



Copper Production and a Re-Set for Debt Reduction

February 2017

Disclaimer

Caution Regarding Forward Looking Statements and Forward Looking Information: This announcement contains forward looking statements and forward looking information, which are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements and forward looking information, including but not limited to those with respect to the SXEW plant at Kipoi, involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of copper, the compliance with debt finance covenants, the volatility in global financial markets, the actual results of future mining, processing and development activities and changes in project parameters as plans continue to be evaluated. There can be no assurance that the SXEW plant will operate in accordance with forecast performance, that anticipated metallurgical recoveries will be achieved, that future evaluation work will confirm the viability of deposits identified within the project, that future required regulatory approvals will be obtained, that the expansion of the Kipoi Project will proceed as planned and within expected time limits and budgets or that, when completed, the expanded Kipoi SXEW plant will operate as anticipated.

Production Targets: All Production targets referred to in this Report are underpinned by estimated Ore Reserves which have been prepared by competent persons in accordance with the requirements of the JORC Code.

Competent Person Statement: The information in this report that relates to the Mineral Resources and Ore Reserves were first reported by the Company in compliance with JORC 2012 in market releases dated as follows:

Kipoi Central, Kipoi North and Kileba Ore Reserves (Stage 2 SXEW) – 16 April 2015;

Kipoi Central, Kipoi North and Kileba Mineral Resources – 16 April 2015;

