the disposal of all of the issued shares in Limited Liability Company Beringpromugol (Beringpromugol), Limited Liability Company Beringugolinvest (Beringugolinvest) and Joint Stock Company Northern Pacific Coal Company (NPCC) together with the assignment of the intercompany loan agreements to APM-Invest (Transaction).

The consideration for the transaction comprises US\$49 million.

The Transaction effectively disposes TIG’s Russian assets, including:

- the mining licences for TIG’s Amaam North project, held by Beringpromugol (TIG’s current main operating entity);
- the mining licence for TIG’s Amaam coal deposit (held by NPCC);
- Beringovsky Coal Terminal, held by Limited Liability Company Port Ugolny (a wholly owned subsidiary of Beringpromugol); and
- Limited Liability Company Beringpromservice (a wholly owned subsidiary of Beringpromugol).

The irony that the transaction value that we have been able in the circumstances to negotiate with the Buyer is lower than the value of the coal stock that we have sitting at the port will not escape our shareholders.

The Board went through a detailed strategic review of a number of potential bidders for our assets. Our shareholders will fully appreciate that ALL participants to our process of sale required very careful screening and analysis.

APM-Invest is a company incorporated under the laws of the Russian Federation and has well-established banking relationships and a full Russian statutory tax audit record.

Mr Mark Buzuk, APM-Invest's sole shareholder and ultimate beneficial owner, is a local businessman with over 30 years of executive experience in the mining industry. Mr Buzuk has a proven entrepreneurial track record in greenfield and brownfield remote area mining projects.

As we have detailed in the Explanatory Memorandum as circulated for this meeting, there are a number of Conditions to Closing that will remain once Shareholders have voted to support this Transaction. They include but are not limited to Russian Approvals (including Presidential, various Ministerial and FAS (Federal Anti-Monopoly Service) Approvals) as well as Australian Sanctions Authority approvals.

It is our target to obtain Completion of the Transaction before 30<sup>th</sup> June 2024.

Subject to approval and implementation of the Transaction, the Company intends to make a distribution to Shareholders and/or a return of capital, consider whether to be listed as an ASX-entity and potentially delist from the ASX and wind-up.

In determining the distribution, the Company will ensure it has adequate resources to fulfil its obligations to other parties during this period.

On this basis, it is not anticipated that the potential delisting and wind-up process would deliver material surplus funds. However, in the event the Company is able to realise excess cash as a result of these activities then the Board intends to return such proceeds to Shareholders at that time (via a final distribution).

Any return of capital will only be made in compliance with all applicable laws, including the Sanctions Regime.

I would suggest that I stop there and leave to the Q&A session at the end any further questions that may arise.

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. The Board and senior management will continue to address all issues as they arise whilst abiding by the laws of both Australia and Russia.

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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