



Short-term US\$15 million Funding Secured

As noted in the September 2019 Quarterly Production and Activities Report, the Board of Directors of Tigers Realm Coal Limited (“TIG” or the “Company”) have been developing financing alternatives to ensure the Company has the resources to meet its obligations and ensure uninterrupted operations.

Short term funding arrangements

As part of that process, the Company has agreed short-term US\$15 million funding with two of its major shareholders, BV Mining Holding Limited (through BV Mining Investment Limited) and Dr Bruce Gray (through Pine Ridge Holdings Pty Ltd). The funding is comprised of independent loan agreements, which have been provided by each of the shareholders in addition to their existing loans advanced earlier this year.

The shareholder loans are intended to provide bridging finance (which will remain available until end of January 2020), in order to prepay amounts owing under the Sberbank working capital loan agreement and provide additional working capital, whilst the Company continues to explore longer term financing arrangements. The Company expects to repay these new loans in accordance with their maturity dates and at the same time to seek to discharge the security granted in relation to those loans.

A summary of the key terms of the loan agreements is set out in Annexure A.

Recapitalisation process

The Company’s overall financial condition and outlook remain as previously announced. The new short-term funding package provides additional liquidity (subject to the conditions to drawing being satisfied). However, for the longer term, the Company currently remains subject to the liquidity and indebtedness risks and material uncertainties outlined in the September 2019 Quarterly Production and Activities Report. Accordingly, the Company is exploring longer term financing arrangements, including a potential equity raising in the form of a pro rata entitlement offer to all shareholders, in order to create a capital structure that is more suitable to the cyclical nature of the environment in which it operates. The Company expects to be in a position to update the market regarding the outcome of its recapitalisation process in the next few weeks.

Board and management commentary

Craig Wiggill, Company Chairman, in commenting on the funding, thanked both BVMHL and Dr Gray for their continued and invaluable support and the expression of their confidence in TIG's growth targets. He further stated that these funds will enable both operational continuity as well as facilitating the necessary project design work for the planned construction of a wash-plant to continue without interruption through into calendar year 2020.

Dmitry Gavrilin, CEO, has expressed his gratitude to all shareholders and the Board for their support and active engagement. He stressed that the management team will continue to address the impact of difficult market conditions through implementation of cost reduction measures and optimization of operations.

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Annexure A – Summary of Loan Agreements

The loan agreements are on broadly equivalent terms, as follows:

- Additional loan funding of US\$7.5 million from each shareholder (US\$15 million in total).
- Maturity date of 31 January 2020.
- Commitment fee of 0.5% of the loan amount.
- Interest rate of 20% per annum (subject to an additional 4% in the event of default).
- Amounts advanced under the loan agreements are to be secured under security trust arrangements to be put in place between the Company and its relevant subsidiaries and each lender, subject to the Company obtaining a waiver to enable compliance with ASX Listing Rule 10.1.
- The loan agreements include other customary terms and conditions, including customary covenants and events of default.