

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme TMK Energy Limited (TMK)

ACN/ARSN 127 735 442

1. Details of substantial holder (1)

Name TMK Energy Limited (TMK)

ACN/ARSN (if applicable) 127 735 442

The holder became a substantial holder on 28 April 2023

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Ordinary fully paid shares (Shares)	1,005,000,000	1,005,000,000	19.99%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
TMK	Relevant interest arising under section 608(1)(c) of the <i>Corporations Act 2001 (Cth)</i> , being a relevant interest arising as a result of having control over the exercise of power to dispose of shares held by Tsetsen Zantav, who entered into an Escrow Agreement with TMK on 19 April 2023 (attached in Annexure A) and became effective 28 April 2023.	1,005,000,000 Shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
TMK	Tsetsen Zantav	Tsetsen Zantav	1,005,000,000 Shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
TMK	28 April 2023	N/A (relevant interest arises pursuant to escrow arrangements)	1,005,000,000 Shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Not applicable	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
TMK Energy Limited	1202 Hay Street, West Perth, WA, 6005

Signature

print name Dougal Ferguson capacity Company Secretary

sign here

date 2 May 2023

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

ANNEXURE A

**The person named in Item 1 of the Schedule
(Company)**

and

**The person named in Item 2 of the Schedule
(Holder)**

VOLUNTARY RESTRICTION DEED

THIS DEED is made the 19th day of April, 2023

BETWEEN

THE PERSON NAMED IN ITEM 1 OF THE SCHEDULE (COMPANY);

AND

THE PERSON NAMED IN ITEM 2 OF THE SCHEDULE (HOLDER);

RECITALS

- A. The Company has signed a Mandate with the JLM's for a Capital Raise to fund the advancement of the Project. The JLM's require the Company to enter into this Voluntary Escrow Deed covering the Voluntary Escrow Shares subject to Capital Raise occurring pursuant to the Mandate.
- B. This deed only becomes effective upon completion of the Capital Raise.
- C. The Holder agrees to escrow the Voluntary Escrow Shares for the Escrow Period pursuant to the terms of this deed.

IT IS AGREED as follows:

1. DEFINED TERMS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this deed.

Affiliate means any Related Body Corporate.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of ASX.

ASX Settlement Operating Rules means the settlement operating rules of ASX Settlement Pty Ltd (ACN 008 504 532).

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Western Australia.

Capital Raise means the raising of additional capital of at least five million Australian Dollars on or before 30 April 2023.

Company means TMK Energy Limited (ABN 66 127 735 442).

Corporations Act means *Corporations Act 2001* (Cth).

Dealing, in respect of any Voluntary Escrow Shares, means to directly or indirectly:

- 1.1.1 actively market, sell, assign, transfer or otherwise Dispose of any legal, beneficial or economic interest in such Voluntary Escrow Share;

- 1.1.2 encumber or grant a security interest over such Voluntary Escrow Share or any legal, beneficial or economic interest in that Voluntary Escrow Share (as applicable);
- 1.1.3 grant or exercise an option in respect of such Voluntary Escrow Share;
- 1.1.4 do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or any legal, beneficial or economic interest in, such Voluntary Escrow Share;

or

- 1.1.5 agree to do any of those things,

and **Deal** has a corresponding meaning.

Dispose has the meaning given in the ASX Listing Rules.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 3 of the Schedule.

GST Law has the meaning given to it in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Holding Lock has the meaning given to that term in section 2 of the ASX Settlement Operating Rules.

Issuer Sponsored Subregister has the meaning given to that term in section 2 of the ASX Settlement Operating Rules.

JLM's means PAC Partners Securities Pty Ltd (ABN 68 623 653 912) and Bell Potter Securities Limited (ACN 006 390 772).

Mandate means Letter of Engagement signed on 23 February 2023 between the JLM's and the Company.

Professional Trustee means a holder of an Australian Financial Services License which authorises the trustee to provide custodian or trustee services.

Project means the Gurvantes XXXV Coal Seam Gas project in the South Gobi Desert in Mongolia.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.

Takeover Bid has the meaning given in the Corporations Act and includes a proportional takeover bid.

Voluntary Escrow Shares means in relation to a Holder, the Shares specified in Item 4 of the Schedule.

1.2 Interpretation

In this deed:

- 1.2.1 headings are for convenience only and do not affect its interpretation;

- 1.2.2 no provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this deed or that provision;
- 1.2.3 specifying anything after the words "include" or "for example" or similar expressions does not limit what else is included;

and, unless the context otherwise requires:

- 1.2.4 an agreement on the part of two or more persons binds them severally and jointly;
- 1.2.5 the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- 1.2.6 a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- 1.2.7 a reference to a body, other than a party to this deed whether statutory or not:
- (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
 - is a reference to the body which replaces it or substantially succeeds its powers or functions;
- 1.2.8 a reference to any document (including this deed) is to that document as varied, novated, ratified or replaced from time to time;
- 1.2.9 a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- 1.2.10 words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- 1.2.11 references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this deed and a reference to this deed includes any schedule, exhibit or annexure to this deed;
- 1.2.12 where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- 1.2.13 a reference to time is to Western Standard Time as observed in Perth, Western Australia;
- 1.2.14 if a period of time is specified and dates from a given day or the day of an event, it is to be calculated exclusive of that day;
- 1.2.15 a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- 1.2.16 if an act prescribed under this deed to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;

- 1.2.17 where an action is required to be undertaken on a day that is not a Business Day it shall be undertaken on the next Business Day; and
- 1.2.18 a reference to **\$** or **dollar** is to the lawful currency of the Commonwealth of Australia.

