

29 June 2016

**Tigers Realm Coal Limited - Cleansing Notice under section 708AA(2)(f)
of the Corporations Act 2001 (Cth)**

This notice is given by Tigers Realm Coal Limited (ASX Code: TIG) (**Tigers Realm Coal**) under section 708AA(2)(f) of the Corporations Act 2001 (Cth), as modified by ASIC Corporations Instrument 2016/84 (**Act**). Tigers Realm Coal has today announced a non-renounceable entitlement offer (**Entitlement Offer**) to raise up to A\$23.3 million (US\$17.2 million).

The Entitlement Offer will be open to shareholders of Tigers Realm Coal with a registered address in Australia, New Zealand or certain other foreign jurisdictions determined by the Directors (as described in the "Selling Restrictions" section of the Investor Presentation released to ASX in connection with the Entitlement Offer) (**Eligible Shareholders**). Under the Entitlement Offer, Eligible Shareholders may subscribe for 1 fully paid ordinary share in Tigers Realm Coal (**New Shares**) for every 1 Tigers Realm Coal ordinary share held as at 7.00pm (Melbourne time) on 4 July 2016, at an offer price of \$0.026 per New Share (**Offer Price**).

Tigers Realm Coal confirms that:

1. The New Shares will be offered without disclosure to investors under Part 6D.2 of the Act.
2. Tigers Realm Coal is providing this notice under section 708AA(2)(f) of the Act.
3. As at the date of this notice, Tigers Realm Coal has complied with:
 - (a) the provisions of Chapter 2M as they apply to Tigers Realm Coal; and
 - (b) section 674 of the Act.
4. As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7) of the Act.
5. The potential effect that the Entitlement Offer will have on the control of Tigers Realm Coal (and the consequences of that effect) will depend on a number of factors, including the extent to which Eligible Shareholders take up their entitlement to New Shares under the Entitlement Offer.

If all Eligible Shareholders take up their full entitlement under the Entitlement Offer, then the Entitlement Offer will have no effect on the control of Tigers Realm Coal.

To the extent that an Eligible Shareholder fails to take up their full entitlement, that Eligible Shareholder's percentage holding in Tigers Realm Coal will be diluted by those other Eligible Shareholders who take up some or all of their entitlement.

The percentage holding of shareholders who are not Eligible Shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer.

The Entitlement Offer is being underwritten by BV Mining Holding Limited (**BVMHL**) Hanate Pty Ltd as trustee for Hanate Trust (**Hanate**) (an entity controlled by Bruce Gray) and Limited Liability Company <<RDIF Investment Management>> (**RDIF**) (together, the **Underwriters**), part of which is subject to Shareholder Approval (as defined below), FIRB approval and the RDIF Investment Mandate Requirements (as defined below).

Tigers Realm Coal, each Underwriter and Pine Ridge Holdings Pty Ltd (an entity controlled by Bruce Gray) as trustee for Pine Ridge Superannuation Fund (**Pine Ridge Holdings**) have entered into an underwriting Agreement (**Underwriting Agreement**) under which each Underwriter and Pine Ridge Holdings has agreed (severally) with Tigers Realm Coal to take up their respective entitlements as shareholders under the Entitlement Offer and each Underwriter has agreed (severally) with Tigers Realm Coal to underwrite its respective proportion of any shortfall pursuant to the Entitlement Offer as described below.

In accordance with the Underwriting Agreement:

- (a) RDIF's obligation to underwrite its proportion of the shortfall under the Entitlement Offer (**RDIF Underwritten Shares**) is subject to FIRB approval and satisfaction of the RDIF Investment Mandate Requirements; and
- (b) BVMHL and Hanate's respective obligations to underwrite their respective proportion of any shortfall under the Entitlement Offer are each subject to shareholder approval, in accordance with item 7 of section 611 of the Corporations Act if, and to the extent, required so that the acquisition by either BVMHL or Hanate pursuant to their respective underwriting obligations does not breach section 606 of the Corporations Act (**Shareholder Approval**).

RDIF's investment mandate only allows it to invest in transactions where a qualified co-investor invests at least the same amount (or such greater amount as may be provided by a decision of the RDIF Investment Committee for that transaction) (**RDIF Investment Mandate**). In relation to Tigers Realm Coal and the Entitlement Offer, and in accordance with the RDIF Investment Mandate, BVMHL is the only Underwriter which satisfies the criteria for a qualified co-investor and the RDIF Investment Committee has approved the acquisition by RDIF of New Shares (including RDIF Underwritten Shares) up to a maximum of 50% of the total number of New Shares (including shortfall shares) acquired by that qualified co-investor. For this reason, RDIF's obligation to underwrite the RDIF Underwritten Shares is subject to Shareholder Approval in respect of BVMHL and BVMHL satisfying its obligation to subscribe for its full entitlement and proportion of shortfall shares in accordance with the Underwriting Agreement (**RDIF Investment Mandate Requirements**).