Judeira Mineral Resource – 26 November 2013; and

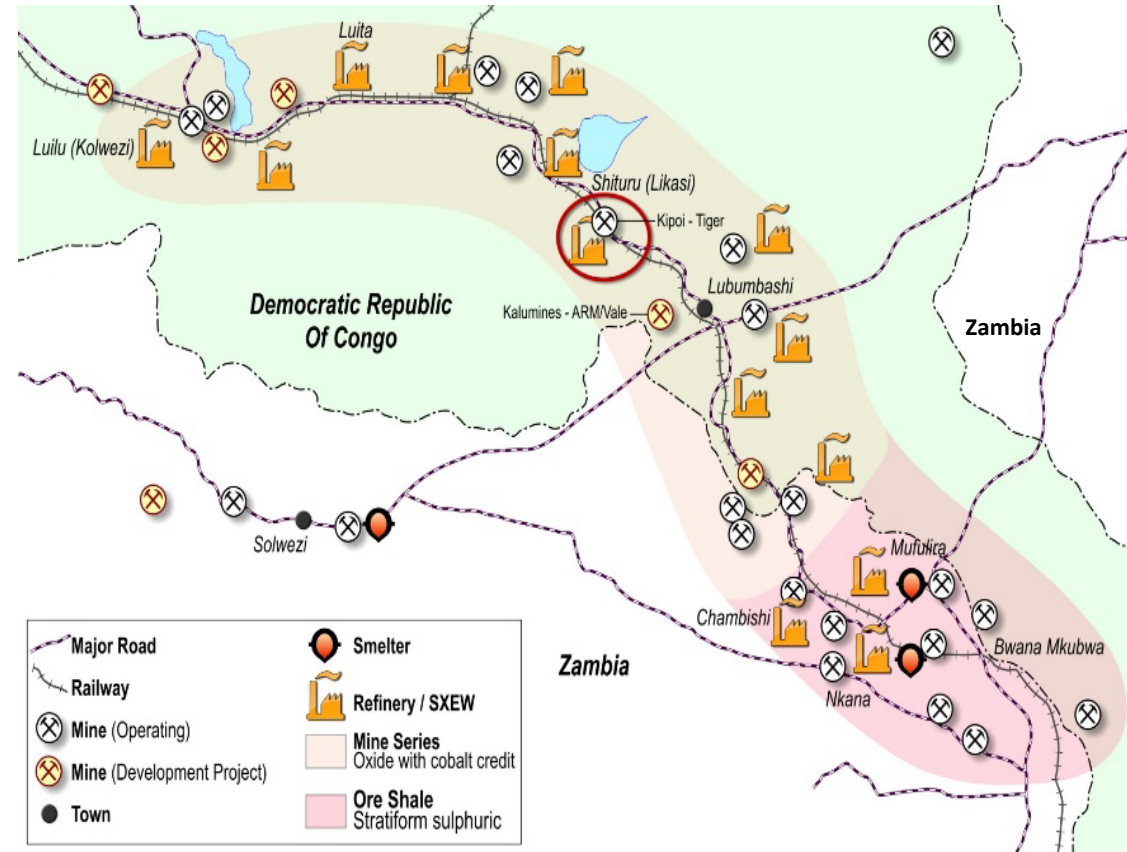
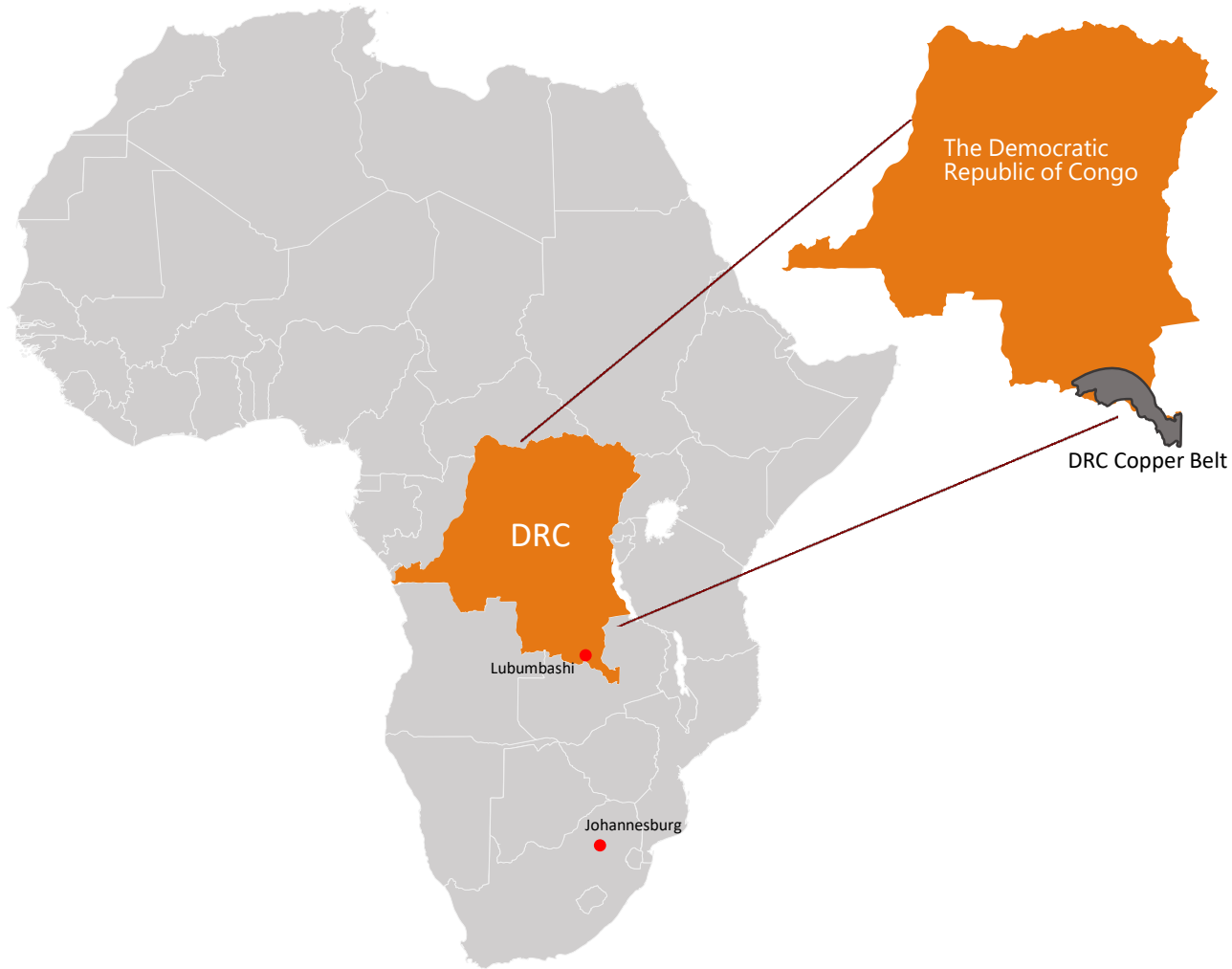
Sase Central Mineral Resource (Lupoto Copper Project) - 12 July 2013.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred to above and further confirms that all material assumptions and technical parameters underpinning the ore reserve and mineral resource estimates contained in those market releases continue to apply and have not materially changed.

