Appendix 4E

Preliminary Final Report
31 December 2016

For the year ended:	**31 December 2016**	*Corresponding year ended:*	**31 December 2015**

Results for announcement to the market

		Twelve months to 31 December 2015 $'000		Twelve months to 31 December 2016 $'000
Revenue from ordinary activities	Down 23% from	146,376	to	**112,688**
Loss after tax from ordinary activities	Up 1,011% from	(17,867)	to	**(198,573)**
Loss after tax attributable to members	Up 987% from	(17,507)	to	**(190,234)**

Net tangible assets per share

	31 December 2015	31 December 2016
Net tangible assets per share	$0.10	($0.02)

Explanation of revenue and loss after tax from ordinary activities
The consolidated entity recorded a loss after tax attributable to the owners of Tiger for the year ended 31 December 2016 of $190.234 million (31 December 2015: $17.507 million), representing loss per share of 10.64 cents (31 December 2015: 1.52 cents per share). The increase in the loss after tax from ordinary activities was primarily due to a reduction copper production and the realised copper price in 2016 from 2015, impairment of the Kipoi cash generating unit and the provision for doubtful debts related to VAT and prepayments in respect of the energy efficiency and network reinforcement program.

Dividends / distributions
No dividends were paid during the year and the Directors do not recommend payment of a dividend.

Investments in controlled entities
Wholly owned and controlled subsidiaries of Tiger Resources Limited:
- Tiger Resources Finance Limited
- Havelock Finance Limited
- Balcon Holdings Limited
- Balcon Investments and Logistics (Pty) Limited
- Tiger Congo SARL
- Congo Minerals SARL
- Sase Mining SARL
- Société d'Exploitation de Kipoi SA

Investments in associates and joint ventures
At the reporting date, Tiger Resources Limited held no investments in associates or joint ventures.

Audit
This report is based on the Consolidated Financial Statements that have been subject to a full Audit by the Company's Auditor.

All entities incorporated in the Consolidated Group's results were prepared under AIFRS.

Other information
The income statement, statement of financial position, statement of cashflows and associated notes are contained in the financial statements in the attached Financial Report for the year ended 31 December 2016. Other detailed commentary on the variation between the results for the year ended 31 December 2016 and the comparative period is provided in the Directors Report of the Financial Report.

Except for the matters noted above, all the disclosure requirements pursuant to ASX Listing Rule 4.3A are contained within the Tiger Resources Limited 31 December 2016 Consolidated Financial Statements which accompany this Preliminary Final Report.

Date: 26 October 2017

Mark Connelly
Chairman

TIGER RESOURCES LIMITED

ABN 52 077 110 304

Annual Report
31 December 2016

expressed in United States Dollars, unless stated otherwise

Contents

Corporate Directory

DIRECTORS	Mark Connelly *Non-Executive Chairman* Michael Griffiths *Non-Executive Director* Ian Kerr *Non-Executive Director* Shawn McCormick *Non-Executive Director*
CHIEF EXECUTIVE OFFICER	Stuart Bradley Sampson
COMPANY SECRETARY	Narelle Warren
PRINCIPAL REGISTERED OFFICE IN AUSTRALIA	Level 4, 1 Havelock Street West Perth WA 6005 Australia Telephone: +61(8) 6188 2000
SHARE REGISTRY	Computershare Investor Services Pty Ltd Level 11 172 St Georges Terrace Perth WA 6000 Australia Telephone: +61(8) 9323 2000 GPO Box D182 Perth WA 6840
AUDITOR	PricewaterhouseCoopers Level 15, Brookfield Place 125 St Georges Terrace Perth WA 6000 Australia
STOCK EXCHANGE LISTINGS	Australian Securities Exchange (Code: TGS) German Stock Exchange (Code: WKN AOCAJF)
WEBSITE ADDRESS	www.tigerresources.com.au
DEMOCRATIC REPUBLIC OF CONGO OFFICE	Kipoi Operating Site Kambove Territory High Katanga Province Democratic Republic of Congo

Annual Mineral Resources and Ore Reserves Statement

KIPOI COPPER PROJECT, KATANGA PROVINCE, SOUTH EAST DEMOCRATIC REPUBLIC OF CONGO (TIGER 95%)

Table A: Mineral Resources

		Total Kipoi Mineral Resources at 31 December 2016 Kipoi Central is reported above 0.3%Cu and includes Total Stockpiles Kipoi North, Kileba and Judeira are reported above 0.5%Cu					Total Kipoi Mineral Resources at 31 December 2015 Kipoi Central is reported above 0.3%Cu and includes Stockpiles Kipoi North, Kileba and Judeira are reported above 0.5%Cu				
Classification	**Deposit**	**Tonnes (MT)**	**Cu Grade (%)**	**Co Grade (%)**	**Copper (000'T)**	**Cobalt (000'T)**	**Tonnes (MT)**	**Cu Grade (%)**	**Co Grade (%)**	**Copper (000'T)**	**Cobalt (000'T)**
Measured	Kipoi Central	4.6	2.3	0.13	105	5.8	5.9	2.3	0.14	136	8.1
Indicated	Kipoi Central	40.4	1.1	0.06	443	25.9	40.4	1.1	0.06	443	25.9
	Kipoi North	4.0	1.3	0.05	53	1.8	4.0	1.3	0.05	53	1.8
	Kileba	8.6	1.6	0.05	128	4.6	8.6	1.5	0.05	128	4.6
Total Measured & Indicated		**57.6**	**1.3**	**0.07**	**729**	**38.1**	**58.9**	**1.3**	**0.07**	**761**	**40.4**
Inferred	Kipoi Central	2.9	0.8	0.07	23	2.1	2.9	0.8	0.07	23	2.1
	Kipoi North	1.0	1.1	0.03	12	0.4	1.0	1.1	0.03	12	0.4
	Kileba	2.2	1.2	0.04	27	0.9	2.2	1.2	0.04	27	0.9
	Judeira	6.1	1.2	0.04	71	2.2	6.1	1.2	0.04	71	2.2
Total Inferred		**12.2**	**1.1**	**0.05**	**133**	**5.6**	**12.2**	**1.1**	**0.05**	**133**	**5.6**
Total		**69.8**	**1.2**	**0.06**	**862**	**43.6**	**71.1**	**1.3**	**0.06**	**894**	**46.0**

Review of material changes

The decrease in the Kipoi Central Mineral Resource is the result of material processed through the SXEW plant during 2016.

Ore Reserves at Kipoi noted in Table B below are included in the mineral resources in Table A.

Table B: Stage 2 (SXEW) Ore Reserve

		Kipoi Stage 2 SXEW Ore Reserves Mining depleted to 31 December 2016 Kipoi Central is reported above 0.3%Cu and includes Total Stockpiles Kipoi North, Kileba and Judeira are reported above 0.5%Cu			Kipoi Stage 2 SXEW Ore Reserves Mining depleted to 31 December 2015 Kipoi Central is reported above 0.3%Cu and includes Stockpiles Kipoi North, Kileba and Judeira are reported above 0.5%Cu		
Classification	**Deposit**	**Tonnes (MT)**	**Cu Grade (%)**	**Copper (000'T)**	**Tonnes (MT)**	**Cu Grade (%)**	**Copper (000'T)**
Proven	Kipoi Central	1.7	2.6	45	1.7	2.6	45
	Kipoi Central stockpiles	2.7	2.1	58	4.0	2.2	89
Total Proven		**4.4**	**2.3**	**103**	5.7	2.3	134
Probable	Kipoi Central	34.3	1.1	372	34.3	1.1	372
	Kipoi North	1.9	1.5	28	1.9	1.5	28
	Kileba	7.4	1.5	110	7.4	1.5	110
Total Probable		**43.6**	**1.2**	**510**	**43.6**	**1.2**	**510**
Total		**48.0**	**1.3**	**613**	**49.3**	**1.3**	**644**

Review of material changes

The decrease in the Kipoi Central Stage 2 Ore Reserves estimate is the result of mine depletion following the production of 23,119 tonnes of copper cathode during 2016.

LUPOTO COPPER PROJECT, KATANGA PROVINCE, SOUTH EAST DEMOCRATIC REPUBLIC OF CONGO (TIGER 95%)

Table C: Mineral Resource

SASE Central Mineral Resources At 31 December 2016 — Grade tonnage reported above a cut off 0.5% Copper							SASE Central Mineral Resources at 31 December 2015 — Grade tonnage reported above a cut off 0.5% Copper				
Classification	Deposit	Tonnes (MT)	Cu Grade (%)	Co Grade (%)	Copper (000'T)	Cobalt (000'T)	Tonnes (MT)	Cu Grade (%)	Co Grade (%)	Copper (000'T)	Cobalt (000'T)
Indicated		9.6	1.39	0.05	134	5	9.6	1.39	0.05	134	5
Inferred		2.8	1.21	0.03	34	1	2.8	1.21	0.03	34	1

<u>Review of material changes</u>

There has been no change to the Mineral Resources at SASE Central from December 2015 to December 2016. No material exploration activity took place at SASE Central during 2016.

Governance and internal controls

The Company's procedures for the sample techniques and sample preparation are regularly audited by independent experts. Assays are performed by independent internationally accredited laboratories with a QAQC program showing acceptable levels of accuracy and precision.

The exploration assay results database is independently maintained by CSA Global.

The mineral resource and ore reserve estimate are undertaken independently by Cube Consulting Pty Ltd.

The grade control drilling and reconciliation to the mine models are completed at Kipoi and reviewed independently by Cube Consulting Pty Ltd on an annual basis.

COMPETENT PERSON STATEMENT

The information in this Annual Mineral Resources and Ore Reserves Statement is based on, and fairly represents information and supporting documentation prepared by Mr Michael Griffiths, a Competent Person who is a Fellow of `the Australasian Institute of Mining and Metallurgy. Mr Griffiths is a Director of the Company. Mr Griffiths has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Griffiths has approved the Statement as a whole and consents to its inclusion in the Annual Report in the form and context in which it appears.

Operations Review

KIPOI COPPER PROJECT (TIGER: 95%)

The Kipoi Copper Project is located approximately 75km north-northwest of Lubumbashi in the Katanga Province of the Democratic Republic of Congo (DRC) in central Africa.

The Company reported annual production of 23,119 tonnes of copper cathode, 7% lower than the nameplate design of 25,000tpa, primarily due to the operational impacts of the Pad 5-1 failure and intermediate leach solution (ILS) pond leak during the year.

The Company identified latent capacity within the SXEW plant and commenced construction of the debottlenecking of the SXEW plant, to increase production capacity from 25,000tpa to 32,500tpa[1] of copper cathode.

It is envisaged that mineral resources from Judeira within the Kipoi Project area, and within Tiger's nearby 95%-owned Lupoto Project, will also be processed during the SXEW operations, providing additional returns and increasing the ore reserves available as feedstock to the SXEW plant. Any increase in resources from these deposits has the potential to increase mine life.

Safety

The good safety record at Kipoi continued with the exception of two minor LTIs in September 2016. Efforts to improve safety performance were redoubled thereafter and by the end of the year the Lost Time Injury Frequency Rate had dropped to 0.7 (LTIFR 12 Month Rolling).

Kipoi continues to entrench safety as the number one value on site through maintaining robust safety management standards and an active safety leadership development program.

Production

A total of 1,290,095 tonnes of ore was stacked to heap leach pads at an average grade of 1.48% acid soluble copper (AsCu) with a record 414,339 tonnes of ore stacked in the second quarter of 2016.

Total copper cathode produced during the year was 23,119 tonnes. This was 1,881 tonnes, or 7%, below nameplate capacity of 25,000 tonnes of copper cathode, with production impacted by the Pad 5-1 failure in the second quarter and the ILS pond leak in the fourth quarter of 2016.

The failure of Pad 5-1 temporarily impacted production with the loss of available copper to leach, and the ILS pond leak necessitated the need to temporarily suspend two stage leaching and reconfigure the smaller decant pond into a temporary ILS pond to recommence two stage leaching at reduce flowrates.

Copper Sales

Revenue of $112.688 million was recognised from the sale of 24,027 tonnes of copper cathode at a realised copper price of $4,849/t.

[1] 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.

Operations Review (continued)

Operating costs

Table 1: SXEW operating cost summary

KIPOI SXEW PLANT OPERATING COST SUMMARY

FOR THE YEAR ENDED 31 DECEMBER 2016

		2016
Mining	$/lb	0.20
Processing	$/lb	0.72
Site administration	$/lb	0.39
Selling and export clearing	$/lb	0.28
Cash operating costs	$/lb	**1.59**
ROM inventory adjustment	$/lb	0.06
C1 cost	**$/lb**	**1.65**
Royalties	$/lb	0.09
Sustaining capital	$/lb	0.08
Non-cash ROM inventory adjustment	$/lb	(0.06)
All in sustaining cash costs (AISC)	**$/lb**	**1.76**

AISC unit costs for 2016 were negatively impacted in comparison to the prior year due to higher mining costs associated with additional stockpile rehandle and the impact of the fixed cost base on site over lower units of copper produced.

The increased unit operating costs were partly offset by savings realised from sourcing 72% of power requirements from lower cost grid power, in comparison to 22% grid power in the prior year.

Kipoi Debottlenecking

The debottlenecking capital works program was reported as substantially complete to expand the Kipoi SXEW's nameplate design by 30% from 25,000 to 32,500 tonnes per annum.

The expanded electro-winning cells (14 additional cells) were successfully tied into the existing facility and commenced commercial operations in Q4 2016.

The new tank leach facility was completed late in December 2016 and commissioning activities commenced in January 2017. Commissioning of the tank leach circuit installed as part of the Kipoi debottlenecking programme commenced in the first quarter of 2017. The commissioning process identified a number of design faults, material handling issues and operating practices which significantly affected copper recovery, throughput rates and run time.

To address the material handling issues, the tailings recovery method has been changed to utilise hydraulic monitors to recover the tailings and pump the resultant slurry into the tank leach circuit. A hydraulic reclamation contractor mobilised to the Kipoi site and completed commissioning of their equipment in Q3 2017. The hydraulic reclamation equipment has been specified to deliver a feed rate exceeding the 50 tonnes per hour design throughput for the tank leach circuit.

An additional tailing storage facility (TSF-3) remains under construction after it was delayed by regulatory approvals. The coffer dam, a smaller dam within TSF-3, was completed to enable the commencement of production from the tank leach until TSF-3 is complete.

Operations Review (continued)

EXPLORATION

Kipoi Copper Project (Tiger: 95%)

Exploration activities for the year concentrated on re-logging of Kipoi Central, Kileba and Kipoi North drill core. This geological review will allow a better identification of the clay areas, improving strategic selection of the ore on the recommencement of mining.

Sterilisation and geotechnical drilling was undertaken during the year, with two of the geotechnical holes intersecting copper mineralisation.

Lupoto Copper Project (Tiger: 95%)

No exploration was carried out during the year.

SUSTAINABILITY REPORT

The Group's policies and practices embrace equal importance of maintaining profitability with due care for the environment, people and the community. The Group focuses on training and developing employees from the local community, providing workers with safety skills, long term stable employment beyond the life of the mine, and environmental protection.

The Group's activities for 2016 were as follows:

Occupational Health & Safety (OHS)

- Formal induction and re-induction processes for all employees, contractors and visitors to Kipoi are in place.
- Health, Safety and Environmental workplace inspections are conducted regularly and findings communicated to relevant department heads for corrective action to be taken.
- Paramedic, nursing and emergency response team services are available at Kipoi providing emergency response capabilities for Group staff and the local community.

Environment

There were no significant environmental incidents reported during the year, however, one reportable environmental incident occurred on 15 October 2016 when operations staff reported the seepage of intermediate leach solution (ILS). All flow to the ILS pond was ceased immediately and remedial works were immediately undertaken to contain the leak promptly with an estimated volume of ILS solution released of approximately 10-30 cubic metres. Environmental monitoring was undertaken with downstream checks and five wells drilled to check for subsoil contamination, with no contamination identified.

Social development

During the year, the Group continued to make progress in initiating and completing projects designed to improve health, education and wellness standards in the province in which it operates. Programs are designed in consultation with the local community, service institutions and government, who are engaged from the early stage to promote these initiatives as self-sustaining community projects. These activities were coordinated by the Group.

Operations Review (continued)

Land Disturbance, Rehabilitation and Environmental Monitoring Programs

The Group continuously monitors environmental performance through workplace inspections and internal audits designed to detect any impact the mine's activities may have on the natural environment and surrounding communities.

Some of the key activities undertaken during the year included:

- Analysis of surface and ground water quality, noise and air quality monitoring from areas within and surrounding the Kipoi operations
- Control of all discharges from operating areas with analysis and remediation
- Control of all hydrocarbons and chemicals within specified areas to minimise the potential contamination footprint
- Maintenance of a negative water balance at site annually to minimise environmental impacts.

The Group also performed improvement works on the sewerage system, monitors the pH of all effluent streams, seepage pond and slimes dam to test for abnormalities in the water system. Water samples were sent to CRAA and other internationally accredited laboratories in the United Kingdom and South Africa for biological and chemical analysis.

Employment

The Group has a policy of employing local personnel wherever possible. The community development committees and the village chiefs near the mine are consulted regarding local recruitment. Tiger maintains a policy of hiring at least 90% local residents and has hired from the local villages of Kangambwa, Katanga, Luwafi, Bungu Bungu and Lukutwe.

Education

The Group maintains support of the Kangambwa School. During the year, the Group provided English language teaching materials, computers and assisted in the maintenance of the school buildings.

Agriculture

The Group has helped to improve local agriculture through the provision of training to local communities, technical support and the provision of seeds and fertilizers. In addition, the Group supported the cultivation of 500 hectares of new maize crops in the 2016 harvest and has identified new opportunities to partner with the local communities on food security and income generation from sustainable agriculture farming.

Health

During the year, the Group continued to support the improvement in living standards of the inhabitants of the villages around the mine through its continued partnership with C.U.R.E. to improved healthcare facilities through the provision of medical equipment support in the province and the construction of a maternity clinic in Kangambwa.

The Group continues its efforts to raise awareness of HIV/AIDS by peer educators in the workplace through various introductory session and educational campaigns. The Group extended the awareness of HIV/AIDS through mentoring programs to the local communities surrounding Kipoi and has offered free HIV/AIDS testing.

Directors' Report

Your Directors present their report on the consolidated entity consisting of Tiger Resources Limited (Company) and the entities it controlled at the end of, or during, the year ended 31 December 2016 (Group or consolidated entity).

Throughout the report, the consolidated entity is referred to as the Group. All amounts in this report are presented in US Dollars ($), unless stated otherwise.

Directors and Company Secretary

The following persons were Directors of the Company during the financial year and up to the date of this report:

Mark Connelly

Stuart Bradley Sampson *(appointed 6 February 2017; resigned 24 February 2017)*

Michael Griffiths

Ian Kerr *(appointed 1 April 2016)*

Shawn McCormick *(appointed 1 July 2016)*

Russell Middleton *(appointed 1 July 2016; resigned 23 October 2016)*

Stephen Hills[1] *(resigned 25 May 2016)*

David Constable *(resigned 31 March 2016)*

[1] *Whilst Mr Stephen Hills resigned as a Director on 25 May 2016, he remained as a senior member of the Company's executive management team until 28 February 2017.*

Information on directors

Mark Connelly, B.Bus, MAICD
Non-Executive Director
Chairman – Independent, Non-Executive

Experience and expertise

Mark Connelly has more than 28 years of experience in the mining industry, and has held senior executive positions with Newmont Mining Corporation and Inmet Mining Corporation. He is the former Managing Director and Chief Executive Officer of Papillon Resources Limited, a Mali-based gold developer which was acquired by B2Gold Corp in a US$570 million transaction. He was Chief Operating Officer of Endeavour Mining Corporation following its merger with Adamus Resources, where he was Managing Director and CEO. Mark has extensive experience in financing, development, construction and operation of mining projects in a variety of commodities including gold, base metals and other resources in West Africa, Australia, North America and Europe.

