

2 February 2018

## Corporate Overview

Tiger Resources Ltd (**Tiger** or **the Company**) produced 4,732 tonnes of copper cathode for the quarter at an all in sustaining cost (AISC) of \$2.72 per pound copper. The full year production was 17,630 tonnes of copper cathode at an all in sustaining cost (AISC) of \$2.42 per pound copper.

On 22 January 2018, the Company announced it had entered into an agreement for the sale of 100% of its shares in its subsidiaries. If completed, the transaction will result in Tiger disposing of its mining and exploration assets in the Democratic Republic of Congo (DRC), comprising of the Kipoi Project, Lupoto Project and La Patience permit.

Following completion of the asset sale transaction and receipt of the consideration payments, Tiger is expected to be debt free and in a net cash position, having fully discharged its liabilities with its secured lenders.

David Frances was appointed Chairman during the quarter, with Mark Connelly remaining on the board as a non-executive director.

The Company remains in voluntary suspension from trading on the ASX whilst it seeks to achieve a restructuring and recapitalisation with the support of the senior lending group or a sale of assets. The Company will keep shareholders informed of its progress.

## Operational Summary - KIPOI COPPER PROJECT, Democratic Republic of Congo (“KIPOI”)

### Production

*Table A: Summary of Kipoi production and costs*

	Q4 2017	Q3 2017	2017
Copper produced (tonnes)	4,732	4,639	17,630
Cash operating costs (US\$/lb)	US\$1.88	US\$1.86	US\$2.03
AISC (US\$/lb)	US\$2.72	US\$2.22	US\$2.42
Realised copper price (US\$/lb)	US\$3.07	US\$2.85	US\$2.81

Copper cathode production for the quarter was 4,732 tonnes, with 4,389 tonnes of copper cathode sold for the quarter at an average realised price of US\$6,768/t (US\$3.07/lb):

- 15 months (equivalent to 3.6 million man-hours) lost time injury free achieved to end December 2017;
- Commissioning of the hydraulic reclamation plant commenced in July 2017 and was successfully achieved in that quarter. The change to hydraulic reclamation was designed to increase tank leach throughput to the design rate of 50 tonnes per hour and has delivered this outcome. During the December month the tank leach operated at an average throughput of 62 tonnes per hour and 120,485 tonnes of slimes were processed during the quarter;
- The tank leach circuit has now been successfully operated at a range of throughputs including periods exceeding 70 tonnes per hour and work continues to optimise throughput and recovery performance of this circuit;
- The trial mining and heap leach processing of Kipoi North stage 1 commenced during the quarter with 115,146 tonnes of material mined at a grade of 2.19% Acid Soluble Copper (AsCu) and a stripping ratio of 3.6:1 waste to ore ; and
- Kipoi Central pre-strip remains suspended

Mining commenced at the Kipoi North deposit to extract ore predominantly classified as Indicated Mineral Resource. This ore is being crushed and screened and the coarse fraction stacked on the heap leach pad and irrigated to recover copper. The fines fraction is being stockpiled for processing in the future. The Kipoi North deposit is expected to continue to provide feed to the heap leach pads until mid-February 2018.

Mining activities at Kipoi Central remain suspended, deferring the substantial pre-stripping program for the Kipoi Central deposit to allow for the completion of technical and other works to optimise the Life of Mine Plan (LOMP); and a financing program to fund the costs of the future Kipoi Central pre-stripping phase.

## Operational Summary - KIPOI COPPER PROJECT, Democratic Republic of Congo ("KIPOI")

### Production (cont'd)

*Table B: Summary of Kipoi SXEW plant production, sales and costs*

KIPOI SXEW PLANT PRODUCTION, SALES AND COSTS SUMMARY FOR THE QUARTER ENDED 31 DECEMBER 2017				
		Q4 2017	Q3 2017	2017
<b>MINING</b>				
Ore mined	Tonnes	115,146	-	115,146
Material mined	Tonnes	530,549	-	1,415,051
<b>COPPER PRODUCTION</b>				
Copper produced	Tonnes	4,732	4,639	17,630
<b>CATHODE SALES</b>				
Copper cathode sold	Tonnes	4,389	4,508	17,411
Average realised copper price	US\$/t	6,768	6,286	6,193
<b>CATHODE STOCKPILE</b>				
Copper cathode	Tonnes	975	632	975
<b>OPERATING COSTS</b>				
C1 costs	US\$/lb	1.88	1.86	2.03
AISC	US\$/lb	2.72	2.22	2.42

Kipoi produced 4,732 tonnes of copper cathode for the quarter with full year production of 17,630 tonnes.