Corporate Snapshot

ASX Code	TGS
Shares on Issue	1.94b
Share Price (1st Feb 2017)	A\$0.043
Market Capitalisation (1st Feb 2017)	A\$83.4m
Net Debt (31 December 2016)	US\$ 181.4m
Options/Performance Rights on Issue	85.7m
<u>Directors</u> Chairman: Mark Connelly CEO/MD: Brad Sampson NED: Ian Kerr NED: Shawn McCormick NED: Michael Griffiths	<u>Major Shareholders (30 Dec 2016)</u> Resource Capital Funds 14.5% International Finance Corporation 9.8% Todd Hannigan and Tom Todd 8.1% Republic Investment Management 6.3%

The Democratic Republic of Congo (DRC)



2016 Operations Summary

- 23,119 tonnes of copper cathode produced (LME Grade A equivalent copper product)
- 1.29mt ore stacked to heaps grading 1.48% AsCu.
- Kipoi Central orebody cutback commenced.
- 72% Government Grid power achieved
- Cash operating cost of US\$1.59/lb
- All-in sustaining cost of US\$1.76/lb
- Realised Copper Price US\$4,849/t
- ILS Pond failure Q4, affected production.

1. All in sustaining cash cost includes cash operating costs plus royalties and sustaining capital



Debottlenecking Summary

- Capital works program to expand production by 30% to 32,500tpa completed
 - 14 additional EW cells installed and commissioned
 - Cofferdam within new Tailings Storage Facility commissioned.
 - Tank Leach commissioning of facility underway
- Further expansion of Tank leach to 100t/h – 2H 2017.



Debottlenecking



Coffer Dam



Electro-Winning



Tank Leach

Safety and Security

- Kipoi remains fatality free
- 2 Lost Time Injury (LTI) during 2016
- Over 6.5million cumulative man hours prior to LTI incidents.
- Keys to success:
 - Robust safety management standards
 - Active safety leadership development program
 - Proactive Training Programs
 - Provision of a safe and secure environment for all personnel