Other current and former directorships

Mr Connelly is non-executive chairman at West African Resources Limited (since June 2015) and Toro Gold Plc (since February 2014). He is also a non-executive director of Saracen Mineral Holdings Limited (since May 2015), Cardinal Resources Limited (since November 2015) and Ausdrill Limited (since June 2012).

Over the past 3 years Mr Connelly served as a director of Manas Resources Limited (from 2013 to 2015), Managing Director of Papillon Resources Limited (from 2012 to 2014) and B2 Gold Corp (from 2014 to 2016).

Special responsibilities

Member of the Remuneration, Nomination and Corporate Governance Committee

Member of the Audit and Risk Committee

Interest in shares, options and performance rights

1,000,000 performance rights over ordinary shares in the Company

Michael Richard Griffiths, B.Sc., Dip Ed, FAusIMM, GAICD
Chief Executive Officer (CEO) and Managing Director (MD) (Interim CEO until 31 March 2016, appointed CEO and MD effective 1 April 2016, resigned as CEO and MD on 6 February 2017)
Non-Executive Director (from 6 February 2017)

Experience and expertise

Mr Griffiths has over 30 years of experience in the discovery, feasibility and development of mining projects in Australia and Africa in a variety of commodities including gold, base metals and the energy sector. Over the past 20 years, Mr Griffiths has operated in numerous African countries including Tanzania, Eritrea, Mozambique and the DRC. In the role of Chief Executive Officer of Sub-Sahara Resources N.L. between 1998 and 2009, Mr Griffiths and his team were responsible for the discovery of significant gold deposits in both Tanzania and Eritrea. Mr Griffiths sits on the board of a number of ASX and TSX-V companies and has over 15 years listed company experience.

Other current and former directorships

Currently a director of: Currie Rose Resources Inc. (since 2005).

Over the past 3 years Mr Griffiths served as a director of: RMG Limited (from 2013 to 2016), Chrysalis Resources Limited (from 2013 to 2014), and East Africa Resources Limited (from 2013 to 2015).

Special responsibilities

Member of the Remuneration, Nomination and Corporate Governance Committee (resigned 17 August 2015 upon appointment as Interim CEO)

Member of the Audit and Risk Committee (resigned 17 August 2015 upon appointment as Interim CEO)

Interest in shares, options and performance rights

199,334 ordinary shares in the Company

5,000,000 performance rights over ordinary shares in the Company

Ian Kerr, Bachelor of Engineering -Civil (Hons II)
Non-Executive Director (appointed 1 April 2016)

Experience and expertise

Mr Kerr, a professional engineer with 33 years' experience including 29 years in the mining industry, experienced in both project management and operations management. Mr Kerr has taken mining projects from concept through to commissioning whilst working directly with international mining houses in Australia and internationally. Mr Kerr, previously a director of mining consultancy firm Mintrex Pty Ltd, is now the Development Manager for Gascoyne Resources Limited.

Other current and former directorships

None.

Special responsibilities

Member of the Remuneration, Nomination and Corporate Governance Committee

Interest in shares, options and performance rights

500,000 performance rights over ordinary shares in the Company

Directors' Report

Shawn McCormick, Bachelor's Degree, International Relations (Cum Laude), Bachelor's Degree, Journalism (Cum Laude)
Non-Executive Director (appointed 1 July 2016)

Experience and expertise

Mr McCormick joined the Board in July 2016 as the nominee of Resource Capital Funds (RCF) following that entity's investment in the Company. Mr McCormick is the Managing Director of a London-based strategic consulting firm focused on mining and oil & gas sectors in Africa and Latin America. His previous roles include Corporate Vice President, International Affairs for TNK-BP in Moscow and Senior Global Affairs Advisor for BP in London. He also served as Director for African Affairs at the National Security Council in The White House in Washington.

Other current and former directorships

Mr McCormick is currently Non-Executive Chairman of Piran Resources (since 2014). He is a director of Rainbow Rare Earths (from 2015).

Over the past 3 years Mr McCormick also served as a director of Alufer Mining Limited (from 2011 to 2016).

Special responsibilities

Member of the Remuneration, Nomination and Corporate Governance Committee

Interest in shares, options and performance rights

None

Company Secretary

Narelle Warren (appointed 10 August 2017)

Ms Warren is a Chartered Accountant with over 18 years of corporate advisory, financial management and company secretarial experience. She has co-ordinated and assisted in a number of corporate transactions, including acquisitions, divestments and raising funds via private and public equity markets. She holds both a Bachelor of Laws and a Bachelor of Commerce.

Susmit Shah, BSc Econ, CA (resigned 27 July 2017)

Mr Shah is a Chartered Accountant who has extensive experience as a director and company secretary of various Australian public companies. He consults to public companies on a wide variety of matters including stock exchange requirements, financial reporting, corporate governance, joint venture negotiations and corporate fundraising.

Directors' Report

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were mineral exploration, development, mining and sale of copper cathode.

OPERATIONS REVIEW

The Kipoi Copper Project (Kipoi) is located approximately 75km north-northwest of Lubumbashi in the Katanga Province of the DRC in central Africa. Kipoi is owned subsidiary of the Company called Société d'Exploitation de Kipoi S.A. (**SEK**), a DRC incorporated company, 95% owned by the Company.

SEK's solvent-extraction and electro-winning (**SXEW**) plant at Kipoi produced 23,119 tonnes of copper cathode for the year, at a cash operating and all-in sustaining cash cost (AISC) of $1.59/lb and $1.76/lb of copper produced respectively. Total copper cathode produced during the year met the Company's revised production guidance after operational issues relating to the intermediate leach solution (**ILS**) pond in the last quarter required a downward revision to production guidance.

Sales for the year were 24,027 tonnes of copper cathode at a realised average copper price of $4,849 per tonne inclusive of quotational period (QP) pricing adjustments.

A capital works program planned to debottleneck the SXEW plant and increase the plant's production capacity by 30 per cent a year to nameplate design of 32,500tpa was substantially complete by the year-end.

The expanded electro-winning cells (14 additional cells) were successfully tied into the existing facility and commenced commercial operations in Q4 2016.

The new tank leach facility was completed late in December 2016 and commissioning activities commenced in January 2017. Commissioning of the tank leach circuit installed as part of the Kipoi debottlenecking programme commenced in the first quarter of 2017. The commissioning process identified a number of design faults, material handling issues and operating practices which significantly affected copper recovery, throughput rates and run time.

To address the material handling issues, the tailings recovery method has been changed to utilise hydraulic monitors to recover the tailings and pump the resultant slurry into the tank leach circuit. A hydraulic reclamation contractor mobilised to the Kipoi site and completed commissioning of their equipment in Q3 2017. The hydraulic reclamation equipment has been specified to deliver a feed rate exceeding the 50 tonnes per hour design throughput for the tank leach circuit.

An additional tailing storage facility (TSF-3) remains under construction after it was delayed by regulatory approvals. It is expected to be completed by end of 2017. The coffer dam, a smaller dam within TSF-3, was completed to enable the commencement of production from the tank leach until TSF-3 is complete.

FINANCIAL REVIEW

Profit and Loss

The Group recorded a loss after tax attributable to the owners of the Company for the year ended 31 December 2016 of $190.234 million (31 December 2015: $17.507 million), representing a loss per share of 10.64 cents (31 December 2015: 1.52 cents). The increase in losses were primarily due to doubtful debt expense and impairment losses of $30.346 million and $156.198 million, respectively; a reduction in production and sales volumes, the lower realised price of copper sold, higher finance costs associated with the senior finance facility, partly offset by a reduction in processing costs and non-cash run of mine inventory expenses.

Balance Sheet

Total current assets decreased by $27.831 million, mainly through reductions in cash ($11.643 million), receivables ($3.672 million), inventories ($6.877 million), available for sale financial assets ($0.438 million), and prepaid finance costs ($5.201 million).

As at 31 December 2016, the Group made a $16.813 million provision against its VAT receivable balance and $0.493 million against long outstanding income tax receivable, due to increased uncertainty regarding the timing and the extent of VAT and tax refunds in DRC. The Group also made a doubtful debt provision of $13.040 million for the net balance prepaid in respect to an energy efficiency and power network reinforcement program in DRC, due to uncertainty of recovering the prepaid amount through rebate receipts. This resulted in a total doubtful debt expense of $30.346 million reducing the carrying value of those receivables and prepayments to nil.

Total non-current assets decreased by $143.573 million, primarily due to a reduction in carrying values of mine properties and plant and equipment of $138.586 million, resulting from impairment of the Kipoi cash generating unit (CGU) and a $8.395 million reduction in long-term receivables and prepayments, offset by an increase in inventories of $3.408 million.

Total liabilities increased by $13.833 million to $226.708 million primarily due to a net increase in borrowings of $35.950 million, a reduction in deferred tax liabilities of $18.418 million and a net reduction in all other liabilities of $3.700 million.

Total equity interests attributable to the Company's shareholders decreased by $176.898 million to a deficiency of $28.315 million. This includes a net increase in share capital of $11.994 million, loss for the year of $190.234 million, other comprehensive loss of $0.438 million and an increase in the share option reserve of $1.780 million.

Cash Flow

As at 31 December 2016, the Group held cash on hand and deposit of $7.364 million (2015: $19.007 million).

Net cash flows from operations were $1.052 million; $33.278 million were used for purchases of plant and equipment and $20.583 million were received from financing activities.

Financing

Equity and capital raising

The equity capital raising announced in December 2015, comprising a placement to RCF and an entitlement offer to eligible shareholders, was completed in early 2016. The cost of the capital raisings were $0.280 million, resulting in net proceeds of $9.828 million.

Retail offer subscriptions raised $3.532 million, and RCF and IFC subscribed for 48.7 million ($1.573 million) and 154.7 million ($5.000 million) shortfall shares, respectively, under their subscription agreements.

Borrowings

Borrowings as at 31 December 2016 comprised of $168.601 million of secured facilities and $22.746 million of short-term unsecured facilities provided by DRC banks.

On 29 January 2016, SEK completed the first drawdown of $133.197 million of the $162.500 million facility (Senior Facility) arranged by Taurus Mining Finance Fund (Taurus) and the International Finance Corporation (IFC), a division of the World Bank, for the refinancing and expansion of Kipoi. The Senior Facility replaced secured debt facilities with Taurus (Acquisition Finance Facility) and Gerald Metals SA (Advance Payment Facility) and also provided the required expansion capital for the debottlenecking projects. During the quarter ended 31 March 2016 Resource Capital Fund VI L.P. (RCF) entered into an agreement with Taurus and IFC to join the lending syndicate for the Senior Facility.

In October 2016, the Senior Lenders approved an additional $10 million bridge facility to accommodate short term funding needs as a result of the ILS remedial work and loss of production. The Senior Lenders also agreed to capitalisation of interest with respect to the next 4 interest repayments to 31 July 2017.

The increase was accommodated under a revision to the existing Common Terms Agreement and, under the revised facility arrangements, the Company agreed to issue the Senior Lenders a total of 6.2 new ordinary shares per US Dollar of funding advanced under the bridge facility or interest capitalised.

DIVIDENDS

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report (2015: Nil).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group plans to implement initiatives designed to improve operational and financial performance while also developing an updated Life of Mine Plan for its Kipoi Copper production business situated in the Democratic Republic of Congo (DRC).

In evaluating the likely achievement of these outcomes, the following risk factors should be taken into consideration:

Single Operating Asset

The Group's primary income generating asset is the Kipoi Copper Project, and the Group is therefore at risk that adverse performance of that project resulting from internal or external factors may impact future returns.

Operating Costs and Production

Production costs incurred by the Group are subject to a variety of factors including, but not limited to: fluctuations in input costs and usage such as diesel fuel and sulphuric acid, which are determined by global markets, changes in the ratio of grid and diesel power generation, changes in economic conditions which impact on margins required by contracting partners and changes in assumptions such as ore reserves, ore grades and recoveries. Significant movements in a combination of these elements, could have a material adverse effect on operating costs of the Group. During 2016 and to the date of this report, production at the Kipoi Copper Project has been adversely impacted by a variety of factors and production risks continue to be significant factors going forward.

Estimates of Reserves & Resources

Due to the nature of mineral reserves and resources no assurance can be given that any particular level of recovery of minerals will be realised from the reserves processed through the SXEW, which may impact on the future financial and operational performance of the Group.

Finance Facilities and Going Concern

The Group has been in breach of the terms of the Senior Facility from time to time since inception of the Senior Facility and waivers of such breaches have been granted by the Senior Lenders from time to time. There can be no assurance that the Senior Lenders will grant waivers for future breaches, in which case the Group will be in default of its Senior Facility terms and may result in termination of the Senior Facility.

In addition, SEK had breached financial covenants in relation to its overdraft facility with Rawbank, as SEK was not able to remedy the breaches in the near term, it requested that Rawbank either waives the breaches or amends the financial covenants.

The Group's cashflow forecasts for the next 12 months demonstrates that without:

(i) a continued improvement of its operational and financial performance and the implementation of known revenue improvement and cost reduction initiatives; and/or
(ii) completion of a restructuring of its debt and recapitalisation through an equity capital raising as described above; or
(iii) completion of a sale of its Kipoi project,

the Group will be unable to repay the $18.154 million Additional Debt Facility, its commitments under the senior secured debt facility, the unsecured overdraft facilities provided by the DRC banks or fund additional development for its Kipoi project.

As a result of the above, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business.

The Directors believe that, as at the date of signing the financial statements, there are reasonable grounds to believe that the Group will be able to achieve a recapitalisation through an underwritten equity raising and debt restructuring so that it will have sufficient funds to repay the Additional Debt Facility and interest at maturity, meet its obligations under the senior secured debt facility as and when they fall due and meet the long term funding needs of the Kipoi project (including, among other things, the recommencement of mining and the expansion of production capacity to at least 32,500 metric tonnes of copper cathode per annum). On that basis, the Directors believe the use of the going concern basis remains appropriate.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

The attached annual financial statements for the year ended 31 December 2016 contains an independent auditor's report which includes a reference to the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. For further information, refer to note 1 to the financial statements, together with the auditor's report.

ENVIRONMENTAL REGULATION

The consolidated entity's operations are not subject to any significant Australian environmental laws but its exploration and production activities in the DRC are subject to local environmental laws, regulations and permit conditions. There have been no known breaches of environmental laws or permit conditions while conducting operations in the DRC during the 2016 reporting period.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as set out in this annual financial report for the year ended 31 December 2016 there have not been any other significant changes in the state of affairs of the Group during the financial year.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

Other than set out below, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods:

- On 10 February 2017, the Company advised ASX of the appointment of Mr Sampson as Chief Executive Officer and Managing Director of the Company and the current CEO and Managing Director Mr Michael Griffiths will remain on the Board as a non-executive director to facilitate smooth transition in management;

- On 22 February 2017, the Company advised ASX that it requested a suspension of trading of its shares as a result of:
  - the cumulative impact of Tank and Heap Leach underperformance and recent operational interruptions at the Kipoi site has reduced copper production causing material negative impact on cash flows; and
  - Discussions with Major Shareholders and Senior Lenders underway to address short and medium-term cash flow issues;
- On 27 February 2017, the Company advised ASX that Mr Sampson has resigned as a Director of the Company at the close of business Friday, 24 February 2017 and will continue to fulfil the Chief Executive Officer role on a contract basis, reporting to the Board and providing key executive leadership to the Company;
- Subsequent to the reporting date, pursuant to the revised facility terms, the Company issued the following ordinary shares to the senior lenders:
  - On 6 February 2017 - issued 23,979,422 ordinary shares;
  - On 31 March 2017 - issued 6,414,873 ordinary shares;
  - On 8 May 2017 - issued 23,697,666 ordinary shares; and
  - On 4 August 2017 - issued 26,226,013 ordinary shares.

  The shares were issued for nil consideration, valued at A$0.02 per share, based the market price on the date of the revised terms agreement.
- The Group continued to receive waivers from the Senior Lenders waiving the breaches of the Senior Facility and extension of the principal repayment dates, with the most recent waiver letter extended to 1 October 2017.
- On 1 September 2017, the Group received insurance proceeds of $3.000 million as an interim payment in respect of its insurance claim for the ILS pond incident in October 2016.

- On 24 September 2017, the Group entered into an agreement for a $18.154 million super senior debt facility with Taurus and IFC (Additional Debt Facility) with the consent of the other Senior Lender RCF. The key terms of the Debt Facility are:
  - Maturity date of 30 September 2018;
  - Ranks super senior to all existing secured debt;
  - A non-refundable up-front fee of US$907,700, being 5% of the total Debt Facility, payable in cash;
  - Interest rate of 13% per annum to be accrued and paid at maturity, payable in cash at the end of the term or on prepayment;
  - Monthly fee of 0.5% of the total commitment of the Additional Debt Facility, payable in cash or shares in Tiger;
  - Disbursements to be released based on an agreed budget approved by the lenders and reporting on the application of the proceeds of each disbursement and updated cashflow forecasts;
  - Repayment of the Additional Debt Facility is a bullet repayment at the Maturity Date or the earlier of a takeover of the Company, sale of the Kipoi Mine or an additional investment in, or financing to the Company. A prepayment fee of 25% of the principal drawn and accrued interest will be payable if a repayment of the Additional Debt Facility becomes due from a change of control of the Company, a sale of the Kipoi Mine or an additional investment in or financing to the Company; and
  - the Additional Debt Facility requires the Group to use its best endeavours to:
    - obtain reinstatement of the Company's shares to quotation on the ASX; and
    - undertake a fully underwritten equity capital raising of not less than US$45.0 million (or any other amount agreed between the Company and TMFF and IFC), and in any event must apply for such reinstatement and commence such equity capital raising by 30 June 2018 (or any such later date agreed between the Company and TMFF, IFC and Resource Capital Funds (the Senior Lenders)).
    - Restructure balance sheet with development capital available will allow the Group to fund the recommencement of mining at the Kipoi site and the expansion of production capacity to at least 32,500 metric tonnes of copper cathode per annum;

- The equity capital raising is necessary to enable the Group to repay the Additional Debt Facility and accrued interest and to meet the development funding needs of the Kipoi project.

- On 24 September 2017, the Group contemporaneously entered into a Deed of forbearance (Forbearance) with the senior lenders on execution of the Debt Facility. The key terms of the Forbearance are:
  - Forbearance period of not less than 12 months from the date on which the Auditor signs an audit opinion in respect of the financial report for the year ended 31 December 2016, subject to conditions;
  - During the Forbearance period, the senior lenders cannot exercise enforcement rights in respect of certain defaults under its existing secured debt obligations; and
  - Interest payable to the lenders during the Forbearance period under the existing secured debt facility may be capitalised if not paid when due. In that case, the lenders become entitled to compensation in the form of shares in Tiger (such number of shares to be agreed by the parties acting reasonably)
- On 26 September 2017, Banque Commercial du Congo agreed to extend the term of the $15.0 million unsecured overdraft facility made available to SEK to 31 December 2018; and
- On 17 October 2017, Rawbank agreed to extend the term of the $5.0 million unsecured overdraft facility made available to SEK to 31 December 2018, in consideration for which the Company granted a guarantee in favour of Rawbank in respect of SEK's obligations under that unsecured overdraft facility.
- As at the date of this report the Company remains in voluntary suspension from trading on the ASX whilst it addresses its medium-term financing requirements.

