

12 May 2020

DEBT RESTRUCTURE AND OPERATIONAL UPDATE

Perth, Western Australia: Tiger Resources Limited (**Tiger** or **Company**) refers to its previous announcements regarding the debt restructure by way of a creditors' scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (**Corporations Act**) (**Scheme**).

Tiger provides the following updates on the status of the Scheme and its operations:

- the Scheme has been approved by the Scheme creditors and the Federal Court of Australia and the Company is in the process of working towards implementation of the Scheme, although notes that COVID-19 has affected the timing for implementation which is currently uncertain;
- operations have been temporarily suspended as a result of COVID-19 restrictions; and
- the Company produced 4,049 tonnes of copper cathode during Q3 (to 31 March 2020), an increase of 18% on the previous quarter, at a realised copper price of US\$2.54 per pound, US\$5,601 per tonne.

Further information regarding these developments is contained below.

Scheme update

On 17 February 2020, the Scheme was approved unanimously by the Scheme creditors present and voting for the purposes of section 411 of the Corporations Act.

On 21 February 2020, the Court made orders approving the Scheme, with a number of conditions precedent to be completed before it could take effect. All conditions precedent have now been satisfied however before the Scheme can be implemented certain implementation steps needs to be completed, including the issue of new shares to the Scheme creditors (or their nominee).

The COVID-19 pandemic (and associated restrictions) has impacted the Company in a number of respects, including that implementation of the Scheme has not yet occurred.

The "End Date" for the Scheme is 27 August 2020. The Scheme provides that if all the implementation steps have not occurred by that date, then with effect from that time the Scheme will no longer be capable of implementation and the Scheme will lapse, terminate and be of no further force or effect.

The Company had previously entered into forbearance arrangements with the senior lenders pursuant to which they had agreed not to accelerate or enforce their claims against Société d'Exploitation de Kipoi S.A. (**SEK**) or the Company. Most recently, two of the Company's senior lenders, Taurus Mining Finance Fund, L.P. (**Taurus**) and QMetco Limited (**QMetco**) entered into a forbearance arrangement, providing relief in relation to certain defaults that had arisen under the financing arrangements (**Previous Forbearance Arrangement**). The Previous Forbearance Arrangement was scheduled to end on 30 April 2020 if the Scheme had not been implemented to the satisfaction of the senior lenders by that time. In addition, the senior lenders currently remain bound by the terms of the Scheme, including the standstill provisions in the Scheme, which provide a stay of actions by the senior lenders under the financing arrangements.

The Scheme was intended to provide a holistic restructure of the Company's balance sheet in order to provide the Company with a more stable and sustainable capital structure. If the Scheme is not implemented by the "End Date" the Company will need to investigate alternative options to facilitate a broader capital restructure.

Operations update

In March 2020, the World Health Organization declared the outbreak of a novel strain of coronavirus (**COVID-19**) a pandemic. Our primary goal during the COVID-19 pandemic is the preservation of life. We have prioritized protecting the health and safety of our employees and continuing to use our employees' talents and our resources to help society meet and overcome the challenges the pandemic poses.

COVID-19 has seen countries, communities and companies across the globe taking unprecedented action to protect the lives and health of those individuals they are responsible for.

In a direct response to the COVID-19 pandemic, the Company (through its operating subsidiary, SEK) has been forced to take the following measures:

- reduce staff working on site in order to avoid overcrowding and unnecessary contact;
- reduce operations to only essential staff who will be based on-site, with some people working remotely. The main task will be to maintain the operations and to keep the plant in good condition; and
- containment of the mine site for a period to be determined. During this period, and to ensure their protection, on-site personnel will not come into contact with anyone outside of the mine site.

The Company will consider a range of further expenditure containment measures designed to deal with prolonged economic and logistical impacts of the COVID-19 pandemic.

Due to the restrictions on movement between countries as a result of COVID-19, the Company is unable to have some essential personnel on site or have access to much needed supplies. Recent restrictions of movement within the Democratic Republic of Congo (**DRC**) have also hampered operations.

In April 2020, operations in the DRC were temporarily suspended due to the impacts of the COVID-19 pandemic and the Company's concern for the safety of its employees and contractors.

There remains uncertainty around the length of the suspension and restrictions on movement as well as the ongoing economic and social implications as a result of COVID-19. Given the inherent unpredictability associated with the COVID-19 pandemic and any further contingency measures that may be put in place which may impact operations, it is difficult to accurately forecast the full financial impact on the Company at this time. However, the effect on revenue will be significant which currently is expected to result in an urgent need for cash to be able to resume operations.

Cash & borrowings

As at 31 March 2020, the Company held cash and cash equivalents of US\$1.9 million (31 December 2019: US\$1.6 million). Copper cathode inventory on hand at the end of the quarter was 695 tonnes with an invoice value of approximately US\$3.1 million.

Borrowings as at 31 March 2020 comprised US\$275.6 million of secured facilities (principal and capitalised interest and fees) and US\$18.2 million of facilities provided by DRC banks. As the record date of the Scheme is 25th March 2020, once implemented the senior secured borrowings will be \$103.4 million and interest will be calculated on the restructured amount from this date.

The Company is in discussions with its senior lenders and other potential financiers to address the Company's current cashflow requirements, in order to sustain the business until operations can resume. Therefore, the Company's current focus is to address its near-term cashflow requirements and be in a position to raise additional capital to fund the restart of operations.

There is no guarantee that those discussions will lead to an appropriate outcome or that the Company will be able to secure alternate funding on acceptable terms and within the time required, if at all, in the circumstances.

Other corporate updates

In February 2020:

- Mr Mike Anderson was appointed Executive Chairman of Tiger pursuant to QMetco funding arrangements. Chief Operating Officer, Mr Jozsef Patarica, left the Company in April 2020.
- Rawbank SA agreed to restructure the US\$5 million loan facility which it provided to SEK (**Loan Facility Restructure**). Under the terms of the Loan Facility Restructure the \$US5m overdraft facility has been converted to a US\$5 million Long Term Credit Facility (**Long Term Credit Facility**). The Long Term Credit Facility will be repayable in 30 monthly payments of approximately US\$166,000, commencing in June 2020. An interest rate of 7% per annum payable monthly and a bank fee representing 1% of the loan amount will apply. The extension of the facility is subject to certain conditions, including a guarantee provided by Company.

During the quarter ending 31 March 2020, Tiger increased production by 18% on the previous quarter, producing 4,049 tonnes of copper cathode at an all-in sustaining cost ("AISC") of \$3.42/lb copper. This provided a 14% decrease in AISC compared to the prior quarter. Total copper cathode sold for the quarter was 3,772 tonnes at an average realised price of US\$2.54/lb (US\$5,601/t).

During the quarter, 212,286 tonnes of ore was stacked on the heap leach pads, with an estimated total copper grade of 1.54% TCu and an acid soluble copper grade (“AsCu”) of 1.26%. The tank leach processed 97,083 tonnes at an estimated average copper grade of 1.45% TCu and an AsCu of 1.33%.

There were no lost time injuries during the quarter. Tiger is committed to ensuring the health and safety of its employees and contractors. The Company will continue its efforts to improve hazard and risk awareness across its business.

C1 Cash operating costs for the quarter were US\$3.17/lb and AISC were US\$3.42/lb.

Further information

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