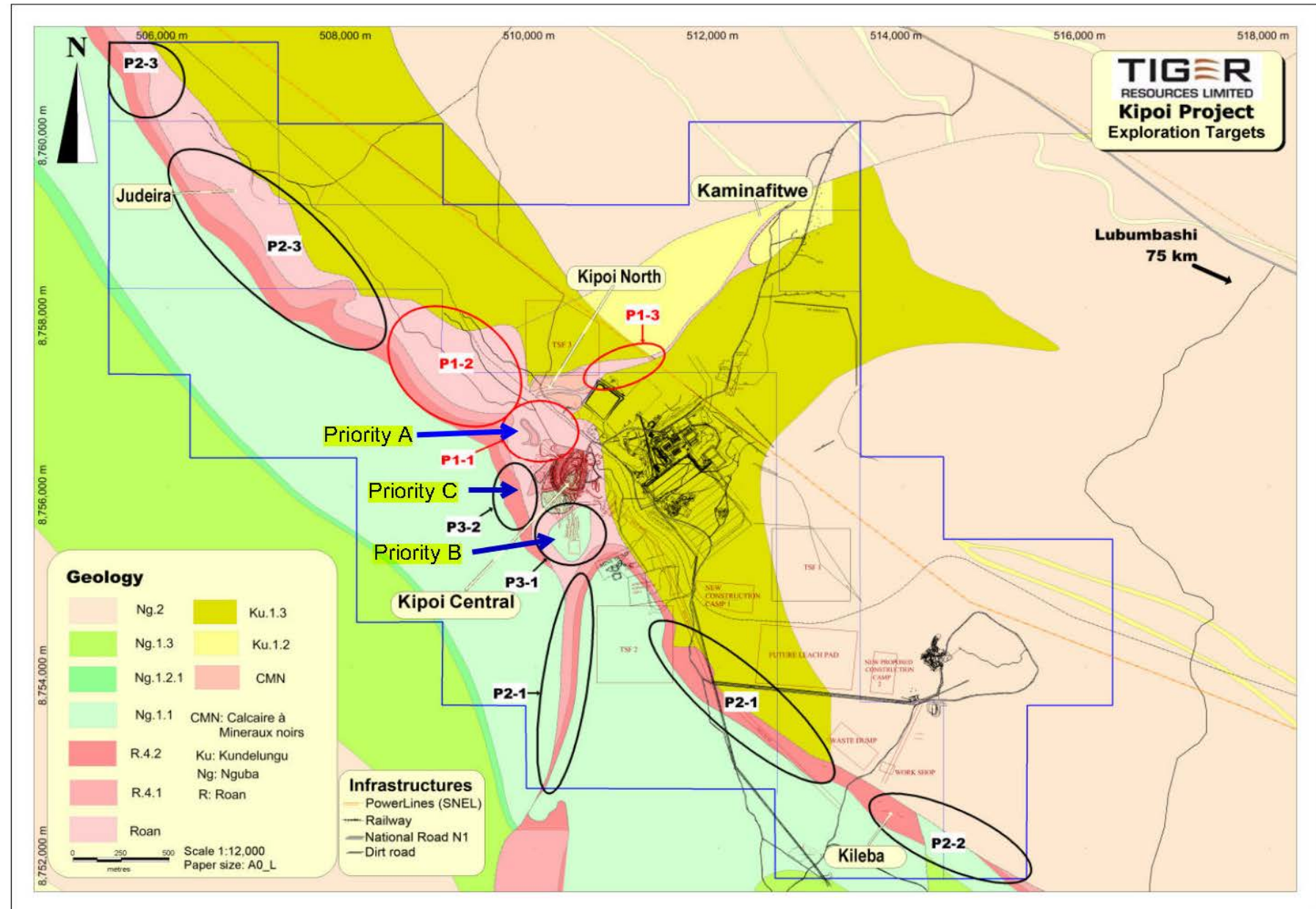
Community

- Co-ordinated approach with our community stakeholders
- Women and children health initiatives in place
- Clinic construction and fit out completed
- Construction of a school
 - Associated power, water and internet access to facilitate a constructive educational environment
- University support programs
- Co-operative farming – maize cropping initiative entering 3rd year.