Meetings of directors

The number of meetings of the Company's Board of Directors and of each Board committee held in the 12 months to 31 December 2016, and the numbers of meetings attended by each director were:

	Board & Committee Meetings					
	Board		Audit & Risk Committee		Remuneration, Nomination & Corp. Gov. Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
M Connelly	13	12	2	2	-	-
M Griffiths	13	13	-	-	-	-
I Kerr[1]	10	10	-	-	-	-
S McCormick[2]	9	9	-	-	-	-
R Middleton[3]	7	7	1	1	-	-
S Hills[4]	3	3	-	-	-	-
D Constable[5]	3	3	1	1	-	-

A Director is only eligible to attend the committee meeting if he is a member of the relevant committee, unless an invitation to attend a meeting is extended to him by the relevant committee members.

[1] appointed on 1 April 2016
[2] appointed on 1 July 2016
[3] appointed on 1 July 2016 and resigned on 23 October 2016
[4] resigned on 25 May 2016
[5] resigned on 31 March 2016

Remuneration report - audited

The report contains the following sections:

(a) Key management personnel (**KMP**) covered in this report
(b) Remuneration policy and link to performance
(c) Use of remuneration consultants
(d) Service agreements
(e) Details of remuneration
(f) Share-based compensation
(g) Other transactions with key management personnel

(a) Key management personnel covered in this report

Non-executive and executive directors	
M Connelly	Non-Executive Chairman
M Griffiths	Director and CEO
I Kerr	Non-Executive Director (appointed 1 April 2016)
S McCormick	Non-Executive Director (appointed 1 July 2016)
R Middleton	Non-Executive Director (appointed 1 July 2016, resigned 23 October 2016)
S Hills[1]	Finance Director (resigned 25 May 2016)
D Constable	Non-Executive Director (resigned 31 March 2016)
Other key management personnel	
C Brown	Chief Operating Officer of DRC subsidiaries (resigned 13 July 2017)
S Shah	Company Secretary (resigned 27 July 2017)

[1] Whilst Mr Stephen Hills resigned as a Director on 25 May 2016, he remained as a senior member of the Company's executive management team until 28 February 2017.

(b) Remuneration policy and link to performance

The Remuneration, Nomination and Corporate Governance Committee advises the Board on remuneration and incentive policies and practices, and makes specific recommendations on remuneration packages and other terms of employment for Executive Directors, other senior executives, and Non-Executive Directors. The Corporate Governance Statement provides further information on the role of this Committee. When reviewing remuneration the Company obtains external advice if considered appropriate to assist with salary setting and determination of other benefits.

Fixed Remuneration

Fixed remuneration consists of total directors' fees, salaries, consulting fees and employer contributions to superannuation funds, excluding performance pay (cash, shares and options). Fixed remuneration levels are reviewed annually by the Board.

Directors' Report

Remuneration report - audited (continued)

Non-executive Directors' remuneration

The Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board, in consultation with independent advisors where considered necessary, determine payments to the non-executive Directors and review their remuneration annually, based on market practice, duties and accountability.

Fees for non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. The Board has previously adopted the policy that non-executive Directors could not receive options or other performance-based equity issues as part of their remuneration once the Company was in full production. However, in late 2015, the non-executive directors agreed to a reduction in their cash fees with further reductions in 2016. Consequently, the Board resolved to compensate and incentivise non-executive directors with performance rights and shareholder approval was obtained in May 2016 for the issue of performance rights to certain non-executive directors, further details of which are noted elsewhere in this Remuneration Report.

Non-executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at A$600,000 per annum and was approved by shareholders at the annual general meeting on 22 May 2012. The actual remuneration paid to non-executive Directors is provided in section (e).

Executive remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework has three components:

- total fixed remuneration (**TFR**), fixed fee/salary inclusive of superannuation payments,
- short-term incentives (**STIs**), reward available for meeting pre-determined performance hurdles within a 12-month time period, and
- long-term incentives (**LTIs**), reward typically granted annually, but not payable until longer-term (1 year plus) performance hurdles are met.

Performance pay (STIs and LTIs) is 'at risk' such that if performance targets are not met, the payment is not made. Performance pay may be paid in cash or in the form of share-based compensation through participation in the Employee Option Plan or Performance Rights Plan.

Under the framework, LTIs are capable of being earned as Performance Rights (PRs) determined at the beginning of the relevant incentive period. In previous years, vesting criteria for PRs was by comparing the Company's total shareholder return ("TSR") performance over a rolling three year period to the Three-Year Average TSR of the broader S&P/ASX 300 Metals and Mining Index. The criteria described above has become quite complex for computational and assessment purposes and also means that first time PR holders have to wait for a period of three years prior to assessment. Having deliberated on the vesting criteria and following canvassing of external views, it was concluded that the most direct way of aligning the KMPs' interest with that of Shareholders' was to assess PRs for vesting by reference to the Company's share price. Therefore the 2016 cycle PRs will vest if within the three (3) year term of the PRs the Company's Shares trade at a daily volume weighted average price of at least A$0.10 for a consecutive period of at least 20 trading days.

Directors' Report

Remuneration report - audited (continued)

Tiger's performance during the 12 months to 31 December 2016 and the five previous years is set out in the table below:

Year	Number of shares	Market capitalisation (A$M)	Closing share price (A$)	1 Year total shareholder return (%)
2016	1,938,178,160	67.8	0.035	-30%
2015	1,484,618,275	74.2	0.050	-62%
2014	1,143,541,406	148.7	0.130	-62%
2013	802,710,269	276.9	0.345	19%
2012	673,470,269	195.3	0.290	-22%
2011	671,110,549	248.3	0.370	-26%

(c) Use of remuneration consultants

The Remuneration, Nomination and Corporate Governance Committee employed the services of Gerard Daniels in early 2016 to review the Company's existing KMP remuneration policies and to provide recommendations in respect of both executive short-term and long-term incentive plan design for remuneration in 2016.

Under the terms of the engagement, Gerard Daniels provided remuneration recommendations as defined in section 9B of the Corporations Act 2001 and was paid A$15,950 for these services.

Gerard Daniels has confirmed that its recommendations were made free from undue influence by members of the Group's key management personnel.

The following arrangements were made to ensure that the remuneration recommendations were free from undue influence:

- Gerard Daniels was engaged by, and reported directly to, the chairman of the Remuneration, Nomination and Corporate Governance Committee.
- The agreement for the provision of remuneration consulting services was executed by the chairman of the Remuneration, Nomination and Corporate Governance Committee under delegated authority on behalf of the Board.
- The report containing the remuneration recommendations was provided by Gerard Daniels directly to the chairman of the Remuneration, Nomination and Corporate Governance Committee; and
- Gerard Daniels was entitled to speak to management throughout the engagement to understand company processes, practices and other business issues and obtain management perspectives. However, Gerard Daniels was not permitted to provide any member of management with a copy of its draft or final report that contained the remuneration recommendations.

As a consequence, the Board is satisfied that the recommendations were made free from undue influence from any members of the key management personnel.

Directors' Report

Remuneration report - audited (continued)

(d) Service agreements

Key management personnel encompass all directors (executive and non-executive) as well as those executives who have authority and responsibility for planning, directing and controlling the activities of the Group. The key terms of the service agreements in place for the year ended 31 December 2016 were as set out below:

Mr S. Hills - General Manager Finance and Commercial

- Total fixed remuneration of A$430,000 inclusive of superannuation per annum.
- Term of agreement - indefinite, with three months' notice of termination required by either party, other than in the event of redundancy where the termination obligation is six months' salary.

Mr C. Brown - Chief Operating Officer of DRC subsidiaries

- Total fixed remuneration of $340,000 per annum, net of local taxes and charges.
- Term of agreement - indefinite, with three months' notice of termination required by either party.

Mr M. Griffiths – Managing Director and CEO (appointed permanent CEO/MD on 1 April 2016)

- Total fixed remuneration of A$425,000 inclusive of superannuation per annum.
- Term of agreement - indefinite, with three months' notice of termination required by either party.

Directors' Report

Remuneration report - audited (continued)

(e) Details of remuneration

Details of the remuneration of the Directors, the key management personnel (as defined in AASB 124 Related Party Disclosures) and specified executives of Tiger Resources Limited and the Group are set out in the following tables.

2016	Fixed remuneration			Variable remuneration			Proportion of remuneration	
	Cash salary and fees*	Post- employment benefits**	Non-monetary benefits*	Cash bonus*	Performance rights** (non-cash)	Total	Fixed	Performance based
	$	$	$	$	$	$	%	%
Non-executive Directors								
M Connelly	57,543	5,467	-	-	5,557	68,567	92	8
I Kerr *(from 1 April 2016)*	33,314	3,165	-	-	2,780	39,259	93	7
S McCormick *(from 1 July 2016)*	18,912	-	-	-	-	18,912	100	-
R Middleton *(from 1 July to 23 October 2016)*	12,687	-	-	-	-	12,687	100	-
D Constable *(resigned 31 March 2016)*	20,252	-	-	-	-	20,252	100	-
Total non-executive directors	**142,708**	**8,632**	**-**	**-**	**8,337**	**159,677**		
Executive directors								
M Griffiths	298,435	14,118	2,789[3]	-	27,793	343,135	92	8
S Hills[4]	305,738	14,496	2,789[3]	-	41,461	364,484	89	11
Total executive directors	**604,173**	**28,614**	**5,578**	**-**	**69,254**	**707,619**		
Other group executives								
C Brown[1]	340,000	-	-	-	27,254	367,254	93	7
S Shah[2]	-	-	-	-	-	-		
Total other group executives	**340,000**	**-**	**-**	**-**	**27,254**	**367,254**		
Total KMP remuneration	**1,086,881**	**37,246**	**5,578**	**-**	**104,845**	**1,234,550**		

** Short- term benefits*
***Long-term benefits*

Notes:
1. *Cash salary and fees paid to C Brown is reported net of DRC local tax charges.*
2. *Cash salary and fees of $73,883 paid to S Shah are for company secretarial fees included in administrative expenses.*
3. *Non-monetary benefits relate to car parking benefits provided to Executives.*
4. *S Hills resigned as a director on 25 May 2016, but remained an executive of the Company for the entire financial year.*

TIGER RESOURCES LIMITED

Directors' Report

Remuneration report - audited (continued)

(e) Details of remuneration (continued)

Details of the remuneration of the Directors, the key management personnel (as defined in AASB 124 Related Party Disclosures) and specified executives of Tiger Resources Limited and the Group are set out in the following tables.

2015	Fixed remuneration				Variable remuneration			Proportion of remuneration	
	Cash salary and fees* $	Post-employment benefits** $	Other* $	Non-monetary benefits* $	Cash bonus* $	Performance rights** (non-cash) $	Total $	Fixed %	Performance based %
Non-executive Directors									
M Connelly *(13 Oct–31 Dec 2015)*	15,081	1,433	-	-	-	-	16,514	100	-
N Fearis	148,285	-	-	-	-	-	148,285	100	-
D Constable	92,087	-	-	-	-	-	92,087	100	-
M Griffiths *(1 Jan-16 Aug 2015)*	56,598	5,377	-	-	-	-	61,975	100	-
Total non-executive directors	**312,051**	**6,810**	**-**	**-**	**-**	**-**	**318,861**		
Executive directors									
M Griffiths *(17 Aug-31 Dec 2015)*	140,317	-	-	1,118[4]	-	-	141,435	100	-
S Hills	298,148	26,415	-	2,978[4]	104,928	89,355	521,824	63	37
B Marwood *(1 Jan-17 Aug 2015)*	328,396	-	435,859[1]	1,860[4]	86,385	150,711	1,003,211	76	24
Total executive directors	**766,861**	**26,415**	**435,859**	**5,956**	**191,313**	**240,066**	**1,666,470**		
Other group executives									
C Brown	340,000[2]	-	-	-	52,448	117,018	509,466	67	33
S Shah	-[3]	-	-	-	-	-	-	-	-
Total other group executives	340,000	-	-	-	52,448	117,018	509,466		
Total KMP remuneration	**1,418,912**	**33,225**	**435,859**	**5,956**	**243,761**	**357,084**	**2,494,797**		

** Short- term benefits*
***Long-term benefits*

Notes:

1. *Other fixed remuneration paid to B Marwood relates to payment of termination fees of $432,165 (A$584,979) and related legal costs of $3,694 (A$5,000).*
2. *Cash salary and fees paid to C Brown is reported net of DRC local tax charges.*
3. *Cash salary and fees of $79,706 paid to S Shah are for company secretarial fees included in administrative expenses.*
4. *Non-monetary benefits relate to car parking benefits provided to Executives.*

TIGER RESOURCES LIMITED

(e) Details of remuneration (continued)

Relative proportion of fixed vs variable remuneration expense

The following show the relative proportions of fixed and performance linked remuneration:

	Fixed remuneration		At risk - STI		At risk - LTI	
	2016	2015	2016	2015	2016	2015
Non-executive Directors						
M Connelly	92	100	-	-	8	-
I Kerr	93	-	-	-	7	-
S McCormick	100	-	-	-	-	-
R Middleton	100	-	-	-	-	-
D Constable	100	100	-	-	-	-
Executive directors						
M Griffiths	92	100	-	-	8	-
S Hills	89	63	-	20	11	17
Other group executives						
C Brown	93	67	-	10	7	23
S Shah	100	100	-	-	-	-

Performance based remuneration granted and forfeited during the year

The table below sets out the values of LTI payments awarded, exercised and forfeited during the financial year for each KMP. No STI payments were awarded during the financial year.

2016	LTI - performance rights Value Granted[1] $	Value Exercised[2] $
M Connelly	30,840	-
I Kerr	15,420	-
S McCormick	-	-
R Middleton	-	-
D Constable	-	-
M Griffiths	154,199	-
S Hills	-	-
C Brown	-	-
S Shah	-	-

[1] *Fair value calculated in accordance with AASB 2 Share-based Payment.*

[2] *The intrinsic value of the exercised instruments on the date of exercise.*

Directors' Report

Remuneration report - audited (continued)

(f) Share-based compensation

Non Plan based payments

The Company issues unlisted options to Executive Directors, consultants and/or service providers from time to time, not under any specific plan. The options are issued for nil consideration and in accordance with the specific guidelines established by the Directors of Tiger Resources Limited. Any issuance of unlisted options to Directors requires prior approval from shareholders at a general meeting. The vesting period and maximum term of options granted vary according to Board's discretion.

Performance Rights Plan (PRP)

Shareholders approved the Tiger Resources Limited PRP at the Annual General Meeting held on 20 May 2014. The PRP is designed to more closely align rewards for performance with the achievement of the Company's growth and strategic objectives for 2011 and beyond.

The Board believes that the grant of Performance Rights under the Plan to eligible participants will underpin the employment strategy of attracting and retaining high calibre staff capable of executing the Company's strategic plans, and will maximise the retention of key management and operational staff; enhance the Company's ability to attract quality staff in the future, link the rewards of key staff with the achievement of strategic goals and the long term performance objectives of the Company, and provide incentives to participants of the Plan to deliver superior performance that creates shareholder value.

The Plan provides for the issue of Performance Rights which, upon determination by the Board that the performance conditions attached thereto have been met and subject to the terms of the Plan, convert into fully paid ordinary shares. Where the participant is a director or related party of the Company, specific shareholder approval is required prior to the grant in accordance with the ASX Listing Rules.

The exercise price, if any, for Performance Rights is determined by the Board in its discretion and set out in the related invitation. Unless so determined, the exercise price is nil.

Terms and conditions of the share-based payment arrangements

The terms and conditions of each grant of performance rights affecting remuneration in the current or future reporting periods are set out below. The rights on issue were granted under the Performance Rights Plan.

Performance rights affecting KMP remuneration in the current or future reporting periods

Grant date	Date vested and exercisable	Expiry date	Exercise price	Number of performance rights	Performance achieved	Value per right at grant date A$	% vested
27-Mar-13	various	22-May-16	-	628,826	n/a	0.2550	-
20-May-14	various	20-May-17	-	1,321,354	n/a	0.2570	-
27-May-15	various	27-May-18	-	967,500	n/a	0.0630	-
11-Jun-15	various	27-May-18	-	1,637,885	n/a	0.0680	-
26-May-16	market-based	26-May-19	-	6,500,000	n/a	0.0429	-

Directors' Report

Remuneration report - audited (continued)

(f) Share-based compensation (continued)

Employee Share Option Plan (EOP)

Shareholders approved the Tiger Resources Limited EOP at the Annual General Meeting held on 27 May 2015. The EOP is designed to provide incentives, assist in the recruitment, reward, retention of employees and key consultants, so as to provide opportunities for employees (both present and future) to participate directly in the equity of the Company. The contractual life of each option granted is three years. There are no cash settlement alternatives. The EOP does not allow for the issue of options to Directors of the Company.

Performance rights granted as compensation

Details of performance rights provided as remuneration to each member of the KMP are set out below. Further information on the options is set out in note 22 to the financial statements.

Fair value of performance rights granted as compensation during the year

The fair values at grant date of performance rights issued are independently determined using a Black-Scholes option pricing model or Monte Carlo simulation (refer to note 22(c)) that takes into account the exercise price, the term of the rights, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk free interest rate for the term of the rights.

The model inputs for performance rights granted in year ended 31 December 2016 were as follows:

a) Exercise price: nil (2015: nil)

b) Grant date: 26 May 2016 (2015: 27 May 2015 and 11 June 2015)

c) Expiry date: 26 May 2019 (2015: 27 May 2018)

d) Share price at grant date: A$0.0429 (2015: A$0.086 and A$0.092)

Each right is converted to one ordinary share upon vesting. The performance rights vest when the vesting (performance) conditions are met. No performance rights will vest if the conditions are not satisfied, hence the minimum value of the performance rights yet to vest is nil. The maximum value of the performance rights yet to vest has been determined as the amount of the grant date fair value of the performance rights that is yet to be expensed.

Directors' Report

Remuneration report - audited (continued)

(f) Share-based compensation (continued)

Reconciliation of performance rights held by KMP - granted, vested and forfeited during the year

Name & Grant Date	Balance at 1 Jan 2016 Unvested	Granted as compensation Number	Vested Number	Vested %	Forfeited Number	Forfeited %	Balance at 31 Dec 2016 Unvested Number	Balance at 31 Dec 2016 Maximum value yet to vest[1] A$
M Connelly								
26-May-16	-	1,000,000	-	-	-	-	1,000,000	35,499
I Kerr								
26-May-16	-	500,000	-	-	-	-	500,000	17,750
M Griffiths								
26-May-16	-	5,000,000	-	-	-	-	5,000,000	177,496
C Brown								
27-Mar-12	316,604	-	-	-	(316,604)	100	-	-
27-Mar-13	628,826	-	-	-	(628,826)	100	-	-
20-May-14	716,666	-	-	-	-	-	716,666	-
11-Jun-15	1,637,885	-	-	-	-	-	1,637,885	36,479
S Hills								
27-Mar-12	369,192	-	-	-	(369,192)	100	-	-
22-May-13	599,481	-	-	-	(599,481)	100	-	-
20-May-14	604,688	-	-	-	-	-	604,688	-
27-May-15	967,500	-	-	-	-	-	967,500	20,262

[1] Maximum value yet to vest represents the portion of fair value that has not yet been expensed.