Copper production improved during the quarter because of actions taken to further improve the throughput in the tank leach circuit which is now outperforming its design throughput of 50 tonnes.

Low grade ore stockpiles of heap leach feed material were fully depleted during the quarter, with 19,666 tonnes stacked on the heap.

Irrigation of ore stacked on the heap leach is currently planned to continue through to Q4 2018. Once the final Kipoi North ore is stacked on the heaps, and in the absence of feed from other sources, the copper production from the heap leach process will begin to reduce and tail off.

The Company continues to pursue opportunities to source additional heap leach feed material until recommencement of mining at Kipoi Central can be funded.

Trial mining at Kipoi North commenced during the quarter, supplying ore to continue feeding heap leach stacking. A total of 90,938 tonnes of Kipoi North ore was stacked at a total copper grade of 1.70% AsCu.

Tank leach throughput exceeded design levels, with 120,485 tonnes processed at an estimated head grade of 3.12% TCu. Copper recovery in the tank leach circuit for the quarter was reported as 82.6%.

## Operational Summary - KIPOI COPPER PROJECT, Democratic Republic of Congo ("KIPOI")

### Production (cont'd)

Hydraulic reclamation and processing of TSF1 material through the tank leach circuit is scheduled to continue into the second half of the 2018 calendar year when it is expected that all of the TSF1 slimes will have been reprocessed.

### Operating costs

Cash operating costs for the quarter were US\$1.88/lb and all-in sustaining costs (AISC) were US\$2.72/lb.

The AISC includes sustaining capital of \$0.61/lb.

### Life of mine plan (LOMP) update

The Company is undertaking an update and optimisation of its LOMP. The program incorporates recent strategic thinking on mining and processing options, and operating experience. The LOMP is scheduled to be progressed over H1 2018 with an options study expected to be completed in Q2 2018. Preliminary technical and financial modelling of the plan has been completed and will be updated on an ongoing basis to form part of the development of the Company's strategic financing initiatives.

As reported last quarter the LOMP update program included two drilling programmes – a grade control drilling programme and a metallurgical testwork drilling programme.

1. The grade control drilling program designed to delineate and quantify additional copper mineralisation visible within the Kipoi pre-strip zone has been completed. This programme did not intersect any significant mineralisation within the prestrip zone.
2. The metallurgical drilling programme designed to provide additional information on copper recoveries and acid consumption on oxide and transitional ores within the current planned Kipoi Central Open Pit has been completed. A Metallurgical test work programme is underway with preliminary results anticipated late in the first quarter of 2018.

## Operational Summary - KIPOI COPPER PROJECT, Democratic Republic of Congo (“KIPOI”)

### Cashflow improvement initiatives

During 2017 a number of initiatives designed to improve the operating cash flow were identified and progressed.

These included:

1. Improving tank leach throughput
  - A significant improvement in tank leach performance has been achieved in 2017 and by December the tank leach process was consistently outperforming the designed throughput and copper recovery.
  - Work continues to further debottleneck the process towards achieving 75 tonnes per hour throughput in Q1 2018.
2. Trial mining and heap leach processing of Kipoi North ore
  - The pre-existing low grade heap leach feed stockpiles at Kipoi were fully depleted in October 2017.
  - The trial mining and processing of Kipoi North was designed to generate heap leach feed material through to end February 2018 and productively utilise the capacity of the heap leach stacking facility.
  - This trial has been successful, progressed in line with the plan, and is generating the expected cash flows. The current phase of mining and stacking of Kipoi North ore is expected to be completed in February.
  - The opportunity for further mining and processing of additional Kipoi North ore is being evaluated.
3. Fines Optimised Heap leaching
  - Work progressed in the last quarter of 2017 to prepare for the arrival of the 38 tph pilot plant in early 2018.
  - Final components are expected to arrive at Kipoi in February and the pilot program is expected to be commissioned within the first quarter of 2018.
  - This pilot trial may create an opportunity for early recovery of the copper contained in the fines stockpiles at Kipoi.
4. Sourcing 3<sup>rd</sup> party ore
  - The company has identified multiple potential sources of 3<sup>rd</sup> party ore within close proximity to the Kipoi Operation. Commercial discussions are at an advanced stage with one potential supplier and the Company is currently progressing Board and Lenders approvals with a view to commence purchase and processing of ore within the first quarter 2018.