Each of the Underwriters are existing shareholders of Tigers Realm Coal, with the following current voting power:

- (a) BVMHL - 24.48%;
- (b) Hanate 14.35% (being the aggregate voting power of Hanate and Pine Ridge Holdings (**Bruce Gray entities**)); and
- (c) RDIF - 11.05% (being the aggregate voting power of RDIF, RDIF Co Investment Partnership I LP and RDIF Co Investment Partnership II LP (**RDIF entities**)).

The tables below show the potential impact on control in various scenarios, assuming that, in accordance with the Underwriting Agreement, each of the Underwriters and Pine Ridge Holdings subscribe for their full entitlement under the Entitlement Offer.

To the extent there is a shortfall under the Entitlement Offer because Eligible Shareholders (other than the Underwriters and Pine Ridge Holdings) do not participate in the Entitlement Offer:

- (a) **Scenario 1:** if FIRB approval is obtained by RDIF, the RDIF Investment Mandate Requirements are satisfied and Shareholder Approval is obtained, each Underwriter has agreed with Tigers Realm Coal that it will subscribe for that shortfall in its respective proportion under the Underwriting Agreement (being BVMHL (40.00%); Hanate (40.00%); RDIF (20.00%)).

% participation by Eligible Shareholders (other than the Underwriters and Pine Ridge Holdings) under the Entitlement Offer	% voting power of BVMHL post-Entitlement Offer	aggregate % voting power of Bruce Gray entities post-Entitlement Offer	aggregate % voting power of RDIF entities post-Entitlement Offer
100%	24.48%	14.35%	11.05%
75%	27.01%	16.89%	12.01%
50%	29.55%	19.43%	13.28%
25%	32.09%	21.96%	14.54%
0%	34.63%	24.50%	15.81%

- (b) **Scenario 2:** if FIRB approval is not obtained by RDIF, and Shareholder Approval is obtained, BVMHL and Hanate have each agreed with Tigers Realm Coal that they will subscribe for:
- (i) that shortfall in their respective proportions under the Underwriting Agreement - being BVMHL (40.00%) and Hanate (40.00%); and
 - (ii) RDIF's proportion of that shortfall in the following proportions - BVMHL (50%) and Hanate (50%).

% participation by Eligible Shareholders (other than the Underwriters and Pine Ridge Holdings) under the Entitlement Offer	% voting power of BVMHL post-Entitlement Offer	aggregate % voting power of Bruce Gray entities post-Entitlement Offer	aggregate % voting power of RDIF entities post-Entitlement Offer
100%	24.48%	14.35%	11.05%
75%	27.65%	17.52%	10.74%
50%	30.82%	20.69%	10.74%
25%	33.99%	23.87%	10.74%
0%	37.16%	27.04%	10.74%

- (c) **Scenario 3:** if:

- (i) FIRB approval is obtained by RDIF, the RDIF Investment Mandate Requirements are not satisfied, and Shareholder Approval is not obtained in respect of Hanate; or
- (ii) FIRB approval is not obtained by RDIF, and Shareholder Approval is not obtained,

each Underwriter (other than RDIF) has agreed with Tigers Realm Coal that it will subscribe for its respective proportion of the shortfall for which Shareholder Approval is not required (but no New Shares for which Shareholder Approval is required) and RDIF will not be required to subscribe for the RDIF Underwritten Shares.

% participation by Eligible Shareholders (other than the Underwriters and Pine Ridge Holdings) under the Entitlement Offer	% voting power of BVMHL post-Entitlement Offer	aggregate % voting power of Bruce Gray entities post-Entitlement Offer	aggregate % voting power of RDIF entities post-Entitlement Offer
100%	24.48%	14.35%	11.05%
75%	27.47%	17.52%	11.99%
50%	27.47%	19.99%	12.53%
25%	27.47%	19.99%	13.53%
0%	27.47%	19.99%	14.71%

The Board of Tigers Realm Coal considers that the increase in the voting power of the above mentioned Eligible Shareholders is unlikely to have a material effect on the control of Tigers Realm Coal.

The Board of Tigers Realm Coal considers that any possible effect on control is acceptable in the circumstances because all Eligible Shareholders have had an equal opportunity to participate in the Entitlement Offer.



David J Forsyth
Company Secretary
Tigers Realm Coal Limited