Options granted as compensation

No options were granted as compensation during the year ended 31 December 2016. Further information on the options is set out in note 22 to the financial statements.

Exercise of options granted as compensation

There were no compensation options exercised by members of KMP during the year ended 31 December 2016 (2015: nil).

There were no options over ordinary shares held by KMP at 31 December 2016 (2015: nil).

Shares held by KMP

No shares were granted in relation to KMP remuneration, except for those issued upon exercise of options and conversion of performance rights.

Directors' Report

Remuneration report - audited (continued)

(f) Share-based compensation (continued)

Reconciliation of shares held by KMP

Name	Balance at start of year	Received during the year		Other changes	Balance at the end of the year
		On exercise of options	On vesting of rights		
Ordinary shares					
M Connelly	-	-	-	-	-
I Kerr	-	-	-	-	-
S McCormick	-	-	-	-	-
R Middleton	300,000[1]	-	-	(300,000)[2]	-
D Constable	150,000	-	-	(150,000)[2]	-
M Griffiths	138,000	-	-	61,334[3]	199,334
S Hills	1,613,863	-	-	-	1,613,863
C Brown	2,005,800	-	-	-	2,005,800
S Shah	180,000	-	-	-	180,000
	4,387,663	-	-	(388,666)	3,998,997

[1] *Balance held on the date of becoming a KMP*

[2] *Balance on the date of resignation*

[3] *Subscription for entitlement under rights offer*

(g) Other transactions with key management personnel

Loans

There were no loans given to KMP during the year (2015: nil) and there are no balances outstanding in respect to such loans at 31 December 2016 (2015: nil).

Other transactions

The fees charged by Corporate Consultants Pty Ltd, a company related to Mr Susmit Shah, amounted to $73,883 (2015: $79,706), net of GST, relating to the provision of company secretarial and administrative services.

Transactions with the related party were made on commercial terms and at market rates.

End of audited remuneration report.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report			
Date granted	**Exercise price per option (A$ cents)**	**Expiry date**	**Number under option**
16-Oct-14	39.70	16-Oct-18	20,000,000
09-Mar-15	9.70	31-May-19	7,900,000
29-May-15	9.70	31-May-19	47,100,000
31-Jul-15	7.90	30-Jun-18	1,641,648
			76,641,648

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Shares under performance rights

Unissued ordinary shares of the company under performance rights at the date of this report			
Date granted	**Issue price per right**	**Expiry date**	**Number yet to vest or lapse**
20-May-14	-	20-May-17	716,666
21-May-14	-	20-May-17	221,938
11-Jun-15	-	27-May-18	1,637,885
19-Jun-15	-	27-May-18	471,289
26-May-16	-	26-May-19	6,500,000
			9,547,778

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Insurance of Directors and officers

During the financial year ended 31 December 2016, the Company paid a premium to insure the Directors and officers of the Company and its controlled entities. The Company is prohibited from disclosure of the amount paid under the insurance contract.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers, or the improper use by the officers of their position or of information to gain advantage for themselves or someone else, or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Indemnity of auditors

The Company has entered into an agreement to indemnify its auditors, PricewaterhouseCoopers, against any claims or liabilities (including legal costs) asserted by third parties arising out of their services as auditor of the Company, where the liabilities arise as a direct result of the Company's breach of its obligations to the auditors, unless prohibited by the *Corporations Act 2001*.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are satisfied that the provision of non-audit services by the auditor, as per note 23 in the financial statements, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor

- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out in note 23 of the financial statements.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 33.

Rounding of amounts

The Company has relied on the relief provided by the *ASIC Corporations (Rounding in Financial/Director's Report) Instrument 2016/191*, issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Financial statements

The financial statements in this annual report are consolidated financial statements for the group consisting of Tiger Resources Limited and its subsidiaries. A list of major subsidiaries is included in note 13.

The financial statements are presented in US Dollars unless stated otherwise.

Tiger Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

> Tiger Resources Limited
> Level 4, 1 Havelock Street
> West Perth WA 6005
> Australia

The financial statements were authorised for issue by the directors on 25 October 2017. The directors have the power to amend and reissue the financial statements.

All press releases, financial reports and other information are available at the Investor Centre on the website: www.tigerresources.com.au

This report is made in accordance with a resolution of Directors.

Mark Connelly
Chairman
Perth
25 October 2017

Auditor's Independence Declaration

Auditor's Independence Declaration

As lead auditor for the audit of Tiger Resources Limited for the year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Tiger Resources Limited and the entities it controlled during the period.

Craig Heatley
Partner
PricewaterhouseCoopers

Perth
25 October 2017

Consolidated Statement of Comprehensive Income

	Notes	2016 $'000	2015 $'000
Revenue	3	**112,688**	146,376
Cost of sales	5	**(105,616)**	(131,084)
		7,072	15,292
Other income	6 (a)	**557**	1,757
Exploration and evaluation expenses		**-**	(2,887)
Administration expenses	6 (b)	**(4,626)**	(6,354)
Foreign exchange loss		**(2,128)**	(1,304)
Doubtful debt expense	4 (c)	**(30,346)**	-
Impairment losses	4 (a)(b)	**(156,198)**	-
Finance costs	6 (c)	**(30,498)**	(23,087)
Loss before income tax		**(216,167)**	(16,583)
Income tax benefit/(expense)	7	**17,594**	(1,284)
Loss for the year		**(198,573)**	(17,867)
Net loss attributable to:			
Owners of Tiger Resources Limited		**(190,234)**	(17,507)
Non-controlling interests		**(8,339)**	(360)
		(198,573)	(17,867)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments	11	**(438)**	638
Total comprehensive loss for the year		**(199,011)**	(17,229)
Total comprehensive loss for the year is attributable to:			
Owners of Tiger Resources Limited		**(190,672)**	(16,869)
Non-controlling interests		**(8,339)**	(360)
		(199,011)	(17,229)
Basic loss per share (cents per share)	19 (a)	**(10.64)**	(1.52)
Diluted loss per share (cents per share)	19 (b)	**(10.64)**	(1.52)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

	Notes	2016 $'000	2015 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	8 (a)	**7,364**	19,007
Trade and other receivables	8 (b)	**8,786**	12,458
Inventories	9 (a)	**25,206**	32,083
Equity investments at fair value through other comprehensive income		**460**	898
Other current assets	8 (b)	**-**	5,201
Total current assets		**41,816**	69,647
Non-current assets			
Receivables	8 (b)	**6,965**	8,244
Inventories	9 (a)	**3,408**	-
Mine properties & development	9 (b)	**44,480**	75,224
Plant & equipment	9 (c)	**99,882**	207,724
Other non-current assets	8 (b)	**-**	7,116
Total non-current assets		**154,735**	298,308
Total Assets		**196,551**	367,955
LIABILITIES			
Current liabilities			
Trade and other payables	8 (c)	**28,520**	30,893
Current tax payable	7 (f)	**42**	1,322
Borrowings	8 (e)	**191,347**	155,397
Provisions	9 (d)	**29**	-
Total current liabilities		**219,938**	187,612
Non-current liabilities			
Other payables	8 (c)	**965**	2,391
Derivative financial instruments	8 (d)	**315**	856
Deferred tax liabilities	7 (e)	**-**	18,418
Provisions	9 (d)	**5,490**	3,598
Total non-current liabilities		**6,770**	25,263
Total Liabilities		**226,708**	212,875
NET (LIABILITIES) / ASSETS		**(30,157)**	**155,080**
EQUITY			
Contributed equity	10	**298,204**	286,210
Reserves	11	**(49,324)**	(50,666)
Accumulated losses	12	**(277,195)**	(86,961)
Capital and reserves attributable to owners of the Company		**(28,315)**	148,583
Non-controlling interest	13 (b)	**(1,842)**	6,497
TOTAL EQUITY		**(30,157)**	**155,080**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

		Attributable to the owners of Tiger Resources Ltd					
		Contributed equity	Reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	Notes	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2015		273,537	(51,896)	(69,454)	152,187	6,857	159,044
Loss for the year		-	-	(17,507)	(17,507)	(360)	(17,867)
Other comprehensive loss for the year		-	638	-	638		638
Total comprehensive income/(loss) for the year		-	638	(17,507)	(16,869)	(360)	(17,229)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	*10*	12,673	-	-	12,673	-	12,673
Share-based payments	*22*	-	592	-	592	-	592
		12,673	592	-	13,265	-	13,265
Balance at 31 December 2015		286,210	(50,666)	(86,961)	148,583	6,497	155,080
Balance at 1 January 2016		**286,210**	**(50,666)**	**(86,961)**	**148,583**	**6,497**	**155,080**
Loss for the year		**-**	**-**	**(190,234)**	**(190,234)**	**(8,339)**	**(198,573)**
Other comprehensive income for the year		**-**	**(438)**	**-**	**(438)**	**-**	**(438)**
Total comprehensive (loss) for the year		**-**	**(438)**	**(190,234)**	**(190,672)**	**(8,339)**	**(199,011)**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	*10*	**11,994**	**-**	**-**	**11,994**	**-**	**11,994**
Share-based payments	*22*	**-**	**1,780**	**-**	**1,780**	**-**	**1,780**
		11,994	**1,780**	**-**	**13,774**	**-**	**13,774**
Balance at 31 December 2016		**298,204**	**(49,324)**	**(277,195)**	**(28,315)**	**(1,842)**	**(30,157)**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Notes	2016 $'000	2015 $'000
Cash flows from operating activities			
Receipts from product sales		**97,263**	140,423
Payments to suppliers and employees		**(94,475)**	(97,035)
Exploration expenditure		**-**	(2,648)
Interest received		**17**	24
Bank guarantees		**(144)**	(48)
Income tax paid		**(1,609)**	(2,486)
Net cash inflows from operating activities	*14 (a)*	**1,052**	**38,230**
Cash flows from investing activities			
Purchase of plant and equipment	*9 (c)*	**(33,278)**	(16,142)
Net cash (outflows) from investing activities		**(33,278)**	**(16,142)**
Cash flows from financing activities			
Proceeds from borrowings		**167,500**	34,527
Repayment of borrowings		**(137,229)**	(54,184)
Issues of shares		**10,105**	13,368
Share issue costs		**(280)**	(695)
Interest paid		**(9,369)**	(13,606)
Financing costs		**(10,144)**	(3,967)
Net cash inflows/(outflows) from financing activities		**20,583**	**(24,557)**
Net decrease in cash and cash equivalents held		**(11,643)**	**(2,469)**
Cash and cash equivalents at the beginning of the financial period		**19,007**	21,483
Net foreign exchange differences		**-**	(7)
Cash and cash equivalents at the end of the financial period	***8 (a)***	**7,364**	**19,007**

Notes to the Consolidated Financial Statements

Contents of the Notes to the Consolidated Financial Statements

Significant matters

This section provides information the directors consider material or significant.

1. Going Concern

The financial statements of the Company for the year ended 31 December 2016 have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

For the year ended 31 December 2016, the Group made a net loss after tax attributable to the owners of the Company of $190.234 million (31 December 2015: net loss $17.507 million) and a net cash inflow from operating activities of $1.052 million (31 December 2015: inflow $38.230 million). The reduction in cash inflows is the result of lower production (and sales) volumes during the financial year as well as reduced copper prices over the majority of the financial year. The Group also has a working capital deficiency of $178.122 million as at 31 December 2016 ($117.965 million deficiency as at 31 December 2015). During the year and at 31 December 2016, the Group has been in breach of various financial covenants of its Senior Finance Facility as well as unsecured overdraft facilities with the DRC bank, Rawbank. As a consequence of these breaches (for which waivers have been provided from time to time), the outstanding amounts are required to be classified as current liabilities thus resulting in the working capital deficiency.

In concluding the appropriateness of the going concern assumption, the Directors have taken into consideration the following events and the Company plans:

On 20 February 2017, the Company was placed in a voluntary trading halt. On 22 February 2017, the Company was voluntarily suspended from official quotation following an update to the market on its operations, which included that, due to cumulative impacts of Tank and Heap Leach underperformance and operational interruptions at the Kipoi site, it had experienced reduced copper production causing material negative impact on cash flows.

Heap Leach Underperformance

- In October 2016 the Group advised Heap Leach production was adversely affected by a reported seepage of process solution from the Intermediate Leach Solution (ILS) pond. The ILS pond is integral to the production of copper from the Heap Leach circuit. Full remedial work is now completed with the ILS pond available to full production levels.
- Mining activity to prestrip Kipoi Central was suspended in March 2017 as a result of the Company's cash flow forecasts at the time indicating that the Company could not finance the pre strip working capital requirement. The cessation of prestrip at Kipoi Central results in heap leach feed stockpiles being fully depleted during October 2017.

Tank Leach Underperformance

- The Company completed planned debottlenecking capital works in December 2016. The debottlenecking programme was designed to expand the nameplate copper production capacity at Kipoi from 25,000 tonnes per annum of copper cathode to 32,500 tonnes per annum. The capital works completed included the addition of 14 new Electro-winning cells, completion of a coffer dam within the footprint of the new Tailings Storage Facility (TSF) and the installation of a Tank Leach circuit with a design feed rate of 50 tonnes per hour.
- As the commissioning programme of the Tank Leach facility progressed, a number of issues arose that limit throughput rates. The actions taken during the commissioning period to address these issues did not deliver a performance improvement. In the period through to February 2017 the Tank Leach had achieved average throughput rates of approximately 19 tonnes per hour compared to the design of 50 tonnes per hour and availability of 74 % compared to the design of 90%.

Notes to the Consolidated Financial Statements (continued)

1. Going concern (continued)

- Over the past 8 months actions have been implemented to improve Tank Leach performance which included employment of new technical and leadership capability, implementation of hydraulic reclamation to replace the feed of the circuit, and development of an ongoing debottlenecking programme. In September 2017, monthly average tank leach performance has met the design rates of 50 tonnes per hour throughput and 90% availability.

On 31 July 2017, the Company announced that, in consultation with its lenders and advisers, the Group is undertaking a comprehensive strategic review. The strategic review includes operational, technical and financial aspects of the Group with focus on the implementation of initiatives to improve the Group's operational and financial performance and to lead to a recapitalisation of the Group. The strategic review and related initiatives are ongoing and to date have included:

- Actions to improve operational performance to increase copper production and cash generation;
- Reviewing all planned expenditure to significantly reduce capital and operating expenditure and further improve the cash performance of the business;
- Obtained key supplier and business partner support for deferred payment terms while the recapitalisation process is being effected;
- Updating 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 31 March 2018. Preliminary findings show significant value for the Kipoi operation, supporting the proposed future recapitalisation value;
- Strengthening the management team with the appointments of the CEO, COO, CFO and key Kipoi operational leaders;
- Securing additional funding: On 24 September 2017, the Group secured an additional finance facility with two of its current senior lender group members, Taurus Mining Finance Fund L.P. (TMFF), and International Finance Corporation (IFC), which allows for drawdown of up to US$18.154 million (Additional Debt Facility). The Additional Debt Facility provides important interim funding to support the Group's ongoing operations and allows the Group to implement initiatives designed to improve operational and financial performance while also developing an updated Life of Mine Plan for its Kipoi copper production business. The Additional Debt Facility requires the Group to use its best endeavours to (i) obtain reinstatement of the Company's shares to quotation on the ASX and (ii) undertake a fully underwritten equity capital raising of not less than US$45.0 million (or any other amount agreed between the Company and TMFF and IFC), and in any event must apply for such reinstatement and commence such equity capital raising by 30 June 2018 (or any such later date agreed between the Company and TMFF, IFC and Resource Capital Funds (the Senior Lenders)). The equity capital raising is necessary to enable the Group to repay the Additional Debt Facility and accrued interest and to meet the development funding needs of the Kipoi project. A restructured balance sheet with development capital available will allow the Group to fund the recommencement of mining at the Kipoi site and the expansion of production capacity to at least 32,500 metric tonnes of copper cathode per annum;

Notes to the Consolidated Financial Statements (continued)

1. Going concern (continued)

- On 24 September 2017, the Group entered into a Deed of Forbearance with the Senior Lenders for a period of not less than 12 months from the date on which the Auditor signs an audit opinion in respect of the financial report for the year ended 31 December 2016, during which the Senior Lenders cannot exercise enforcement rights in respect of certain defaults under its existing senior secured debt facility. The forbearance will continue for the 12 month period unless certain matters occur (including the Company's failure to provide the audited financial reports for the year ended 31 December 2016 within 30 business days after the Deed of Forbearance is signed, the Company's failure to commence an equity raising and apply for reinstatement of its shares to quotation on the ASX by 30 June 2018, the Company's failure to convene and hold a meeting of its members for the purpose of seeking approval of all issues of equity securities in the prior 12 months, the Group's failure to provide an updated financial model to the Senior Lenders' for approval by 30 June 2018 and the occurrence of any future defaults under the existing senior secured debt facility that are not excluded under the Deed of Forbearance). In the event that the forbearance period ends, the Senior Lenders will no longer be restricted in the exercise of their enforcement rights under the senior secured debt facility;
- Interest payable to the Senior Lenders during the forbearance period under the existing senior secured debt facility may be capitalised if not paid within 5 business days of becoming due. As compensation for any such capitalisation, the Senior Lenders will receive shares in the Company (such number of shares to be agreed by the parties acting reasonably), subject to shareholder approval (to the extent required). The Additional Debt Facility and Deed of Forbearance demonstrate the Senior Lenders' continued support for the Group;
- The Senior Lenders have agreed to waive for the duration of the forbearance period any defaults that have arisen or may arise under the senior secured debt facility that are the subject of the Deed of Forbearance;
- On 26 September 2017, Banque Commercial du Congo agreed to extend the term of the $15.0 million unsecured overdraft facility made available to SEK to 31 December 2018; and
- On 17 October 2017, Rawbank agreed to extend the term of the $5.0 million unsecured overdraft facility made available to SEK to 31 December 2018, in consideration for which the Company granted a guarantee in favour of Rawbank in respect of SEK's obligations under that unsecured overdraft facility.

Material Uncertainty

The Group's cashflow forecasts for the next 12 months demonstrates that without:

(i) a continued improvement of its operational and financial performance and the implementation of known revenue improvement and cost reduction initiatives; and/or
(ii) completion of a restructuring of its debt and recapitalisation through an equity capital raising as described above; or
(iii) completion of a sale of its Kipoi project,

the Group will be unable to repay the $18.154 million Additional Debt Facility, its commitments under the senior secured debt facility, the unsecured overdraft facilities provided by the DRC banks or fund additional development for its Kipoi project.

1. Going concern (continued)

As a result of the above, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business.

The Directors believe that, as at the date of signing the financial statements, there are reasonable grounds to believe that the Group will be able to achieve a recapitalisation through an underwritten equity raising and debt restructuring so that it will have sufficient funds to repay the Additional Debt Facility and interest at maturity, meet its obligations under the senior secured debt facility as and when they fall due and meet the long term funding needs of the Kipoi project (including, among other things, the recommencement of mining and the expansion of production capacity to at least 32,500 metric tonnes of copper cathode per annum). On that basis, the Directors believe the use of the going concern basis remains appropriate.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

How numbers are calculated

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

(a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction;
(b) analysis and sub-totals, including segment information; and
(c) information about estimates and judgements made in relation to particular items.