## Cobalt

The Kipoi operation leaches cobalt into solution as a result of leaching copper. The opportunity to recover the cobalt from solution and to produce a saleable product is being considered within the Life of Mine Plan (LOMP) exercise currently underway. The Company will provide further updates as the LOMP work is completed.

## Cash & borrowings

As at 31 December 2017, the Company held cash and cash equivalents of US\$5.1 million (30 September 2017: US\$4.3 million). Copper cathode inventory on hand at the end of the quarter was 967 tonnes with an invoice value of approximately US\$6.6 million.

Borrowings as at 31 December 2017 were US\$190.3 million of secured facilities (principal and capitalised interest) and US\$19.7 million of short-term facilities provided by DRC banks.

## Divestment of DRC operations

Tiger has entered into a binding Share Purchase Agreement (“SPA”) and Royalty Deed with Sinomine Fuhai (Hong Kong) Overseas Resource Investment Co., Ltd. (“Sinomine HK”). Under the terms of the SPA, Sinomine HK will acquire 100% of Tiger’s shares in its subsidiaries and its interests in the Kipoi Project, Lupoto Project and La Patience permit.

In exchange, Tiger is entitled to receive total consideration of US\$260.0 million, comprising cash payments totalling US\$250.0 million and the assumption of liabilities by Sinomine HK totalling US\$10.0 million. The cash payments will be made in two instalments. The initial instalment of US\$230.0 million will primarily be applied to the repayment of the Company’s outstanding secured debt liabilities. The second instalment of US\$20.0 million will be paid 3 months after the initial instalment, and is subject to typical working capital adjustments. Tiger’s total borrowings as at 31 December 2017 were US\$210.0 million.

In addition, under the terms of the Royalty Deed, Tiger is entitled to receive royalty payments from revenue generated from the sale of copper and cobalt by Sinomine HK of up to an aggregate amount of US\$20.0 million.

These royalties will comprise an entitlement to:

- a 50% share of the revenue earned in excess of a realised price for Sinomine HK’s copper sales of USD 6,700 per tonne, for a period of 30 months following completion of the Transaction; and
- a 5% royalty payable on Sinomine HK’s revenue from the sale of cobalt products, during each month in which Sinomine HK’s average realised cobalt price is more than USD 50,000 per tonne, for a period of 30 months following commissioning of a cobalt plant at the Kipoi Project.

The Transaction is subject to a number of conditions, including:

- receiving approval from Tiger shareholders;
- obtaining regulatory approvals in China, Australia and the DRC;
- no material adverse change occurring in relation to Tiger’s subsidiaries or its assets;
- agreeing a form of the escrow deed within 30 days;
- completion of the transaction prior to 30 June 2018;

- Sinomine HK's bank and the Senior Lenders agreeing the payment mechanism and procedures for completion to coordinate the release of all security and establishment of new security within 30 days; and
- confirmation that each Senior Lender (in its capacity as a shareholder) intends to vote in favour of the Transaction, in the absence of a superior proposal emerging.

For full details on the divestment of the DRC operations, please refer to the ASX announcement dated 22 January 2018.

## Board of Directors

David Frances joined the Company during the quarter as Chairman. Mr Frances is an International mining executive of 25 years with a track record of developing assets in the DRC with Mawson West (TSX: MWE) from 2006- 2012. He developed MWE from a Western Australian gold hopeful into a significant international copper producer, developer, and explorer in the DRC.

Mark Connelly remains on the Board as a Non-Executive Director.

For further information in respect of Tiger's activities, please contact:

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