

31 July 2017

### Corporate Overview

- During the quarter Tiger Resources Ltd (Tiger or the Company) in consultation with its advisers progressed a comprehensive strategic review and restructuring of operational, technical and financial aspects of the Company. The review includes focus on the implementation of initiatives to improve the Company's operational and financial performance and to lead to a recapitalisation of the Company. The review also seeks to realise the value of the Company's assets in the interests of its shareholders and other stakeholders. This review and related initiatives are ongoing and to date have included:
  - Actions to improve operational performance to increase copper production and cash generation;
  - Review of all planned expenditure to significantly reduce capital and operating expenditure and further improve the cash performance of the business;
  - Securing the continued support of the Company's senior lender group, including extension to repayment terms and other waivers;
  - Arrangement of a new debt facility supported by the existing senior lending group, and which is currently being reviewed by the Company. These funds will allow the Company to carry out capital and production improvement works and provide general working capital, through to completion of a recapitalisation of the Company;
  - Obtaining key supplier and business partner support for deferred payment terms whilst the recapitalisation process is being effected;
  - Update of the Life-of-Mine Plan (LOMP): A program has commenced to update the Company's LOMP, including a number of optimisation work streams, scheduled for completion by year end. This program is advancing well and preliminary findings show significant value for the Kipoi Operation, supporting the proposed future recapitalisation value; and
  - The Company strengthened the management team with the appointment of David Wrigley as Chief Financial Officer and Gordon Thompson as Chief Operating Officer.
- US\$4.6 million of cash and cash equivalents was held as at 30 June 2017.
- The Company remains in voluntary suspension from trading on the Australian Securities Exchange (ASX). As noted above the Company is progressing a restructuring and recapitalisation process with the support of its advisers and in consultation with the senior lending group. The Company will keep shareholders updated as to the progress of this process.

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

### Production:

*Table A: Summary of Kipoi production and costs*

	Q2 2017	Q1 2017
Copper produced (tonnes)	4,204	4,055
Cash operating costs (US\$/lb)	US\$2.14	US\$2.23

Copper cathode production for the quarter was 4,204 tonnes, with 4,431 tonnes of copper cathode sold for the quarter at an average realised price of US\$5,806.70/t, (US\$2.63/lb):

- There were no lost time injuries or environmental incidents reported during the quarter;
- Copper production for Q2 2017 was 4% higher than for Q1 2017;
- Crushing and stacking of heap leach ore from stockpiles and re-processing of high grade tailings through the tank leach process continued during the quarter;
- Civil works and equipment installations in readiness for the commissioning of hydraulic reclamation of tailings were progressed. Commissioning of the hydraulic reclamation plant commenced in July 2017. The hydraulic reclamation upgrade is designed to increase tank leach throughput;
- Kipoi Central pre-strip deferred until 2018; and
- 91% of electrical power for Kipoi was drawn from the grid for the quarter.

During the quarter, the stabilisation of production benefited from:

- Modification of the tank leach feed system to alleviate some bottlenecks, improving availability and throughput rate;
- Increased stock of copper in solution in the SXEW plant, facilitating enhancement of SXEW performance and improved consistency of metal production; and
- Positive grade reconciliation of the ore stockpiles stacked onto the heap leach, outperforming the modelled grade of 1.12% TCu (Total Copper).

Mining activities at the Kipoi Central pit were suspended during the quarter, deferring the substantial pre-stripping program for the Kipoi Central orebody to allow for the following activities to be undertaken:

- The completion of technical and other works to optimise the Life of Mine Plan (LOMP); and
- A capital raising 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 30 JUNE 2017			
		Q2 2017	Q1 2017
<b>MINING</b>			
Material mined	Tonnes	158,013	726,500
<b>COPPER PRODUCTION</b>			
Copper produced	Tonnes	4,204	4,055
<b>CATHODE SALES</b>			
Copper cathode sold	Tonnes	4,413	4,084
Average realised copper price	US\$/t	5,807	5,877
<b>QTR END CATHODE STOCKPILE</b>			
Copper cathode	Tonnes	501	728
<b>OPERATING COSTS</b>			
C1 costs	US\$/lb	2.14	2.23
AISC	US\$/lb	2.28	2.65

Kipoi produced 4,204 tonnes of copper cathode for the quarter. Copper production continued to be negatively impacted by damage to the Intermediate Leach Solution (ILS) pond and the inability to achieve the designed operating performance in the tank leach circuit.

Heap leach operations continue to operate a two-stage leach process, utilising the smaller decant pond as a temporary ILS pond. The decant pond is only one third of the volume of the damaged ILS pond which adversely affects solution management and copper production, with repairs to the damaged ILS pond commencing during the quarter (repairs could only commence after the end of the wet season) and are progressing.

300,355 tonnes of ore was reclaimed from low grade ore stockpiles and stacked on the heap leach pads during the quarter, with an estimated total copper grade of 1.37%, higher than the modelled ore stockpile grade of 1.12% TCu.

During the quarter 43,810 tonnes of HMS Slimes were processed through the tank leach at an estimated average copper grade of 4.02%. Copper recovery in the tank leach circuit for the quarter was reported as 70%.