Notes in this section:

2. Segment information

The Group considers that it has only operated in one reportable segment, being minerals exploration, development and production in the DRC.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is the Chief Executive Officer is responsible for allocating resources and assessing performance of the operating segments.

The Group derives all of its revenue from sales of copper cathode to a single customer.

3. Revenue

	2016 $'000	2015 $'000
From continuing operations		
Sale of copper cathode	**112,688**	140,311
Sale of copper concentrate	**-**	6,065
	112,688	146,376

The Group's revenue recognition policy is set out in note 25(d) to the financial statements.

4. Impairment losses and doubtful debt expense

	Notes	2016 $'000	2015 $'000
Impairment losses			
Kipoi CGU non-current assets	(a)	**155,123**	-
Capitalised feasibility costs	(b)	**1,075**	-
		156,198	-
Doubtful debt expense			
Provision for doubtful debt - VAT receivable	(c)	**16,813**	-
Provision for doubtful debt - Income tax receivable	(c)	**493**	-
Provision for doubtful debt - Megatron prepayments	(c)	**13,040**	
		30,346	-

(a) Impairment of non-current assets

At each reporting date, the Group assesses whether there are any indicators that an asset, or group of assets, may be impaired. As at 31 December 2016, the following impairment indicators were identified, indicating a potential impairment of assets:

- The market capitalisation of the Company was below the net book value of its assets.
- Market interest rates had increased during the period, affecting the discount rate.
- The operational performance of the Kipoi SXEW plant was below expectations during the period.

4. Impairment losses and doubtful debt expense (continued)

(a) Impairment of non-current assets (continued)

(i) Methodology

An impairment loss is recognised for a cash generating unit (CGU) when the recoverable amount is less than its carrying amount. The Group operates in one segment and has a single CGU, Kipoi.

The recoverable amount of the Kipoi CGU was estimated using the fair value less costs of disposal basis with reference to discounted cash flow forecasts which applied valuation assumptions that a knowledgeable and willing buyer would be expected to use. This included the use of external market forecasts of key inputs to the valuation models, such as forecast copper prices.

The fair value estimates are considered to be a level 3 fair value measurement, as they are derived from valuation techniques that include inputs that are not based on observable market data. The consolidated entity considers the inputs and the valuation approach to be consistent with the approach expected to be taken by market participants.

An adverse change in one or more of the assumptions used to estimate fair value could result in a reduction of the CGU's fair value.

The fair value less costs of disposal methodology provides a higher value than the value in use methodology.

(ii) Key assumptions

At the end of the reporting period, the key assumptions used in determining the recoverable amount for the Kipoi CGU were in the following ranges:

Assumptions	31 December 2016					
	2017	2018	2019	2020	2021	Long Term 2022+
Copper price ($/lb)	2.57	2.58	2.69	2.80	2.89	2.98
Post-tax nominal discount rate	16.30%					

Commodity prices are estimated with reference to Consensus Economics copper price forecasts. A lower forecast copper price impacts the operating cash flows capable of being generated by the Kipoi CGU.

Life of mine production, operating cost and capital cost assumptions are based on the Group's most recent life of mine plan. The assumptions include the continuing development of the debottlenecking expansion to increase copper cathode production capacity by 30% to 32,500tpa. Mineral reserves not included in the most recent life of mine plan are not included in the determination of recoverable amount.

An inflation rate of 2.0% p.a. has been applied to operating and capital costs beyond the period covered by the most recent 12 month forecast period.

To determine the recoverable amount, the estimated future cash flows have been discounted to their present value using a post-tax nominal discount rate that reflects a current market assessment of the time value of money and risks specific to the asset.

4. Impairment losses and doubtful debt expense (continued)

(a) Impairment of non-current assets (continued)

(iii) Impacts

As at the reporting date, the Group has conducted a carrying value analysis and assessed the fair value as being less than its carrying amount at 31 December 2016.

Based on the formal estimate of the recoverable amount of the Kipoi CGU, the Group has reduced the carrying amount of its assets, recognising a pre-tax impairment loss of $116.442 million.

31 December 2016 Impairment Loss	Recoverable amount $000s	Impairment loss $000s
Cash generating unit		
Kipoi	138,093	116,442

In addition, at 30 June 2016, the Group had conducted a carrying value analysis and assessed the fair value as being less than its carrying amount at 30 June 2016.

Based on the formal estimate of the recoverable amount of the Kipoi CGU, the Group has reduced the carrying amount of its assets, resulting in a pre-tax impairment loss of $38.681 million and an income tax benefit of $9.217 million which are recognised in the Consolidated Statement of Comprehensive Income.

30 June 2016 Impairment Loss	Recoverable amount $000s	Impairment loss $000s
Cash generating unit		
Kipoi	241,883	38,681

(iv) Sensitivity analysis

The effect of a reasonable change as at 31 December 2016, based on the following key assumptions, in isolation to each other, to the life of mine fair value less costs of disposal calculations of the Kipoi CGU, are detailed below:

Assumption	Impact on fair value less cost of disposal $'000
$0.10/lb change in USD copper price	22,814
100 basis point change in discount rate	10,597

Whilst the impact of each reasonable possible change is shown in isolation, it is possible that a change in one key assumption may be offset or compounded by a change in another key assumption.

(b) Impairment of capitalised feasibility costs

The Group impaired $1.075 million of capitalised feasibility and study costs related to an evaluation of increasing the Kipoi SXEW plant capacity to 50,000 tonnes of copper cathode per annum.

4. Impairment losses and doubtful debt expense (continued)

(c) Doubtful debt expense

The Group made a doubtful debt provision of $16.813 million against the VAT receivable balance and $0.493 million for income tax receivable in its DRC subsidiaries due to significant uncertainty regarding the timing and the extent of the recovery of these amounts.

The Group also provided $13.040 million against the balance prepaid in respect of an energy efficiency and network reinforcement program, due to significant uncertainty regarding the timing and the extent of the recovery of these amounts.

The energy efficiency and network reinforcement program being undertaken is to improve the quality and supply of electricity in the DRC national power network from which Kipoi draws power. The prepayment amounts provided against include $1.539 million of current prepayments and $11.501 million of prepayments is classified as a non-current asset.

The prepayments were to be realised on the basis of units of power drawn from the grid, of which $0.961 million of rebates receivable were recognised during the year ended 31 December 2016, of which the last payment received related to the rebate for the month of August 2016.

The risks to achieving grid power include, but are not limited to, the availability of power from the DRC national and import grids, climatic factors and the performance of the DRC national and import grids.

5. Cost of sales

	2016 $'000	2015 $'000
Cost of sales - cathode		
Mining	**9,303**	3,077
Processing	**36,462**	43,875
Administration	**21,026**	19,645
Selling costs	**10,483**	14,159
Royalties	**4,929**	5,945
Depreciation and amortisation	**18,510**	17,843
Inventory movements and deferred waste	**4,903**	14,973
	105,616	119,517
Cost of sales - concentrate		
Mining	-	70
Processing	-	1,573
Administration	-	2,458
Selling costs	-	4,796
Royalties	-	315
Inventory movements and deferred waste	-	2,355
	-	11,567
	105,616	131,084

Total cost of sales includes $11.753 million (2015: $12.636 million) of employee benefit expenses, and $19.588 million (2015: $27.547 million) of costs relating to the consumption of inventories.

6. Other income and expense

(a) Other income

		2016 $'000	2015 $'000
Fair value gain on derivative liability	*(i)*	**540**	1,728
Interest income		**17**	24
Gain on disposal of fixed assets		**-**	5
		557	1,757

	2016 $'000	2015 $'000
(i) Fair value gain on derivative liabilities		
Taurus 2014 options	**57**	536
Taurus 2015 options – tranche 1	**70**	103
Taurus 2015 options – tranche 2	**413**	1,089
	540	1,728

Written call options were issued to Taurus in connection with the provision of the acquisition finance facility and subsequent extension of the acquisition finance facility. The exercise price of the call options (as per 8(f)) are denominated in a currency other than the group's functional currency, which gives rise to a derivative financial liability. Details of the transactions are disclosed in note 14(b).

Fair value revaluations are accounted for through profits.

(b) Administration expenses

	2016 $'000	2015 $'000
Employee-related expenses and directors' fees		
Wages and salaries	**1,576**	2,721
Superannuation expense	**96**	108
Share-based payments expense	**89**	292
	1,761	3,121
Depreciation expense	**25**	50
Other administration expenses	**2,840**	3,183
	4,626	6,354

Total employee share-based payments expense for the period is $0.161 million (refer to note 11(ii)) of which $0.088 million is included in administration expenses and the balance of $0.073 million in cost of sales.

Notes to the Consolidated Financial Statements (continued)

6. Other income and expense (continued)

(c) Finance costs

	2016 $'000	2015 $'000
Interest charged on loans	**15,539**	14,309
Other borrowing costs	**14,587**	4,405
Fair value of derivatives at inception	**-**	1,984
	30,126	20,698
Accretion of finance costs	**372**	2,389
	30,498	23,087

Other borrowing costs include capitalised borrowing expenses related to the first drawdown of the senior finance facility and shares issued as part of the revised facility arrangements announced on 25 October 2016, whereby the Group can elect to capitalise four quarterly interest payments for the period October 2016 – July 2017, approval of the remaining drawdowns under the $162.500 million senior facility and an additional commitment of up to $10.000 million (subsequently reduced to $5.132 million following IFC funding their remaining drawdown under the senior facility).

Under the revised facility arrangements Tiger will issue the Senior Lenders a total of 6.2 new ordinary shares per US Dollar of funding advanced or interest capitalised.

At 31 December 2016, following the breach financial covenants, the Company agreed with the Lender Group to extend the date for payment of the first, second and third scheduled repayment instalment totalling $3.250 million, and extend (or waive) a number of conditions under the Senior Finance Facility, until 1 October 2017. Subsequently, the Group entered into a forbearance with the Senior Lenders for a period of not less than 12 months from the date on which the Auditor signs an audit opinion in respect of the financial report for the year ended 31 December 2016, during which the Senior Lenders cannot exercise enforcement rights in respect of certain defaults under its existing senior secured debt facility. Refer to note 18 subsequent events for full details of the forbearance.

In accordance with Australian Accounting Standards, borrowings have been reclassified from non-current to current liabilities and the Company has expensed all capitalised borrowing costs at reporting date.

Accretion of finance costs for the previous year include $2.108 million of expensed capitalised borrowing cost; the capitalised costs were fully amortised during the previous financial year. Current year expense of $0.372 million relates to accretion in respect to the rehabilitation provision (2015: 0.281 million).

7. Income tax expense

	2016 $'000	2015 $'000
(a) Income tax expense		
Current tax expense	**824**	2,645
Deferred tax (benefit)/expense	**(18,418)**	(1,361)
	(17,594)	1,284
Deferred income tax (benefit)expense included in income tax expense comprises:		
Decrease/(Increase) in deferred tax assets	**18,649**	(3,607)
(Decrease)/Increase in deferred tax liabilities	**(37,067)**	2,246
	(18,418)	(1,361)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2016 $'000	2015 $'000
(Loss) from continuing operations before income tax expense	**(216,167)**	(16,583)
Tax (benefit) at the rate of 30 % (2015: 30%)	**(64,850)**	(4,975)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Equity compensation	**22**	82
Adjustments for subsidiary tax calculation when in tax loss position	**1,133**	1,061
Unrecognised carry forward tax losses over which DTA was previously recognised	**23,505**	-
Income tax benefit not brought to account	**15,440**	2,497
Share issue costs	**(204)**	(192)
Non-deductible taxes and finance costs	**154**	1,385
Non-deductible provision against receivables	**5,662**	-
Non-assessable non-exempt expenses	**210**	1,358
Other non-deductible expenses	**1,334**	68
Income tax (benefit)/expense	**(17,594)**	1,284

(c) Tax losses

	2016 $'000	2015 $'000
Unused tax losses for which no deferred tax asset has been recognised	**192,643**	66,533
Potential tax benefit at 30%	**57,793**	19,960

All unused tax losses were incurred by the parent entity and its subsidiaries that are not part of a tax consolidation group.

Notes to the Consolidated Financial Statements (continued)

7. Income tax expense (continued)

	2016 $'000	2015 $'000
(d) Unrecognised temporary differences		
Temporary difference relating to various balance sheet items	**35,035**	(7,205)
Unrecognised deferred tax assets/(liabilities) relating to temporary differences	**10,511**	(2,161)
(e) Deferred tax balances		
Deferred tax assets		
The balance comprises temporary differences attributable to:		
Inventories	**522**	814
Tax losses - overseas subsidiary	**-**	23,505
Mine properties/development costs	**233**	-
Finance costs	**2,115**	-
Prepayments	**3,912**	-
Total deferred tax assets	**6,782**	24,319
Unrecognised deferred tax assets	**(1,112)**	-
Deferred tax assets	**5,670**	24,319
Set-off of deferred tax liabilities pursuant to set-off provisions	**(5,670)**	(24,319)
Net deferred tax assets	**-**	-
Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Mine properties/development costs	**-**	45
Provisions	**551**	1,159
Plant and equipment	**5,119**	41,533
Total deferred tax liabilities	**5,670**	42,737
Deferred tax liabilities	**5,670**	42,737
Set-off of deferred tax assets pursuant to set-off provisions	**(5,670)**	(24,319)
Net deferred tax (assets)/liabilities	**-**	18,418
(f) Current tax payable		
Current tax payable	**42**	1,322

8. Financial assets and liabilities

(a) Cash and cash equivalents

	2016 $'000	2015 $'000
Cash at bank	**7,364**	19,007

The Group's exposure to interest rate risk is discussed in note 16. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

(i) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with a 24 hours' notice with no loss of interest. See note 25(h) for the group's other accounting policies on cash and cash equivalents.

(b) Trade and other receivables, other current and non-current assets

	2016 $'000	2015 $'000
(i) Trade and other receivables		
Current		
Trade receivables	**4,674**	-
Indirect taxes receivable - VAT/GST	**33**	8,814
Other receivable	**1,512**	2,218
Prepayments	**1,951**	954
Security deposits	**616**	472
	8,786	12,458
Non-current		
Income tax receivable	**6,965**	8,244
(ii) Other assets		
Current - Prepaid finance costs	**-**	5,201
Non-current - Energy efficiency prepayments	**-**	7,116

Trade receivables are for sales of copper cathode under an offtake agreement.

Indirect taxes receivable include amounts reimbursable for goods and services tax (GST) and value added tax (VAT). These amounts are non-interest bearing and are repayable according to applicable government regulations.

At 31 December 2016, the Group made a provision against its VAT receivable balance, due to increased uncertainty regarding the timing and extent of VAT refunds in DRC. This reduced the carrying value of the VAT receivable by $16.813 million to nil, with a corresponding doubtful debt expense being recognised in the statement of comprehensive income. The Group also made a provision for non-recoverability of long outstanding income tax receivable for the amount of $0.493 million.

8. Financial assets and liabilities (continued)

(b) Trade and other receivables, other current and non-current assets (continued)

At the reporting date Group provided $13.040 million against the outstanding balance of prepayments made in respect of an energy efficiency and network reinforcement program, due to increased uncertainty regarding the timing and extent of rebates, which comprises $1.539 million (2015: $0.790 million) of current prepayments and $11.501 million (2015: $7.116 million) of prepayments classified as a non-current asset. The corresponding doubtful debt expense is recognised in the statement of comprehensive income (details disclosed in note 4(c)).

No other receivables were past due or impaired at 31 December 2016. No collateral is held in relation to these receivables.

Prepaid finance costs of $5.201 million were re-classified to capitalised borrowings on financial close of the senior facility during the reporting period.

The Group's impairment and other accounting policies for trade and other receivables are outlined in note 25(i) to the financial statements.

If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are classified as non-current assets.

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. For more information on the risk management policy of the Group, foreign currency risk and the credit quality of the entity's receivables, refer to note 16.

(c) Trade and other payables

	2016 $'000	2015 $'000
Current liabilities		
Trade payables and accruals	**28,011**	30,411
Other payables - annual leave	**509**	482
	28,520	30,893
Non-current liabilities		
Deferred consideration	**965**	2,391

Trade payables and accruals are unsecured.

Other payables represent accrued employee annual leave entitlements. The entire obligation is presented as current as the Group does not have an unconditional right to defer settlement.

The carrying amounts of current trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

Deferred consideration relates to the purchase of two 30MVa substations installed at Kipoi. The total liability recognised is $3.267 million (2015: $4.620 million), of which $2.302 million (2015: $2.229 million) is included in current trade payables and accruals, with the balance of $0.965 million (2015: $2.391 million) the present value of instalments due between January and July 2018.

Information about the Group's exposure to foreign exchange risk is provided in note 16.

8. Financial assets and liabilities (continued)

(d) Derivative financial liabilities

	2016 $'000	2015 $'000
Non-current liabilities		
Derivative financial liabilities	**315**	856
	315	**856**

Written call options were provided to Taurus in connection with the provision of the acquisition finance facility and subsequent extension of the acquisition finance facility. The exercise price of the call options are denominated in a currency other than the group's functional currency, which gives rise to a derivative financial liability. Details of the transactions are included in note 14(b).

These liabilities will only be settled via the issue of equity and are recorded at fair value. For further information refer to note 8(f).

(e) Borrowings

		2016 $'000	2015 $'000
Current borrowings			
Advance payment facility	*(i)*	**-**	25,090
Acquisition finance facility	*(i)*	**-**	100,422
Senior facility	*(ii)*	**162,500**	-
Senior facility – interest capitalised		**3,538**	-
Senior facility – interest payable		**2,563**	-
	(i)	**168,601**	
Bank overdraft facilities	*(ii)*	**19,413**	29,885
Term loan		**3,333**	-
		191,347	155,397

The carrying values of borrowings as presented above approximate their fair values.

8. Financial assets and liabilities (continued)

(e) Borrowings (continued)

(i) Movement in Advance Payment Facility, Acquisition Finance Facility and Senior Facility

	Advance Payment Facility $'000	Acquisition Finance Facility $'000	Senior Facility $'000	Total $'000
Outstanding principal	25,000	100,000	-	125,000
Outstanding interest	90	422	-	512
Balance at 1 January 2016	25,090	100,422	-	125,512
Settlement via deliveries under off-take agreement	(4,184)	-	-	(4,184)
Accrued Interest paid	-	(422)	-	(422)
Settlement of existing debt from the new facility	(20,906)	(100,000)	120,906	-
Financing costs – fees	-	-	3,050	3,050
Initial drawdown - net proceeds received	-	-	9,241	9,241
Proceeds received	-	-	29,303	29,303
	-	-	162,500	162,500
Capitalised and accrued interest	-	-	6,101	6,101
Balance at 31 December 2016	**-**	**-**	**168,601**	**168,601**

(ii) Unused facilities available

Unused financing facilities at 31 December 2016

	Senior Facility $'000	Overdraft Facility $'000	Term Facility $'000	Total Facilities $'000
Total facility	162,500	20,000	5,000	185,833
Used to date	(162,500)	(19,413)	(5,000)	(185,246)
Facility available	**-**	**587**	**-**	**587**

(iii) Deferred finance costs

A total of $7.942 million of legal and arranging costs incurred in establishing the Senior Facility and $3.786 million of share-based payments, pursuant to the senior facility agreements, were initially recognised as deferred finance costs for amortisation over the life of the facility. During the period all of the deferred finance costs, being $11.728 million, were expensed in the statement of comprehensive income as the Group has been in breach of various covenants under the senior finance facility.