1.3 Compliance with ASX Listing Rules

During the Escrow Period, and for so long as the Company is listed on the ASX:

- 1.3.1 notwithstanding anything contained in this deed, if the ASX Listing Rules prohibit an act being done, that act must not be done;
- 1.3.2 nothing contained in this deed prevents an act being done that the ASX Listing Rules require to be done;
- 1.3.3 if the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- 1.3.4 if the ASX Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- 1.3.5 if the ASX Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- 1.3.6 if any provision of this deed is or becomes inconsistent with the ASX Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

2. CONDITION PRECEDENT

The respective rights and obligations of the parties under this deed are conditional upon Capital Raise occurring.

3. ESCROW RESTRICTIONS

3.1 Voluntary Escrow Shares

Subject to clause 5, during the Escrow Period, the Holder must not Deal in the Voluntary Escrow Shares.

4. HOLDING LOCK

4.1 Agreement to Holding Lock

Subject to clause 4.2, the Holder agrees to the application of a Holding Lock to the Voluntary Escrow Shares, and agrees to take all necessary steps to ensure that its Voluntary Escrow Shares are registered and held for the Holder on the Issuer Sponsored Sub-register whilst any restrictions under clause 3 apply to those Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares upon completion of the Capital Raise and may only remove the Holding Lock with respect to the Voluntary Escrow Shares if permitted under clause 4.3.

4.3 Removal of Holding Lock

- 4.3.1 Upon request by the Holder, the Company must promptly remove the Holding Lock with respect to the Voluntary Escrow Shares to the extent necessary to facilitate a Dealing that is permitted under clause 5.
- 4.3.2 The Company must remove the Holding Lock with respect to the Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- 4.3.3 The Company must notify ASX that the Voluntary Escrow Shares will be released from the Holding Lock in accordance with the timing requirements set out in ASX Listing Rule 3.10A.

5. EXCEPTIONS

5.1 Permitted Dealing

5.1.1 During the Escrow Period, the Holder may Deal in any of its Voluntary Escrow Shares if the Dealing arises solely as a result of:

- (i) an unsolicited approach and subsequent agreement for the sale of not more than 25% of the Voluntary Escrow Shares to a bona fide third party strategic investor which has been approved by the Company's Board of Directors;
- (ii) the acceptance a bona fide third party offer under a Takeover Bid in relation to those Voluntary Escrow Shares, provided that the holders of at least half of the Shares that are not subject to any voluntary escrow deed, and to which the offers under the bid relate, have accepted the bid; or
- (iii) the transfer or cancellation of the Voluntary Escrow Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act, provided that the scheme of arrangement has received all necessary approvals, including all such necessary court and shareholder approvals, provided,

in each case, that if for any reason any or all Voluntary Escrow Shares are not transferred or cancelled in accordance with such a Takeover Bid or scheme of arrangement (including because the Takeover Bid does not become unconditional), then the Holder agrees that the restrictions applying to the Voluntary Escrow Shares under this deed will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Voluntary Escrow Shares not so transferred or cancelled.

5.1.2 Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may transfer (in one or more transactions) any or all Voluntary Escrow Shares to an Affiliate or Professional Trustee of the Holder provided:

- (i) such Affiliate or Professional Trustee agrees to be bound by the terms and conditions of this deed by entering into such further agreements as the Company may reasonably require (provided that the Company may not require any change to the remaining duration of the restrictions in clause 3 or to the nature of those restrictions); and
- (ii) the transfer does not result in a change to the beneficial ownership of the Voluntary Escrow Shares.

- 5.1.3 During the Escrow Period, the Holder may Deal in any of its Voluntary Escrow Shares to the extent the Dealing is required by applicable law (including an order of a court of competent jurisdiction), provided that any recipient of the Voluntary Escrow Shares will no longer be bound by any Holding Lock or restrictions on Dealing.
- 5.1.4 Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may Deal in any of its Voluntary Escrow Shares upon the death or incapacity of the Holder, provided that the transferee will no longer be bound by any Holding Lock or restrictions on Dealing in respect of the Voluntary Escrow Shares.

5.2 Notice

If the Holder becomes aware:

- 5.2.1 that a Dealing in any Voluntary Escrow Shares has occurred, or is likely to occur, during the Escrow Period; or
- 5.2.2 of any matter which is likely to give rise to a Dealing in any Voluntary Escrow Shares during the Escrow Period,

it must notify the Company as soon as practicable after becoming aware of the Dealing or the matters giving rise to the Dealing, providing full details.

6. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 3, nothing in this deed restricts the Holder from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the holder of, the Voluntary Escrow Shares, including (without limitation) by:

- 6.1.1 exercising any voting rights attaching to Voluntary Escrow Shares;
- 6.1.2 receiving or being entitled to any dividend, return of capital or other distribution attaching to Voluntary Escrow Shares; or
- 6.1.3 receiving or participating in any rights or bonus issue in connection with the Voluntary Escrow Shares.

7. CONSEQUENCES OF BREACH

If the Holder breaches this deed, each of the following applies:

- 7.1.1 the Company may take any steps that it considers necessary to enforce this deed and/or rectify the breach; and
- 7.1.2 the Company may refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Voluntary Escrow Shares. This is in addition and without prejudice to other rights and remedies of the Company.

8. AMENDMENT

This deed can only be amended or replaced by another deed executed by the parties.

9. TERMINATION

This deed terminates automatically when the Holding Lock is released in full in respect of all Voluntary Escrow Shares.

10. NOTICES**10.1 Notices in writing**

Each notice authorised or required to be given to a party shall be in legible writing and in English addressed to the party's address set out in clause 10.2 (or such other address nominated in accordance with clause 10.3).

10.2 Initial address of parties

The initial address of the parties shall be as set out in the Schedule.

10.3 Change of Address

Each party may from time to time change its address by giving notice pursuant to clause 10.1 to the other parties.

10.4 Receipt of notice

Any notice given pursuant to this deed will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery;
- (b) if sent by mail, two Business Days from and including the day of posting; or
- (c) if sent by email:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) 30 minutes after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first, but if the delivery or receipt is on a day which is not a Business Day or is after 5.00pm (addressee's time), it is deemed to be received at 9.00am on the following Business Day.

11. GENERAL**11.1 Governing law**

This deed is governed by the laws of Western Australia.

11.2 Choice of jurisdiction

Each party irrevocable and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia including, for the avoidance of doubt, the Federal Court of Australia sitting in Western Australia.

11.3 Further assurances

Except as expressly provided in this deed, each party must, at its own expense, do all things reasonably necessary to give full effect to this deed and the matters contemplated by it.

11.4 Entire agreement

This deed constitutes the entire understanding of the parties with respect to the subject matter and replaces all other agreements (whether written or oral) between the parties with respect to its subject matter.

11.5 Counterparts

This deed may be executed in any number of counterparts and signatures on behalf of a party may be on different counterparts. Electronic signatures are taken to be valid and binding to the same extent as original signatures.

11.6 Time of essence

Time is of the essence to this deed.

11.7 Waiver

- 11.7.1 No waiver of a right or remedy under this deed is effective unless it is in writing and signed by the party granting it. It is only effective in the specific instance and for the specific purpose for which it is granted.
- 11.7.2 A single or partial exercise of a right or remedy under this deed does not prevent a further exercise of that or of any other right or remedy.
- 11.7.3 Failure to exercise or delay in exercising a right or remedy under this deed does not operate as a waiver or prevent further exercise of that or any other right or remedy.

11.8 Severability

Any term of this deed which is wholly or partially void or unenforceable is severed to the extent that it is void or unenforceable. The validity or enforceability of the remainder of this deed is not affected.

SCHEDULE

Item 1 **Company**

TMK Energy Limited (ABN 66 127 735 442) of 1202 Hay Street, West Perth, Western Australia with email address dferguson@tmkenegy.com.au to the attention of Dougal Ferguson.

Item 2 **Holder(s)**

Tsetsen Zantav of 66-2-13 1st 40 Myangat, 4th Khoroo, Sukhbaatar District, Ulaanbaatar, Mongolia with email address tsetse.z@telmen.mn to the attention of Tsetsen Zantav.

Item 3 **Escrow Period**

In respect of 100% of the Voluntary Escrow Shares, the period commencing on Settlement and ending at 5.00pm (WST) on the date that is six (6) months from the date of completion of the Capital Raise (**Escrow Date 1**);

Item 4 **Particulars of Voluntary Escrow Shares**

<i>Voluntary Escrow Shares</i>	<i>1,005,000,000 Shares in the Company held by the Holder.</i>
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EXECUTED by the parties as a deed.

EXECUTED AS A DEED by)
TMK ENERGY LIMITED)
ABN 66 127 735 442)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)



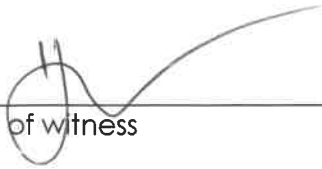
Signature of director

Brett Lawrence

Name of director

*please delete as applicable

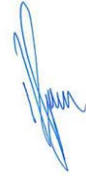
SIGNED, SEALED AND DELIVERED by)
TSETSEN ZANTAV)
in the presence of:



Signature of witness

TS. NARAN-UCHRAL

Name of witness



Signature of director/company secretary*

Dougal Ferguson

Name of director/company secretary*



Signature of Tsetsen Zantav

For personal use only