To address the materials handling issues negatively impacting tank leach throughput and as reported in the March 2017 quarterly report, the HMS slimes recovery method is being changed to utilise hydraulic monitors to excavate the tailings and pump the resultant slurry into the tank leach circuit. A hydraulic reclamation contractor has been mobilised to the Kipoi site and commenced commissioning of their equipment in July 2017. The hydraulic reclamation equipment mobilised to site is rated to deliver a feed rate exceeding the 50 tonnes per hour design throughput for the tank leach circuit.

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

### **Production (cont’d)**

During the quarter, 158,013 tonnes of waste was mined from the Kipoi Central pit prior to the suspension of mining activities.

At the current rate of stockpile recovery and stacking on the heap leach, it is expected that existing stockpiles of heap leach feed material will be fully depleted by October 2017, when heap leach stacking activities will be suspended until the re-commencement of mining from Kipoi Central.

Irrigation of the heap leach pads and production of copper from the heap leach pads is planned to continue through Q4 2017.

### **Operating costs**

Cash operating costs for the quarter were US\$2.14/lb and all-in sustaining costs (AISC) were US\$2.28/lb.

The AISC includes mining, stockpile reclaim and civil costs of US\$0.33/lb.

Power from the national electricity grid provided 91% of electricity demand limiting the amount of diesel generated power.

### **Life of mine plan 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 the remainder of the year. Initial 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.

It is anticipated that, subject to available funding, the LOMP update program may also involve a grade control drilling program designed to delineate and quantify additional copper mineralisation visible within the Kipoi pre-strip zone and that does not currently form part of the mineral resources, and which has potential to improve future short term mine economics.

### **Cash & borrowings**

As at 30 June 2017, the Company held cash and cash equivalents of US\$4.6 million (31 March 2017: US\$3.0 million). Copper cathode inventory on hand at the end of the quarter was 501 tonnes with realisable value of approximately US\$2.7 million.

Borrowings as at 30 June 2017 comprised US\$177.6 million of secured facilities (principal and capitalised interest and fees) and US\$21.0 million of short-term facilities provided by DRC banks.

The Company is not currently generating sufficient cash from the Kipoi operation to meet its commitments to the senior lending group. The senior lending group have provided the Company with a series of monthly waivers from certain covenants arising from the senior financing facility and have extended the dates for the first and second repayment instalments required under this facility. The most recent of these waivers was reported in the ASX release of 3 July 2017.

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

### Cashflow improvement initiatives

A number of actions have been taken to address cost and liquidity issues in the DRC operations which include:

- Identification of revenue improvement opportunities which will be further explored in the next quarter including:
  - Potential to improve tank leach throughput to more than 50 tonnes per hour; and
  - Possibility to source, procure and treat third party sources of ore on the Kipoi leach pads from October 2017 until mining recommences from Kipoi.
- Stabilisation of supplier relationships, including the implementation of creditor repayment standstill agreements with key suppliers;
- Reduction in site operating and capital costs, with a program to achieve significant further cost savings identified. Measures include:
  - Comprehensive review and reduction in planned capital expenditure;
  - Improvement of cash flow forecasting and expenditure control processes;
  - Reduction in the expatriate workforce at the Kipoi operation; and
  - Engagement with key suppliers such as the contract crushing and mining/materials handling and civil construction service providers to improve efficiencies and reduce costs.
- Commencement of the insurance claim process under the Company’s property damage and business interruption policies regarding the ILS pond breach:
  - Loss adjusters inspected the Kipoi site during the quarter and technical and other information has since been prepared and submitted by the Company;
  - Indemnity has been granted by the insurance underwriters which is a key step towards the Company receiving payments under the policy; and
  - The Company has engaged specialist advisors to assist in the submission and final resolution of the insurance claim.

### Management

The Management team has been strengthened with the following appointments:

Gordon Thompson has been appointed as Chief Operating Officer of the Company, responsible for DRC operations. Mr Thompson is a mining engineer with extensive operational experience as General Manager, Chief Operating Officer and Chief Executive Officer in The Democratic Republic of the Congo, Ivory Coast, South Africa and Australia.

David Wrigley has been appointed as Chief Financial Officer. Mr Wrigley is a member of both the Australian Institute of Company Directors, the Institute of Chartered Accountants Australia and New Zealand and holds a Bachelor of Business Accounting and Finance. David has previously delivered financial leadership roles for Cudoco Ltd, Consolidated Minerals Holding (Australia) Pty Ltd, Alacer Gold and Alinta Ltd having commenced his professional career with PricewaterhouseCoopers.

## Restructuring and recapitalisation

The Company remains in voluntary suspension from trading on the ASX whilst it progresses a restructuring and recapitalisation process with the support of the senior lending group. The Company will keep shareholders updated as to the progress of this process.

The Company with the assistance of its advisors continues to seek to identify and secure potential investors.

As part of the restructuring and recapitalisation process, the Company continues discussions with the senior lending group and its advisors to pursue recapitalisation options that can facilitate the investment required to implement the life of mine plan for Kipoi and to realise the inherent value in the Kipoi operation

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