8. Financial assets and liabilities (continued)

(e) Borrowings (continued)

Bank overdraft facilities and term loans

The total amount drawn under the bank overdraft facilities was $19.413 million, with $0.587 million available for drawdown at the reporting date.

The bank overdraft facilities are held with:

- Banque Commerciale du Congo (BCDC) ($15.000 million), repayable in February 2018; and
- Rawbank ($5.000 million), repayable on 31 May 2017.
- During the year and as at 31 December 2016, SEK had breached financial covenants in its overdraft facility with Rawbank. As SEK is not able to remedy the breaches in the near term, it has requested that Rawbank either waives the breaches or amends the financial covenants.
- On 26 September 2017, BCDC agreed to extend the term of the $15.0 million unsecured overdraft facility made available to SEK to 31 December 2018.
- On 17 October 2017, Rawbank agreed to extend the term of the $5.0 million unsecured overdraft facility made available to SEK to 31 December 2018, in consideration for which the Company granted a guarantee in favour of Rawbank in respect of SEK's obligations under that unsecured overdraft facility.

The term loan with Rawbank was drawn to $5.000 million at reporting date (2015: nil) of which $1.667 million was repaid during the reporting period. The balance of $3.333 million is repayable within the next 12 months and is classified as current borrowings.

The facilities are unsecured and bear interest at prevailing commercial rates.

Senior Facility

On 16 December 2015, the Group agreed final terms with Taurus and IFC, for a $162.500 million secured financing facility to refinance the existing debt facilities with Taurus and Gerald and to provide capital for the debottlenecking initiative to increase capacity of the Kipoi SXEW plant. During the quarter ended 31 March 2016 RCF entered into an agreement with Taurus and IFC to join the lending syndicate of the Senior Facility

Key terms of the Senior Facility include:

- Term of approximately 99 months to 31 January 2024;
- Interest rate of 9.25%, and an arranger fee of $50 per tonne of copper sold capped at 700,000 tonnes of copper sales;
- No principal repayment until 31 January 2017 (first, second and third principal repayments deferred to 1 October 2017); and
- Pre-payable at any time without financial penalty.

The drawdowns under the Senior Facility were made as follows:

- $133.197 million on 29 January 2016;
- $9.771 million on 5 July 2016;
- $6.300 million on 27 October 2016;
- $8.364 million on 28 November 2016; and
- $4.868 million on 14 December 2016.

8. Financial assets and liabilities (continued)

(e) Borrowings (continued)

On 24 October 2016, the Company accepted a proposal whereby Taurus and RCF provided a revised funding commitment within the Senior Facility limit of $162.500 million to accommodate short term funding needs as a result of the ILS remedial work and loss of production. This included:

- A two-month extension of the availability period of the remaining undrawn Senior Facility;
- Capitalisation of interest repayments to 31 July 2017; and
- The funding was made available for agreed uses including the completion of the debottlenecking, additional capital expenditures and working capital items.

The revision to the existing commitments was accommodated under a revision to the existing Senior Facility Common Terms Agreement, inter-creditor and securities documents with the lender group, and is provided at the same 9.25% coupon and undrawn basis as per the current agreement.

Under the revised Senior Facility arrangements the Company will issue the Senior Lenders a total of 6.2 new ordinary shares per US Dollar of funding advanced or interest capitalised. Assuming the revised facilities are fully utilised to expiry of the term this will result in a maximum of approximately 247 million shares being issued by the Company.

During the year ended 31 December 2016, the Company issued 60.988 million shares to Senior Lenders under the revised Senior Facility terms.

The loan under the Senior Facility, is subject to a number of covenants including the following specific financial covenants:

(i) on each debt service cover ratio (DSCR) calculation date, the DSCR is greater than 1.15 times; and,

(ii) on each calculation date:

   a. the loan life cover ratio is greater than 1.20 times;
   b. the project life cover ratio is greater than 1.40 times; and
   c. the reserve tail ratio is greater than 30%.

The DSCR calculation date is on each quarterly principal repayment date, commencing on 31 January 2017, and the calculation date is at the end of each quarterly period.

On 24 September 2017, the Group entered into a Deed of Forbearance with the Senior Lenders for a period of not less than 12 months from the date the Auditor signs an audit opinion in respect of the financial report for the year ended 31 December 2016, during which the Senior Lenders cannot exercise enforcement rights in respect of certain defaults under its existing senior secured debt facility.

The forbearance will continue for the 12 month period unless certain matters occur (including the Company's failure to provide the audited financial reports for the year ended 31 December 2016 within 30 business days after the Deed of Forbearance is signed, the Company's failure to commence an equity raising and apply for reinstatement of its shares to quotation on the ASX by 30 June 2018, the Company's failure to convene and hold a meeting of its members for the purpose of seeking approval of all issues of equity securities in the prior 12 months, the Group's failure to provide an updated financial model to the Senior Lenders' for approval by 30 June 2018 and the occurrence of any future defaults under the existing senior secured debt facility that are not excluded under the Deed of Forbearance).

In the event that the forbearance period ends, the Senior Lenders will no longer be restricted in the exercise of their enforcement rights under the senior secured debt facility.

8. Financial assets and liabilities (continued)

(e) Borrowings (continued)

Interest payable to the Senior Lenders during the forbearance period under the existing senior secured debt facility may be capitalised if not paid within 5 business days of becoming due. As compensation for any such capitalisation, the Senior Lenders will receive shares in the Company (such number of shares to be agreed by the parties acting reasonably), subject to shareholder approval (to the extent required). The Additional Debt Facility and Deed of Forbearance demonstrate the Senior Lenders' continued support for the Group.

The Senior Lenders have agreed to waive for the duration of the forbearance period any defaults that have arisen or may arise under the senior secured debt facility that are the subject of the Deed of Forbearance.

(f) Fair value measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Derivative financial instruments
- Equity investments at fair value through other comprehensive income

a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

8. Financial assets and liabilities (continued)

(f) Fair value measurements (continued)

a) Fair value hierarchy (continued)

Recognised fair value measurements

The following table presents the Group's assets and liabilities measured and recognised at fair value at 31 December 2016.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at 31 December 2016				
Recurring fair value measurements				
Financial assets				
Equity investments at fair value through other comprehensive income				
Equity securities	460	-	-	460
Total financial assets	460	-	-	460
Financial liabilities				
Derivatives	-	315	-	315
Total financial liabilities	-	315	-	315
As at 31 December 2015				
Recurring fair value measurements				
Financial assets				
Equity investments at fair value through other comprehensive income				
Equity securities	898	-	-	898
Total financial assets	898	-	-	898
Financial liabilities				
Derivatives	-	856	-	856
Total financial liabilities	-	856	-	856

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

8. Financial assets and liabilities (continued)

(f) Fair value measurements (continued)

b) Valuation techniques used to derive level 2 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value of the derivative financial instruments is determined using a Black-Scholes valuation model incorporating the following observable market data:

- The Company's share price as quoted on the ASX
- Volatility in the Company's share price
- Foreign exchange rates
- Risk-free market interest rates

9. Non-financial assets and liabilities

(a) Inventories

	2016 $'000	2015 $'000
Current assets		
Consumables - at cost	**8,714**	7,619
Ore stockpiles - at cost	**3,085**	11,086
Copper in circuit - at cost	**10,571**	8,714
Finished goods - cathode - at cost	**2,836**	4,664
Total current	**25,206**	**32,083**
Current assets		
Ore stockpiles - fines at cost	**3,408**	-
Total non-current	**3,408**	**-**

Consumables, work in progress and finished goods are stated at the lower of cost or net realisable value. The Group's accounting policy is set out in note 25 (j).

	2016 $'000	2015 $'000
Opening balance	**75,224**	77,537
Additions	**202**	19
Movement in rehabilitation asset	**1,168**	(1,982)
Deferred stripping additions	**155**	-
Amortisation	**(312)**	(350)
Impairment – refer note 4(a)	**(31,957)**	-
Closing balance	**44,480**	75,224

9. Non-financial assets and liabilities (continued)

(b) Mine properties and development

During the year, the rehabilitation provision was re-estimated based on updated economic assumptions. The increase in the provision was predominantly due to the revision of the discount rate applied to rehabilitation liability and changes to the life of mine, resulting in a corresponding increase in the cost of the rehabilitation asset.

Mine properties and development expenditure is amortised over the life of mine. The Group's accounting policy is set out in note 25(n).

The Group's accounting policy in regard to deferred stripping is set out in note 25(x).

(c) Property, plant and equipment

	Motor Vehicles $'000	Plant & Equipment $'000	Land & Buildings $'000	Construction in Progress $'000	Total $'000
At 1 January 2015					
Cost	3,494	227,187	4,525	4,348	**239,554**
Accumulated depreciation	(2,599)	(27,050)	(609)	-	**(30,258)**
Net book value	**895**	**200,137**	**3,916**	**4,348**	**209,296**
Year ended 31 December 2015					
Opening net book amount	895	200,137	3,916	4,348	**209,296**
Additions	-	1,020	74	15,055	**16,149**
Write off - cost	(22)	-	-	-	**(22)**
Transfers (to)/from other classes	-	13,991	92	(14,083)	**-**
Depreciation charge	(503)	(16,980)	(238)	-	**(17,721)**
Write off - accumulated depreciation	22	-	-	-	**22**
Closing net book amount	392	198,168	3,844	5,320	**207,724**
At 31 December 2015					
Cost	3,472	242,196	4,691	5,320	**255,679**
Accumulated depreciation	(3,080)	(44,028)	(847)	-	**(47,955)**
Net book value	392	198,168	3,844	5,320	**207,724**
Year ended 31 December 2016					
Opening net book amount	392	198,168	3,844	5,320	**207,724**
Additions	-	8,445	26	24,807	**33,278**
Write off - cost	-	(90)	-	-	**(90)**
Transfers (to)/from other classes	91	1,941	(75)	(1,957)	**-**
Depreciation charge	(258)	(16,315)	(216)	-	**(16,789)**
Impairment losses – refer note 4(a)	(142)	(108,025)	(1,488)	(14,586)	**(124,241)**
Closing net book amount	83	84,124	2,091	13,584	**99,882**
At 31 December 2016					
Cost	3,563	252,492	4,642	28,170	**288,867**
Accumulated depreciation and impairment	(3,480)	(168,368)	(2,551)	(14,586)	**(188,985)**
Net book value	**83**	**84,124**	**2,091**	**13,584**	**99,882**

9. Non-financial assets and liabilities (continued)

(c) Property, plant and equipment (continued)

Depreciation on assets is calculated using the straight line method or units or production method to allocate their cost, net of their residual values, over their estimated useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Assets within operations where production is not expected to fluctuate significantly from one year to another or which have a physical life that differs from the related mine are depreciated on a straight line basis over the estimated useful life of the asset as follows:

- Buildings	25 - 40 years
- Machinery	10 - 15 years
- Vehicles	3 - 5 years
- Furniture, fittings and equipment	3 - 8 years
- Leased plant and equipment	10 - 15 years

Where the useful life of an asset is directly linked to the extraction of ore from the mine, the asset is depreciated using the units of production method. In applying the units of production method, depreciation is normally calculated using the quantity of material extracted from the mine in the period as a percentage of the total quantity of material to be extracted in current and future periods based on reserves.

See note 25(m) for the other accounting policies relevant to property, plant and equipment.

(d) Provisions

		2016 $'000	2015 $'000
Current			
Employee benefits - long service leave		**29**	-
		29	-
Non-current			
Employee benefits - long service leave		**87**	93
Provision for rehabilitation	*(i)*	**4,948**	3,408
Other provisions		**455**	97
		5,490	3,598

(i) Reconciliation of movement in provision for rehabilitation

	2016 $'000	2015 $'000
Provision for rehabilitation		
Opening balance	**3,408**	5,164
Revision of estimate in provision	**1,168**	(2,037)
Unwinding of discount	**372**	281
Closing balance	**4,948**	3,408

9. Non-financial assets and liabilities (continued)

(d) Provisions (continued)

Provision for rehabilitation relates to the Kipoi Copper Project area. The Group makes provision for the future cost of rehabilitating mine sites and related production facilities based on the future value of discounted cash flows. The rehabilitation provision represents the present value of rehabilitation costs based on disturbance incurred to balance date.

During the year, the rehabilitation provision was re-estimated based on updated economic assumptions. The increase in the provision was predominantly due to the revision of the life of mine, based on the debottlenecking works increasing the nameplate production by 30% to 32,500tpa of copper cathode, resulting in a corresponding reduction in the cost of the rehabilitation asset.

10. Contributed equity

(a) Share capital

	2016 Number	2016 $'000	2015 Number	2015 $'000
Ordinary shares fully paid net of costs	1,938,178,160	298,204	1,484,618,275	286,210

Movement in ordinary share capital

Date		Number of shares	Issue price ($A)	$'000
	2015			
01-Jan-15	Opening balance	1,143,541,406	-	273,537
17-Dec-15	Share placement	124,449,054	0.0665	6,000
23-Dec-15	Issue under Rights entitlement	216,627,815	0.0470	7,368
	Capital raising costs	-		(695)
31-Dec-15	Closing balance	1,484,618,275		286,210
	2016			
01-Jan-16	**Opening balance**	**1,484,618,275**	**-**	**286,210**
21-Jan-16	Subscription under rights issue	48,668,852	0.047	1,573
22-Jan-16	Subscription under rights issue	107,121,415	0.047	3,532
04-Feb-16	Subscription under rights issue	154,738,878	0.047	5,000
27-Oct-16	Finance facility extension issue*	39,060,000	0.020	594
31-Oct-16	Finance facility extension issue*	21,927,847	0.020	334
30-Nov-16	Finance facility extension issue*	6,376,270	0.020	97
02-Dec-16	Finance facility extension issue*	45,484,056	0.020	672
15-Dec-16	Finance facility extension issue*	30,182,567	0.020	459
	Capital raising costs	-		(287)
31-Dec-16	**Closing balance**	**1,938,178,160**		**298,204**

* In accordance with the revised facility terms, the Company issued 21.928 million shares with respect to capitalisation of interest payable and 121.103 million shares with respect to further funds drawdowns. The shares were issued for nil consideration, valued at A$0.02 per share, based the market price on the date of the revised terms agreement.

Shares are issued at a price denominated in Australian dollars. The issue prices in the above table are translated to US dollars at the exchange rate prevailing at the date of the revised agreement.

10. Contributed equity (continued)

(a) Share capital (continued)

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon poll each share is entitled to one vote.

All shares are a single class with equal rights to dividends, capital distributions and voting. The company does not have authorised capital nor par value in respect of its issued shares.

(b) Unlisted options

Movement in unlisted options

Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Expired during the year	Balance at end of the year	Vested and exercisable at end of the year
	A$	Number	Number	Number	Number	Number	Number	Number
For the year ended 31 December 2016								
16-Oct-18	0.397	20,000,000	-	-	-	-	20,000,000	20,000,000
31-May-19	0.097	55,000,000	-	-	-	-	55,000,000	55,000,000
30-Jun-18	0.079	1,641,648	-	-	-	-	1,641,648	1,641,648
		76,641,648	-	-	-	-	76,641,648	76,641,648
Weighted average exercise price (A$)		0.17	-	-	-	-	0.17	0.17
For the year ended 31 December 2015								
20-Feb-15	0.480	2,150,000	-	-	-	(2,150,000)	-	-
26-Mar-15	0.480	150,000	-	-	-	(150,000)	-	-
21-May-15	0.460	1,600,000	-	-	-	(1,600,000)	-	-
31-Dec-15	0.400	1,850,000	-	-	-	(1,850,000)	-	-
16-Oct-18	0.397	20,000,000	-	-	-	-	20,000,000	20,000,000
31-May-19	0.0971	-	55,000,000	-	-	-	55,000,000	55,000,000
30-Jun-18	0.0791	-	1,641,648	-	-	-	1,641,648	1,641,648
		25,750,000	56,641,648	-	-	(5,750,000)	76,641,648	76,641,648
Weighted average exercise price (A$)		0.41	0.10	-	-	0.45	0.17	0.17

Remaining weighted average life of options over ordinary shares on issue at 31 December 2016 is 2.23 years (2015: 3.23 years).

Notes to the Consolidated Financial Statements (continued)

10. Contributed equity (continued)

(c) Performance Rights

Movement in performance rights

Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable at end of the year
	A$	Number	Number	Number	Number	Number	Number
For the year ended 31 December 2016							
31-Mar-16	-	685,796	-	-	(685,796)	-	-
22-May-16	-	1,228,307	-	-	(1,228,307)	-	-
13-Aug-16	-	630,913	-	-	(630,913)	-	-
20-May-17	-	1,988,300	-	-	(445,008)	1,543,292	-
27-May-18	-	4,479,366	-	-	(1,402,692)	3,076,674	-
26-May-19		-	6,500,000	-		6,500,000	-
		9,012,682	6,500,000	-	(4,392,716)	11,119,966	-
For the year ended 31 December 2015							
31-Mar-16	-	685,796	-	-	-	685,796	-
31-Mar-16	-	804,649	-	-	(804,649)	-	-
22-May-16	-	2,564,812	-	-	(1,336,505)	1,228,307	-
13-Aug-16	-	933,225	17,924	-	(320,236)	630,913	-
20-May-17	-	4,373,157	-	-	(2,384,857)	1,988,300	-
27-May-18	-	-	7,803,847	-	(3,324,481)	4,479,366	-
		9,361,639	7,821,771	-	(8,170,728)	9,012,682	-

Remaining weighted average life of the performance rights on issue at 31 December 2016 is 1.84 years (2015: 1.62 years).

(i) Capital risk management

The capital structure of the Group comprises of issued capital and reserves attributable to shareholders. The Group is committed to manage its capital and monitor the gearing ratio to safeguard the Group's ability to continue as a going concern and maximise returns to stakeholders.

The Group operates through subsidiary companies in the DRC. None of the Group's subsidiaries are subject to externally imposed capital requirements. The Group's cash flows are used for exploration, development, mineral production and to fund corporate costs of the Company.

11. Reserves

		2016 $'000	2015 $'000
Equity investments reserve	*(i)*	**(1,995)**	(1,557)
Share option reserve	*(ii)*	**24,659**	22,879
Foreign currency translation reserve	*(iii)*	**(6,033)**	(6,033)
Non-controlling interest reserve	*(iv)*	**(65,955)**	(65,955)
		(49,324)	(50,666)

Nature and reconciliation of movement in reserves

(i) Equity investments reserve

Changes in the fair value and exchange differences arising on translation of investments that are classified as equity investments at fair value through other comprehensive income assets, are recognised in other comprehensive income and accumulated in a separate reserve within equity. For further information about the Group's accounting policy regarding equity investments at fair value through other comprehensive income refer to note 25(k).

	2016 $'000	2015 $'000
Balance at the beginning of the period	**(1,557)**	(2,195)
Fair value revaluation	**(438)**	638
Balance at the end of the period	**(1,995)**	(1,557)

(ii) Share-based payments reserve

The share option reserve is used to record the value of share-based payments provided through the issue of options over ordinary shares.

	2016 $'000	2015 $'000
Balance at the beginning of the period	**22,879**	22,287
Employee share-based payment expense for the period	**161**	492
Finance costs equity settled	**1,619**	100
Balance at the end of the period	**24,659**	22,879

(iii) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations with a functional currency different to the Group's. Functional currency of all Group entities is US Dollar, which is also the Group's presentation currency. There was no movement in the reserve during the current period (2015: nil).

(iv) Non-controlling interest reserve

The non-controlling interest reserve is used to record transactions between equity holders. There was no movement in the reserve during the current period (2015: nil).