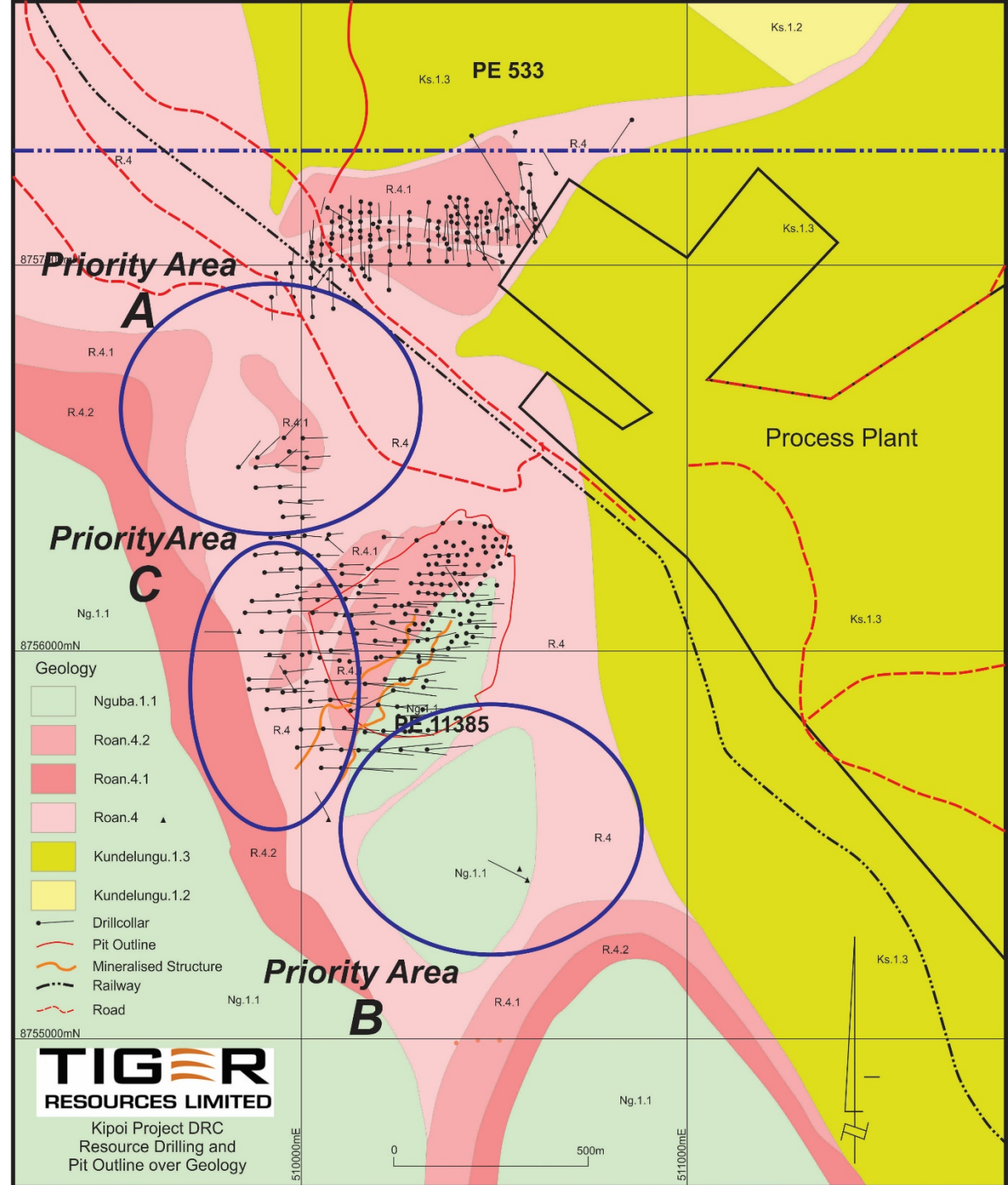
Near Mine Exploration Potential

- Overall Potential
 - +12 km of strike identified
- Near Mine Priority



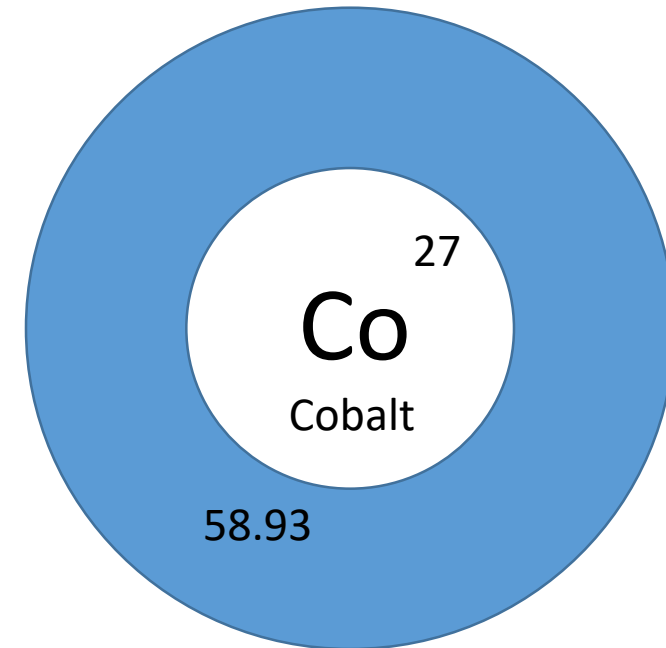
Priority Areas

- Priority A
 - Over 20 diamond drill holes completed, near surface mineralisation & open along strike
- Priority B
 - Water Bore intercepted 20m of oxide copper (0.5-1% Cu)
 - Open at depth
- Priority C
 - Conceptual structural target



Cobalt

- Independent study identified sufficient cobalt potential within the current Kipoi copper leach circuit to justify further investigation.
- Two potential process routes identified:
 - Cobalt intermediate recovery (cobalt hydroxide)
 - Cobalt refining (cobalt cathode metal)
- Study recommended detailed test work with the development of a Cobalt Hydroxide Circuit as a first step, with an estimated a capital cost of US\$22 million (+/- 40%) for a 1,000tpa circuit.



2017 Outlook

- Management Re-structure underway
- Challenge operating performance to maximise incremental production gains
- Meet production targets
- Ongoing cost reduction initiatives to improve efficiencies
- Maintain and improve high safety and security record
- Mining at Kipoi Central Q1-17
- Expand the Tank Leach from 50t/h to 100t/h
- Investigate Brownfields Exploration Potential
- Advance Cobalt opportunity



Further Information

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