

**ASX Announcement****23 October 2014****Non-Renounceable Rights Issue Offer – Despatch of Notice to Shareholders**

Tiaro Coal Limited (**Company**) advises that it has today mailed out the attached notice to shareholders whose registered addresses are in Australia, New Zealand, Singapore or Hong Kong.

The Company has today also mailed out a notice to shareholders (attached) whose registered addresses are outside Australia, New Zealand, Singapore or Hong Kong advising that they will not be eligible to participate in the Rights Issue pursuant to ASX Listing Rule 7.7.1.

**For further information please contact:**


Dan Buckley – Managing Director

Telephone: +61 7 3088 2292 or 0412 237 823

# Tiaro Coal Limited

ACN 127 936 412

All Correspondence to:-  
Computershare Investor Services P/L  
GPO Box 2975  
MELBOURNE VIC 3001  
Australia



000001 000 TCM  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Dear Shareholder

## Non-Renounceable Entitlement Offer

On 22 October 2014, Tiaro Coal Limited (**Company**) announced a fully underwritten, non-renounceable pro rata offer to shareholders of 131,916,623 fully paid ordinary shares on the basis of 1 new share for every 1 existing share held as at 7:00 pm (Sydney time) on 28 October 2014 (**Record Date**) at an issue price of \$0.01 per new share (**Entitlement Offer**). The new shares issued pursuant to the Entitlement Offer will rank equally with existing fully paid ordinary shares in the Company.

Funds raised under the Entitlement Offer will be used to retire the intercompany loan from Paragon Coal Pty Limited (**Paragon Coal**) (a company in which the Company currently holds a 53.1% interest), advance loans to Paragon Coal to fund resource upgrade work and fund work on other Company tenements, after which any residual funds will be used as additional working capital to enable Tiaro Coal to pursue its corporate objectives.

On the basis that the Entitlement Offer is fully subscribed, it will raise approximately \$1.3 million (before costs).

Refresh Capital Pty Limited (**Underwriter**) has agreed to fully underwrite the Offer. The Offer will also be fully sub-underwritten by a number of shareholders (or their associates) who have agreed sub-underwriting arrangements with the Underwriter.

In addition, shareholders holding an aggregate of approximately 42% of the share capital in the Company have executed Take-Up Deeds pursuant to which they have agreed to take up their rights under the Offer.

Given that the Offer is fully sub-underwritten, the underwriting arrangements will have no effect on the control of the Company.

Under the Underwriting Agreement, the Company is required to pay a percentage fee of 2.0% (exclusive of GST) of the value of the underwritten shares to the Underwriter in connection with its underwriting of the Offer.

As a result of the sub-underwriting agreements, the number of shares in the Company owned by each sub-underwriter is likely to increase. For example, if no other shareholders take up their entitlements under the Offer, the effect on control of each of the sub-underwriters will be as follows:

- AceA Resources Limited will hold 85,700,000 shares (32.5% of the Company);
- Bright Rock Holdings Limited will hold 80,000,000 shares (30.3% of the Company); and
- Meers Family Pty Limited at the Meers Superannuation Fund will hold 1,900,000 shares (0.7% of the Company).

## Offer Document available online

This letter is advance notice of some key terms and conditions of the Entitlement Offer. Full details of the Entitlement Offer are contained in the Entitlement Offer Document (**Offer Document**) a copy of which was lodged with the ASX on 22 October 2014. The Offer Document, Cleansing Notice and the Appendix 3B are available on the ASX's company announcement platform at [www.asx.com.au](http://www.asx.com.au) and at [www.tiarocoal.com.au](http://www.tiarocoal.com.au).

## Your Entitlement

Only shareholders registered as of 7.00pm (Sydney time) on 28 October 2014 (**Record Date**) who have a registered address in Australia, New Zealand, Hong Kong or Singapore will be entitled to participate in the Entitlement Offer.

Shareholders will be mailed the Offer Document, together with a personalised Entitlement and Acceptance Form which contains the details of their entitlement, no later than 31 October 2014.

Shareholders should consider the Offer Document carefully in deciding whether to participate in the Entitlement Offer and will need to complete the personalised entitlement and acceptance form accompanying the Offer Document to take up their entitlements.