12. Accumulated losses

	2016 $'000	2015 $'000
Opening balance	**(86,961)**	(69,454)
Net loss for the year	**(190,234)**	(17,507)
Closing balance	**(277,195)**	(86,961)

13. Interests in other entities

(a) Material subsidiaries

The Group's principal subsidiaries at 31 December 2016 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal activities	Country of incorporation	Ownership interest held by the Group 2016 %	Ownership interest held by the Group 2015 %
Tiger Congo SARL	Mineral exploration	DRC	100	100
Congo Minerals SARL	Holding entity	DRC	100	100
Société d'Exploitation de Kipoi SA (SEK)	Mining entity	DRC	95	95
Sase Mining SARL	Mineral exploration	DRC	95	95
Tiger Resources Finance Ltd	Holding entity	British Virgin Islands	100	100
Balcon Holdings Ltd	Holding entity	British Virgin Islands	100	100
Havelock Finance Ltd	Holding entity	British Virgin Islands	100	100
Balcon Investments and Logistics (Pty) Ltd	Holding entity	South Africa	100	100

13. Interests in other entities (continued)

(b) Non-controlling interests

Set out below is summarised information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	SEK		Sase Mining SARL	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Summarised balance sheet				
Current assets	**40,687**	49,005	**38**	287
Current liabilities	**(219,953)**	(84,842)	**(166)**	(132)
Current net (liabilities)/assets	**(179,266)**	(35,837)	**(128)**	155
Non-current assets	**118,222**	231,724	**532**	418
Non-current liabilities	**(14,816)**	(110,116)	**(21,576)**	(20,022)
Non-current net assets/(liabilities)	**103,406**	121,608	**(21,044)**	(19,604)
Net assets/(liabilities)	**(75,860)**	85,771	**(21,172)**	(19,449)
Accumulated NCI	**(1,693)**	6,559	**(148)**	(62)
Summarised statement of comprehensive income				
Revenue	**112,688**	146,376	**-**	-
(Loss)/profit for the period	**(135,276)**	(5,957)	**(1,723)**	(1,451)
Total comprehensive (loss)/income	**(135,276)**	(5,957)	**(1,723)**	(1,451)
(Loss)/profit allocated to NCI	**(8,252)**	(298)	**(86)**	(62)
Summarised cash flows				
Cash flows from operating activities	**6,048**	51,006	**(1,447)**	(1,371)
Cash flows from investing activities	**(33,161)**	(16,140)	**-**	-
Cash flows from financing activities	**32,835**	(39,121)	**1,417**	1,429
Net (decrease)/increase in cash and cash equivalents	**5,722**	(4,255)	**(30)**	58

Total loss attributable to non-controlling interests for the year is $8.338 million (2015: $0.360 million). The aggregate amount of non-controlling interest in equity at 31 December 2016 is negative $1.842 million (2015: $6.497 million).

14. Cash flow information

(a) Reconciliation of (loss)/profit after income tax to net cash inflow from operating activities

	2016 $'000	2015 $'000
Loss for the year	**(198,573)**	(17,867)
Gain from fair value of derivatives	**(540)**	(1,728)
Depreciation and amortisation	**23,129**	17,893
Share-based payments	**161**	492
Finance costs	**30,498**	2,422
Net exchange differences	**2,128**	1,304
Written off PP&E	**90**	-
Doubtful debt expense	**30,346**	-
Impairment	**156,198**	-
	43,437	2,516
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivable	**(20,581)**	24,542
Decrease in inventories	**3,469**	15,855
(Decrease) in trade payables	**(6,855)**	(3,322)
(Decrease) in deferred tax balances	**(18,418)**	(1,361)
Net cash inflow from operating activities	**1,052**	38,230

(b) Non-cash investing and financing activities

During the year, the Company issued 143,030,740 ordinary shares for nil cash consideration to Senior Lenders under revised Senior Loan terms (details disclosed in note 10(a)).

During 2015, the Company issued 55 million options to Taurus, upon extension of the acquisition finance facility (per note 8(d)). The first tranche of 7.9 million options was issued on 9 March 2015 and second tranche of 47.1 million options on 29 May 2015. Both tranches of options were issued for no consideration with an exercise price of A$0.097 each, expiring on 31 May 2019. Based on these terms, the options were valued using an appropriate valuation methodology; the values derived being $0.217 million for tranche 1 options and $1.767 million for tranche 2 options. During the year, the fair value of the options issued in 2015 decreased by $0.483 million (2015: $1.192 million).

In 2014 the Company issued 20 million options to Taurus pursuant to terms of the acquisition finance facility entered into on 27 August 2014. The options were issued for no consideration with an exercise price of at A$0.40 each, expiring on 16 October 2018. The value of these options, being $1.724 million, was derived using an appropriate valuation methodology based on the aforementioned terms. During the year, the fair value of the options issued in 2014 decreased by $0.057 million (2015: $0.536 million).

The value at inception is included in finance costs within other borrowing costs, while the impact of subsequent marked-to-market valuations is included in the fair value of derivative liabilities.

14. Cash flow information (continued)

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended 31 December 2016.

Net debt

	2016 $'000
Cash and cash equivalents	7,364
Liquid investments (i)	460
Borrowings – repayable within one year	(191,347)
	(183,523)
Cash and liquid investments	7,824
Gross debt – fixed interest rates	(149,986)
Gross debt – floating interest rates	(41,361)
Net debt	(183,523)

	Other assets		Liabilities from financing activities		
	Cash	Liquid investments	Borrowings due within 1 year	Borrowings due after 1 year	Total
Net debt as at 1 January 2016	19,007	898	(155,397)	-	(135,492)
Cash flows	(11,643)	-	(32,412)	-	(44,055)
Capitalised interest	-	-	(3,538)	-	(3,538)
Other non-cash movement	-	(438)	-	-	(438)
Net debt as at 31 December 2016	7,364	460	(191,347)	-	(183,523)

(i) Liquid investments comprise current investments that are traded in an active market, being the Group's equity investments held at fair value through other comprehensive income.

Notes to the Consolidated Financial Statements (continued)

Risk

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the group's financial position and performance.

Notes in this section:

15. Critical estimates, judgements and errors

In applying the Group's accounting policies, management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below.

(a) Share based payment transactions

The Group measures the cost of equity-settled transactions with employees and financiers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes and Monte Carlo simulation valuation models, with the assumptions detailed in note 22. The accounting estimates and assumptions relating to equity-settled share-based payments impact the carrying amounts of assets and liabilities, expenses and equity in the current and future reporting periods.

(b) Income Taxes

The Group is subject to income tax in Australia and jurisdictions where it has foreign operations. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

In addition, the Group has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same subsidiary against which the unused tax losses can be utilised.

Utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped. Refer to note 7(c) and 7(e) for the current recognition of tax losses. No deferred tax was recognised on tax losses at 31 December 2016 (31 December 2015: $23.505 million).

(c) Rehabilitation provision

Provision is made for the anticipated costs of future environmental restoration and rehabilitation of mining areas from which natural resources have been extracted in accordance with the accounting policy in note 25(r). These provisions include future cost estimates associated with site restoration, reclamation, decontamination, water purification and permanent storage of historical residues. These future cost estimates are discounted to their present value. The calculation of these provision estimates require assumptions such as application of environmental legislation, plant closure dates, available technologies, and discount rates. A change in any of the assumptions used may have a material impact on the carrying value of mine rehabilitation provision. The provision is recognised (together with a corresponding amount as part of the related property, plant and equipment) once an obligation crystallises in the period when a reasonable estimate can be made.

15. Critical estimates, judgements and errors (continued)

(d) Ore reserve and resource estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserves based on information complied by appropriately qualified persons relating to the geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of mine properties, provision for rehabilitation, and depreciation and amortisation charges.

(e) Impairment of non-current assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Details of the methodology, key assumptions and the impact of the assessment are discussed in detail in note 4.

16. Financial risk management

(a) Financial risk management objectives

The Group is exposed to financial risks through the normal course of its business operations. The key risks impacting the Group's financial instruments are considered to be foreign currency risk, interest rate risk, liquidity risk, commodity price risk and credit risk. The Group's financial instruments exposed to these risks are cash and cash equivalents, trade receivables, trade payables and borrowings.

The Chief Executive Officer and Chief Financial Officer monitor the Group's risks on an ongoing basis and report to the Board. The Group currently does not use derivative financial instruments as part of its risk management process.

(i) Foreign currency risk management

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Group's functional currency is US dollars. Revenue from copper sales is denominated in US dollars, as are the majority of the Group's operating costs.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Management's policy is to manage foreign exchange risk against the functional currency. Management manage foreign exchange risk by continuously monitoring forecasts and spot prices of foreign currency.

The carrying amounts of the Group's financial assets and liabilities are denominated in US dollars except as set out below:

	2016 $'000	**2015** **$'000**
Cash and cash equivalents	125	1,387
Trade and other payables	4,582	3,143

TIGER RESOURCES LIMITED

16. Financial risk management (continued)

(a) Financial risk management objectives (continued)

Total cash and cash equivalents of $0.125 million held in currencies other than US dollars, include $0.044 million held in Australian Dollars (AUD), $0.017 million held in South African Rand and $0.064 million held in Congolese Francs (CDF).

Total trade and other payables of $4.582 million denominated in currencies other than US dollars, $0.527 million is payable in AUD and $4.055 is payable in CDF.

Group sensitivity

Based on the financial instruments held at 31 December 2016, had the above currencies strengthened/weakened by 10% against the US dollar with all other variables held constant, the Group's post tax loss for the year would have been $416,475 higher/$509,025 lower (2015: $147,519 higher/$203,342 lower), mainly as a result of foreign exchange gains/losses on translation of financial instruments denominated in Australian dollars and Congolese Francs. There would have been no impact on other equity had the same currencies weakened/strengthened by 10% against the US dollar.

(ii) Interest rate risk management

At 31 December 2016, the Group was exposed to the variable rates of interest (2015: nil) to the extent of $40.502 million of its borrowings, which are subject to an interest component linked to 6 months USD LIBOR rate.

(iii) Price risk

Commodity price risk is the risk of financial loss resulting from movements in the price of the Group's commodity inputs and outputs. The Group's primary exposure is to commodity price risk arising from revenue derived from copper sales. Commodity price risk associated with financial instruments relates primarily to changes in fair value caused by settlement adjustments to receivables.

The Group has a policy of fixing the price for the quotational period for sales in order to limit its exposure to future commodity price movements on volumes of cathode sold.

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who oversee a liquidity risk management framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring there are appropriate plans in place to finance these future cash flows.

16. Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Less than 6 months $'000	6-12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount of liabilities $'000
As at 31 December 2016							
Non-derivatives							
Non-interest bearing	**(27,595)**	**(924)**	**(1,078)**	**-**	**-**	**(29,597)**	**(29,484)**
Interest bearing	**(177,671)**	**(14,744)**	**-**	**-**	**-**	**(192,415)**	**(191,347)**
Total non-derivatives	**(205,266)**	**(15,668)**	**(1,078)**	**-**	**-**	**(222,012)**	**(220,831)**
As at 31 December 2015							
Non-derivatives							
Non-interest bearing	(32,329)	(924)	(1,077)	-	-	(34,330)	(33,796)
Interest bearing	(154,885)	-	-	-	-	(154,885)	(154,885)
Total non-derivatives	(187,214)	(924)	(1,077)	-	-	(189,215)	(188,681)

Further information regarding the borrowings of the Group can be found in note 8(e) to the financial statements.

(d) Credit risk

The Group's maximum exposures to credit risk in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet. Credit risk arises from the non-performance by counterparties of contractual financial obligations. Credit risk arises from cash and cash equivalents, deposits with banks, credit exposures to customers, any outstanding receivables and committed transactions.

Management assesses the credit quality of the customer by taking into account its financial position, past experience and other factors. For banks and financial institutions, management considers independent ratings. If there is no independent rating, risk control assesses the credit quality of the parties, taking into account its financial position, past experience and other factors.

Credit risk further arises in relation to financial guarantees given to certain parties (see note 24(b) for details). Such guarantees are only provided in exceptional circumstances and are subject to specific Board approval.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2016 $'000	2015 $'000
Trade and other receivables		
External receivables - unrated counterparties	**2,366**	1,452
Indirect taxes receivable in foreign jurisdictions	**636**	7,378
Security deposits	**616**	472
	3,618	9,302

16. Financial risk management (continued)

(d) Credit risk (continued)

	2016 $'000	2015 $'000
Cash at bank and short-term deposits		
AA rated banks	**444**	17,795
BBB rated banks	**6,800**	154
CCC rated banks	**71**	12
Unrated external banks	**49**	1,046
	7,364	19,007

(e) Fair value estimations

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements represent or approximate their respective fair values.

Notes to the Consolidated Financial Statements (continued)

Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not satisfy the relevant recognition criteria.

In addition to the items and transactions disclosed below, there are also:

a) Unrecognised tax amounts – refer to note 7
b) Non-cash investing and financing transactions – refer to note 14(b)

Notes in this section:

17. Commitments and contingencies

(a) Capital and other commitments

There are no commitments for significant capital expenditure at the end of the reporting period (2015: nil).

The Group has contracted other commitments detailed below:

Energy efficiency and network reinforcement programs

SEK has entered into an agreement in respect of an energy efficiency and network reinforcement program being undertaken to improve the quality and supply of electricity in the DRC national power network from which Kipoi draws power. At balance date, under the terms of this agreement, SEK had payment commitments of $18.082 million over a further three year period (2015: $23.704 million). These future contribution payments will ultimately be recouped by way of power tariff rebates based on the units of power drawn from the grid.

Fuel-generated power supply

Under its contract with Energyst Rental Solutions South Africa Pty Ltd for continuous provision of 12MW fuel-generated power supply capacity, SEK has a commitment of $0.262 million per month until 31 December 2019.

Camp services

The current contract for camp catering and services with Sodexo RDC SPRL expires on 31 March 2017, and the value of total commitment until the expiry is $0.654 million.

Arranger fee commitments

SEK has an obligation to pay Taurus and IFC (as Arrangers of the Senior Facility) an aggregate arranger fee of US$50 per tonne of copper sold that is produced at the Kipoi SXEW plant or derived from copper extracted or mined from the Kipoi or Lupoto mining permits. The arranger fee is payable in respect of the first 700,000 tonnes of copper sold from 29 January 2016, and ceases to be payable thereafter.

The Company has the right to purchase the arranger fee rights on 29 January 2021 at the estimated net present value (utilising a 10% discount rate) or may make an offer at any time to purchase the arranger fee rights. The Company has a pre-emptive right in the event of a third party offer to purchase the arranger fee rights.

(b) Contingent liabilities

Tax liabilities

On 21 August 2017, SEK received a revised income tax re-assessments for the years ended 31 December 2014 and 31 December 2015, which may lead to additional income tax assessments. SEK will contest all points raised in the revised re-assessments in accordance with the DRC tax procedures, which requires a payment of 20% of the assessed amount within 15 from the date of receiving the assessment notices in order to lodge an objection. Upon receiving the notices SEK will have to pay $0.085 million to proceed with the lodgement.

It should be noted that there is an inherent and inevitable uncertainty in the outcome of the Group tax assessments which depend, among other things, on differing interpretations of tax legislation and its application in individual cases. Therefore, while the Group is confident of a favourable outcome to any potential re-assessment of the income tax under review, there can be no absolute assurance that the final outcome will not result in a material liability to the Group.

18. Events subsequent to balance date

Other than set out below, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods:

- On 10 February 2017, the Company advised ASX of the appointment of Mr Sampson as Chief Executive Officer and Managing Director of the Company and the current CEO and Managing Director Mr Michael Griffiths will remain on the Board as a non-executive director to facilitate smooth transition in management;
- On 22 February 2017, the Company advised ASX that it requested a suspension of trading of its shares as a result of:
    - the cumulative impact of Tank and Heap Leach underperformance and recent operational interruptions at the Kipoi site has reduced copper production causing material negative impact on cash flows; and
    - Discussions with Major Shareholders and Senior Lenders underway to address short and medium-term cash flow issues;
- On 27 February 2017, the Company advised ASX that Mr Sampson has resigned as a Director of the Company at the close of business Friday, 24 February 2017 and will continue to fulfil the Chief Executive Officer role on a contract basis, reporting to the Board and providing key executive leadership to the Company;
- Subsequent to the reporting date, pursuant to the revised facility terms, the Company issued the following ordinary shares to the senior lenders:
    - On 6 February 2017 - issued 23,979,422 ordinary shares;
    - On 31 March 2017 - issued 6,414,873 ordinary shares;
    - On 8 May 2017 - issued 23,697,666 ordinary shares; and
    - On 4 August 2017 - issued 26,226,013 ordinary shares.

  The shares were issued for nil consideration, valued at A$0.02 per share, based the market price on the date of the revised terms agreement.

- The Group continued to receive waivers from the Senior Lenders waiving the breaches of the Senior Facility and extension of the principal repayment dates, with the most recent waiver letter extended to 1 October 2017.
- On 1 September 2017, the Group received insurance proceeds of $3.000 million as an interim payment in respect of its insurance claim for the ILS pond incident in October 2016.
- On 24 September 2017, the Group entered into an agreement for a $18.154 million super senior debt facility with Taurus and IFC (Additional Debt Facility) with the consent of the other Senior Lender RCF. The key terms of the Debt Facility are:
    - Maturity date of 30 September 2018;
    - Ranks super senior to all existing secured debt;
    - A non-refundable up-front fee of US$907,700, being 5% of the total Debt Facility, payable in cash;
    - Interest rate of 13% per annum to be accrued and paid at maturity, payable in cash at the end of the term or on prepayment;
    - Monthly fee of 0.5% of the total commitment of the Additional Debt Facility, payable in cash or shares in Tiger;
    - Disbursements to be released based on an agreed budget approved by the lenders and reporting on the application of the proceeds of each disbursement and updated cashflow forecasts;
    - Repayment of the Additional Debt Facility is a bullet repayment at the Maturity Date or the earlier of a takeover of the Company, sale of the Kipoi Mine or an additional investment in, or financing to the Company. A prepayment fee of 25% of the principal drawn and accrued interest will be payable if a repayment of the Additional Debt Facility becomes due from a change of control of the Company, a sale of the Kipoi Mine or an additional investment in or financing to the Company; and

18. Events subsequent to balance date (continued)

- o the Additional Debt Facility requires the Group to use its best endeavours to:
    - obtain reinstatement of the Company's shares to quotation on the ASX; and
    - undertake a fully underwritten equity capital raising of not less than US$45.0 million (or any other amount agreed between the Company and TMFF and IFC), and in any event must apply for such reinstatement and commence such equity capital raising by 30 June 2018 (or any such later date agreed between the Company and TMFF, IFC and Resource Capital Funds (the Senior Lenders)).
    - The equity capital raising is necessary to enable the Group to repay the Additional Debt Facility and accrued interest and to meet the development funding needs of the Kipoi project.
    - A restructured balance sheet with development capital available will allow the Group to fund the recommencement of mining at the Kipoi site and the expansion of production capacity to at least 32,500 metric tonnes of copper cathode per annum;
- On 24 September 2017, the Group contemporaneously entered into a Deed of forbearance (Forbearance) with the senior lenders on execution of the Debt Facility. The key terms of the Forbearance are:
    - o Forbearance period of not less than 12 months from the date the Auditor signs an audit opinion in respect of the financial report for the year ended 31 December 2016, subject to conditions;
    - o During the Forbearance period, the senior lenders cannot exercise enforcement rights in respect of certain defaults under its existing secured debt obligations; and
    - o Interest payable to the lenders during the Forbearance period under the existing secured debt facility may be capitalised if not paid when due. In that case, the lenders become entitled to compensation in the form of shares in Tiger (such number of shares to be agreed by the parties acting reasonably)
- On 26 September 2017, Banque Commercial du Congo agreed to extend the term of the $15.0 million unsecured overdraft facility made available to SEK to 31 December 2018; and
- On 17 October 2017, Rawbank agreed to extend the term of the $5.0 million unsecured overdraft facility made available to SEK to 31 December 2018, in consideration for which the Company granted a guarantee in favour of Rawbank in respect of SEK's obligations under that unsecured overdraft facility.
- As at the date of this report the Company remains in voluntary suspension from trading on the ASX whilst it addresses its medium-term financing requirements.