Shareholders may also elect to participate in the shortfall facility under the Entitlement Offer by applying for new shares in excess of their pro rata entitlement.

## How to Apply

Applications for new shares under the Entitlement Offer may only be made by lodging a completed Entitlement and Acceptance Form with the applicable amount by the close of the Entitlement Offer at 5.00pm (Sydney time) on 12 November 2014, being the closing date of the Entitlement Offer.

Shareholders should read the Offer Document carefully and consult their professional advisor before making any investment decision.

## Timetable

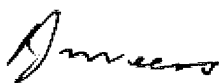
Event	Date
Announcement of Offer	22 October 2014
Lodgment of Appendix 3B, Offer Document and Cleansing Notice with ASX	Prior to 10.00am (Sydney time) on 22 October 2014
Despatch of notices to Shareholders informing them of the Offer	23 October 2014
Shares quoted on ex-entitlement basis	24 October 2014
Record Date for determining Entitlements	7.00pm on 28 October 2014
Offer opens - dispatch of Offer Document and Entitlement and Acceptance Form	31 October 2014
Offer Closing Date	5.00pm (Sydney time) on 12 November 2014
Shares quoted on deferred settlement basis	13 November 2014
Despatch of holding statements and allotment and issue of New Shares	19 November 2014
Trading of New Shares on ASX expected to commence	20 November 2014

This timetable is indicative only and subject to change. The Directors reserve the right to vary these dates, including the closing date for the Entitlement Offer, without prior notice, subject to compliance with the *Corporations Act 2001* (Cth) and the ASX Listing Rules. Any extension of the closing date will have a consequential effect on the anticipated date for allotment and issue of the new shares.

The Board encourages all Shareholders to participate in the Entitlement Offer. We take this opportunity to thank Shareholders for their support and look forward to your continued support in the future.

If you have any questions, then please contact the Company's Chief Executive, Mr Dan Buckley on 07 3088 2292 or the Company's Chairman, Mr Peter Meers on 02 9449 1381 or consult your stockbroker, solicitor, accountant or other professional adviser.

For and on behalf of  
**Tiara Coal Limited**



Peter Meers  
Executive Chairman

**Tiaro Coal Limited**  
**ACN 127 936 412**

All Correspondence to:-  
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Australia

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FLAT 123  
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SAMPLEVILLE VIC 3030

Dear Shareholder

**Non-Renounceable Entitlement Offer**

On 22 October 2014, Tiaro Coal Limited (**Company**) announced a fully underwritten, non-renounceable pro rata offer (**Rights Issue**) to shareholders of up to 131,916,623 fully paid ordinary shares on the basis of 1 new share for every 1 existing share held as at 7:00pm (Sydney time) on 28 October 2014 (**Record Date**) at an issue price of \$0.01 per new share.

The Offer Document in relation to the Rights Issue has also been lodged with ASX Limited (**ASX**) and is available on the websites of both ASX and the Company.

Unfortunately, shareholders with registered addresses outside Australia, New Zealand, Singapore and Hong Kong will not be eligible to participate in the Rights Issue pursuant to ASX Listing Rule 7.7.1. The Company is of the view that it is unreasonable to make the offer under the Offer Document to shareholders outside of Australia, New Zealand, Singapore and Hong Kong having regard to:

1. the small number of shareholders outside of Australia, New Zealand, Singapore and Hong Kong;
2. the number and value of the new shares that would be offered to shareholders outside of Australia, New Zealand, Singapore and Hong Kong; and
3. the cost of complying with the legal requirements and requirements of the regulatory authorities in the respective overseas jurisdictions.

As your registered address is outside Australia, New Zealand, Singapore and Hong Kong, you are not eligible to participate in the Rights Issue.

Please consult your stockbroker or professional adviser or contact the Company's Chief Executive, Mr Dan Buckley on 07 3088 2292 or the Company's Chairman, Mr Peter Meers on 02 9449 1381 if you do not understand this letter.

For and on behalf of  
**Tiaro Coal Limited**



Peter Meers  
Chairman