Notes to the Consolidated Financial Statements (continued)

Other information

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Notes in this section:

19. Earnings per share

(a) Basic earnings per share

	Consolidated	
	2016 Cents	2015 Cents
From continuing operations attributable to the ordinary shareholders of the Company	**(10.64)**	(1.52)
Total basic earnings per share attributable to the ordinary equity holders of the Company	**(10.64)**	(1.52)

(b) Diluted earnings per share

	Consolidated	
	2016 Cents	2015 Cents
From continuing operations attributable to the ordinary shareholders of the Company	**(10.64)**	(1.52)
Total diluted earnings per share attributable to the ordinary equity holders of the Company	**(10.64)**	(1.52)

(c) Net loss used in calculation of basic/diluted earnings per share

	2016 $'000	2015 $'000
Net loss used in calculation of basic/diluted earnings per share	**(190,234)**	(17,507)

(d) Weighted average number of shares used as the denominator

	2016 Number	2015 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	**1,788,412,731**	1,153,997,259
Adjustments to calculation of diluted earnings per share - options/performance rights	-	-
Weighted average number of shares on issue and potential ordinary shares used as the denominator in calculating diluted earnings per share	**1,788,412,731**	1,153,997,259

20. Key management personnel (KMP) compensation

(a) Key management personnel compensation

	2016 $	2015 $
Short-term	**1,166,342**	2,184,194
Post-employment	**37,246**	33,225
Share-based remuneration	**104,845**	357,084
	1,308,433	2,574,503

(b) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

There were no options over ordinary shares held, received as remuneration or exercised by key management personnel during the financial year.

The number of options over ordinary shares in the Company held during the comparative financial year by each Director of Tiger Resources Limited and other key management personnel of the Group, including their personally related parties are set out in the table below.

2015	Balance at 1 January	Granted as compensation	Lapsed	Exercised	Balance at 31 December	Vested and Exercisable
Non-executive Directors						
N Fearis	1,000,000	-	(1,000,000)			
D Constable	600,000	-	(600,000)	-	-	-
Other Executives						
C Brown	500,000	-	(500,000)	-	-	-
S Shah	300,000	-	(300,000)	-	-	-
	2,400,000	-	(2,400,000)	-	-	-

There were no options vested and exercisable at the end of the year.

20. Key management personnel (KMP) compensation (continued)

(b) Equity instrument disclosures relating to key management personnel (continued)

(ii) Share holdings

The number of shares in the Company held during the financial year by each Director and other KMP of the Group, including their personally related parties, are set out in the tables below.

2016	Balance at start of year	Acquisitions	Disposals	Balance at 31 December
Ordinary shares				
R Middleton	-	300,000[1]	(300,000)[2]	-
D Constable	150,000	-	(150,000)[2]	-
M Griffiths	138,000	-	61,334[3]	199,334
S Hills	1,613,863	-	-	1,613,863
S Shah	180,000	-	-	180,000
C Brown	2,005,800	-		2,005,800
	4,087,663	300,000	(388,666)	3,998,997

2015	Balance at start of year	Acquisitions	Disposals	Balance at 31 December
Non-executive Directors				
N Fearis	200,000	300,000[3]	-	500,000[2]
D Constable	150,000	-	-	150,000
M Griffiths	-	138,000[3]	-	138,000
Executive Directors				
B Marwood	3,159,230	-	(3,159,230)[2]	-
S Hills	1,613,863	-	-	1,613,863
Other Executives				
C Brown	1,115,800	-	890,000[3]	2,005,800
S Shah	180,000	-	-	180,000
	6,418,893	438,000	(2,269,230)	4,587,663

[1] Balance held on the date of becoming a director

[2] Balance held on the date of resigning as a director

[3] On market purchase or subscription for entitlement under rights offer

20. Key management personnel (KMP) compensation (continued)

(b) Equity instrument disclosures relating to key management personnel (continued)

(iii) Performance rights

The number of performance rights in the Company held during the financial year by each Director of Tiger Resources Limited and other key management personnel of the Group, including their personally related parties, are set out in the tables below.

2016	Balance at 1 January	Granted as compensation	Lapsed	Vested/ converted to shares	Balance at 31 December	Vested balance at 31 December
Non-executive Directors						
M Connelly	-	1,000,000	-	-	1,000,000	-
I Kerr	-	500,000	-	-	500,000	-
Executive Directors						
M Griffiths	-	5,000,000	-	-	5,000,000	-
S Hills	2,540,861	-	(968,673)	-	1,572,188	-
Other Executives						
C Brown	3,299,981	-	(945,430)	-	2,345,551	-
	5,840,842	**6,500,000**	**(1,914,103)**	**-**	**10,426,739**	**-**

2015	Balance at 1 January	Granted as compensation	Lapsed/ other movement	Vested/ converted to shares	Balance at 31 December	Vested balance at 31 December
Executive Directors						
B Marwood	3,734,904	2,550,000	(6,284,904)[1]	-	-	-
S Hills	1,573,361	967,500	-	-	2,540,861	-
Other Executives						
C Brown	1,662,096	1,637,885	-	-	3,299,981	-
	6,970,361	5,155,385	(6,284,904)	-	5,840,842	-

[1] Holdings on the date of resigning as a director

20. Key management personnel (KMP) compensation (continued)

(c) Loans to key management personnel

There were no loans to key management personnel during the current financial year (2015: nil)

(d) Other transactions with key management personnel and their related parties

Corporate Consultants Pty Limited, a Company related to Mr Shah, received aggregate fees of $73,883 (2015: $79,706) relating to the provision of company secretarial and administrative services.

Directors' fees due for Mr Middleton were paid to Glendaloch Securities Pty Ltd of which Mr Middleton is a director.

The Company paid a total of $140,796 (excluding GST) to Black Barrel Exploration Pty Ltd, a company related to Mr Griffiths. The total amount paid comprises $72,550 of Mr Griffith's executive fees and $68,246 of reimbursements for payments of Company's travel expenditure.

The group was invoiced $31,346 by Mintrex Pty Ltd, a company related to Mr Kerr, for the mine planning consultancy and cobalt study services.

All transactions with related parties were made on normal commercial terms and conditions and at market rates.

21. Related-party transactions

(a) Parent entities

The parent entity within the Group is Tiger Resources Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 13(a).

(c) Related parties

Disclosures relating to key management personnel are set out in note 20.

22. Share-based payments

(a) Non-plan-based payments

The Company makes share based payments to executive Directors, consultants and/or service providers from time to time, not under any specific plan. The shares and options are issued for nil consideration and in accordance with the specific guidelines established by the Directors of Tiger Resources Limited. Any share based payment to executive Directors requires the approval of shareholders at a general meeting.

The vesting period and maximum term of shares or options granted vary according to Board's discretion.

(b) Employee Share Option Plan (**EOP**)

Shareholders approved the Tiger Resources Limited EOP at the Annual General Meeting held on 27 May 2015. The EOP is designed to provide incentives, assist in the recruitment, reward, retention of employees and key consultants, so as to provide opportunities for employees (both present and future) to participate directly in the equity of the Company. The contractual life of each option granted is between two to three years. There are no cash settlement alternatives.

The EOP does not allow for the issue of options to Directors of the Company.

Each option issued under share-based payments converts into one ordinary share in the Company on exercise. The options carry neither rights to dividends nor voting rights.

(c) Performance Rights Plan (**PRP**)

Shareholders approved the Tiger Resources Limited PRP at the Annual General Meeting held on 20 May 2014. The PRP is designed to more closely align rewards for performance with the achievement of the Company's growth and strategic objectives.

The Board believes that the grant of performance rights under the PRP to eligible participants will underpin the employment strategy of attracting and retaining high calibre staff capable of executing the Company's strategic plans, and will maximise the retention of key management and operational staff; enhance the Company's ability to attract quality staff in the future, link the rewards of key staff with the achievement of strategic goals and the long term performance objectives of the Company, and provide incentives to participants of the Plan to deliver superior performance that creates shareholder value.

The PRP provides for the issue of performance rights which, upon determination by the Board that the performance conditions attached thereto have been met and subject to the terms of the PRP, convert into fully paid ordinary shares. Where the participant is a Director or other related party of the Company, specific shareholder approval will have to be sought under the ASX Listing Rules prior to the grant of performance rights to such an individual.

The exercise price, if any, for performance rights will be determined by the Board in its discretion and set out in the related invitation. The exercise price may be any amount and may be as low as zero, in which case a statement to that effect will be set out in the related invitation.

The aggregate share based payment expense recognised in the profit and loss in relation to share-based payments is disclosed in Note 6.

Please refer to Note 10(b) and 10(c) for the summaries of options and performance rights granted under share-based payments.

22. Share-based payments (continued)

(d) Remaining contractual life

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.23 years (2015: 3.23 years).

The weighted average remaining contractual life of performance rights outstanding at the end of the year was 1.84 years (2015: 1.62 years).

(e) Fair values

(i) Fair value of options granted

The fair values at grant date are independently determined using a Black-Scholes option pricing model (refer to Note 25(u)(iii)) that takes into account the exercise price, the term of the options or rights, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the options or rights.

The Company made no issues of options over ordinary shares during the financial year.

(ii) Fair value of performance rights granted

The Monte Carlo simulation model inputs for performance rights granted during the year ended 31 December 2016:

	31-Dec-16	31-Dec-15
Exercise price	nil	nil
Grant date	26-May-16	27-May-15 to 19-Jun-15
Expiry date	26-May-19	27-May-18
Share price at grant date	A$0.0429	$A0.086 - $A0.092
Expected volatility	69.78%	93% - 94%
Risk-free rate	1.595%	2.61%

(f) Share-based payments expense

Total share-based payment transactions recognised during the period were as follows:

	2016 $'000	2015 $'000
Non-Plan-based payments		
Options issued as consideration	-	100
Shares issuable to lenders under the revised loan terms	1,619	
Performance rights issued to directors	105	
Plan-based payments		
Performance rights issued under PRP	56	492
	1,780	592

23. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Parent entity and its related practices:

	2016 $	2015 $
(a) PricewaterhouseCoopers Australia		
(i) Audit and other assurance services		
Audit and review of financial reports	193,506	119,515
Other assurance services	-	80,995
Total remuneration for audit and other assurance services	193,506	200,510
(b) Network firms of PricewaterhouseCoopers		
(i) Audit and other assurance services		
Audit and review of financial reports	119,185	122,317
Other assurance services	-	13,000
Total remuneration for audit and other assurance services	119,185	135,317
Total auditors' remuneration	312,691	335,827

24. Parent entity financial information

(a) Summary financial information

The individual Financial Statements for the Parent entity show the following aggregate amounts:

	2016 $'000	2015 $'000
Balance sheet		
Current assets	**2,332**	19,239
Non-current assets	**44**	187,387
Total assets	**2,376**	206,626
Current liabilities	**(753)**	(2,116)
Non-current liabilities	**(403)**	(950)
Total liabilities	**(1,156)**	(3,066)
Net assets	**1,220**	203,560
Shareholders' equity		
Issued capital	**298,204**	286,210
Equity investment reserve	**(1,995)**	(1,557)
Share-based payments reserve	**24,658**	22,879
Accumulated losses	**(319,647)**	(103,971)
	1,220	203,561
Loss for the year	**(215,678)**	677
Total comprehensive (loss)/income	**(216,116)**	1,315

(b) Guarantees entered into by parent entity

The Parent has entered into a guarantee with the Security Trustee of the Senior Lenders to guarantee the debt obligations of its subsidiary SEK to the Senior Lenders. In addition, the Parent has entered into a guarantee with Gerald Metals SA to guarantee the obligation of its subsidiary SEK to deliver the first 175,000 tonnes of copper cathode from the Kipoi project to Gerald Metals SA in accordance with the terms and conditions of the offtake agreement (2015: nil).

(c) Summary financial information

The parent entity did not have any contingent liabilities as at 31 December 2016 (2015: nil).

(d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any contractual commitments as at 31 December 2016 (2015: nil).

25. Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Tiger Resources Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Tiger Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated Financial Statements of the Tiger Resources Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

(ii) Historical cost convention

These Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value through profit and loss.

(iii) New and amended standards adopted by the Group

The group applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2016:

- AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations;*
- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation;*
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual improvements to Australian Accounting Standards 2012 – 2014 cycle;* and
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure initiative: Amendments to AASB 101*.

The adoption of these amendments did not have any impact on the current period or any prior periods and is not likely to affect future periods.

The group also elected to adopt the following amendments early:

- AASB 2016-2 *Amendments to Australian Accounting Standard – Disclosure Initiative: Amendments to AASB 107*.
  This amendment requires disclosure of changes in liabilities arising from financing activities (see note 14(c))

New standards and interpretations early adopted by the Group in the previous reporting periods:

- AASB 9 *Financial instruments (as amended to September 2012)* - The consolidated entity early adopted AASB 9 *Financial Instruments* (as amended to September 2012) with effect from 1 January 2014. AASB 9 provides an option to designate and measure an investment in equity instruments at fair value with changes recognised in other comprehensive income, with only dividends being recognised in profit or loss. Had the Group not adopted this standard, accumulated losses for the current financial year would have been lower by $0.438 million (2015: lower by $0.639 million). There is no change in the valuation methodology applied to the investment in equity instruments as a result of the early adoption of AASB 9 *Financial Instruments* (as amended to September 2012).

25. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

- AASB 9 *Financial Instruments (as amended to December 2015)* – the 2014-2015 amendments include further changes to classification and measurement rules and also introduced a new impairment model, as follows:
  - requirements for impairment of financial assets based on a three-stage 'expected loss' approach, each of the stages dictating how an entity measures impairment losses and applies the effective interest rate method.;
  - limited amendments to classification and measurement of financial assets to add a third measurement category (FVOCI) for certain financial assets that are debt instruments. The new category of fair value through other comprehensive income is added to the existing categories for debt instruments, i.e. amortised cost and fair value through profit or loss; and
  - amendments to AASB 7 *Financial Instruments: Disclosures* that significantly expand the disclosures required in relation to credit risk.

  The amendments are effective 1 January 2018. While the group has yet to undertake a detailed assessment of the classification and measurement of financial assets, it does not expect that the new standard will have significant impact. Group's available-for-sale (AfS) financial assets, comprising of investments in equity instruments, are currently measured at fair value through other comprehensive income (FVOCI) and there will be no change for the accounting of these assets. The group has no financial liabilities designated at fair value through profit or loss, thus there will be no change to the group resulting from application of this standard.

- AASB 15 Revenue from contracts with customers - AASB 15 establishes principles for reporting the nature, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, therefore the notion of control replaces the existing notion of risks and rewards.

  The Group's revenue is derived from the export of copper cathode and is currently recognised as revenue on transfer of title and risk to the offtake on the satisfaction of entry into Zambia and receiving the first provisional payment. Under the new standard the recognition of revenue will most likely be brought forward and recognised when the copper cathode has been cleared for export and loaded onto the offtaker's transporter at the Kipoi mine.

  The Group already has systems in place that capture the information on copper cathode cleared for export and the provisional copper price at the time of loading, which will most likely be the point of revenue recognition under the new standard. The revenue of the Group is for the sale of copper cathode only, with no transactions that would be classified as a separate performance obligation.

  The Group intends to adopt the modified transitional approach to implementation where any transitional adjustment is recognised in retained earnings at the date of implementation of the standard without adjustment of comparatives.

  The new standard is effective 1 January 2018.

25. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(iv) New standards and interpretations not yet adopted (continued)

- AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. AASB 16 contains disclosure requirements for lessees.

  AASB 16 is effective 1 January 2019. Earlier application is permitted provided AASB 15 *Revenue from Contracts with Customers* is also applied. Current lease agreements of the Group will be in the last 12 months of their term when the standard becomes effective; the standard is therefore not expected to have a significant impact on the Group immediately upon coming into effect. The Group will assess the impact of the new standard if and when it enters into new lease agreements.
  - AASB 2016-5 *Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions* – the amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled.

  The amendments are effective 1 January 2018. The group does not expect to be affected by these changes, however the full impact of the amendments is yet to be assessed.

Rounding of amounts

The Company has relied on the relief provided by the *ASIC Corporations (Rounding in Financial/Director's Report) Instrument 2016/191*, issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 25(f)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

25. Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated Financial Statements are presented in US dollars, which is Tiger Resources Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement, within finance costs. All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within other income or other expenses.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each consolidated income statement and consolidated statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

25. Summary of significant accounting policies (continued)

(c) Foreign currency translation (continued)

(iii) Group companies (continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The sales price is determined provisionally at the date of sale, with the final price determined at a mutually agreed date, generally at a quoted market price at that time. This contractual feature has the character of a commodity derivative. As a result, the invoice price on these sales is marked-to-market at balance sheet date based on the forward metal prices for the relevant quotation period. This ensures that revenue is recorded at the fair value of consideration to be received. All mark-to-market adjustments are recorded in sales revenue.

During the pre-production phase, Australian Accounting Standards allow for pre-production related costs to be capitalised up to the point where commercial production is attained. All costs directly incurred to achieve commercial production (operating as intended by management) from the processing plant are capitalised accordingly. Revenues from the sale of production during the pre-production phase are applied against capitalised pre-production related costs.

(i) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(ii) Commodity sales

Revenue associated with the sale of commodities is recognised when all significant risks and rewards of ownership of the asset sold are transferred to the customer, usually when insurance risk has passed to the customer and the commodity has crossed the DRC border. At this point the Group retains neither continuing management involvement to the degree associated with ownership nor effective control over the commodities and the costs incurred, or to be incurred, in respect of the sale can be reliably measured.

(iii) Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence, refer note 25(k).

25. Summary of significant accounting policies (continued)

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- fair values of the assets transferred
- liabilities incurred
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

25. Summary of significant accounting policies (continued)

(f) Business combinations (continued)

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See note 8(b) for further information about the Group's accounting for trade receivables.

25. Summary of significant accounting policies (continued)

(i) Trade receivables (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(j) Inventories

(i) Consumables, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value.

Inventories of broken ore and concentrate are initially physically measured by estimating the number of tonnes added and removed from the stockpile. At month end, survey equipment is used to obtain the exact stockpile numbers and adjustments are made to ensure stockpile agrees to measurement from the survey equipment.

Cost represents weighted average cost and includes direct costs and an appropriate portion of fixed and variable overhead expenditure, including depreciation and amortisation.

(k) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- derivatives that do not qualify for hedge accounting , and
- equity investments at fair value through other comprehensive income.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period. See note 9 for details about each type of financial asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

25. Summary of significant accounting policies (continued)

k) Investments and other financial assets (continued)

(i) Classification (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables and receivables in the balance sheet.

Equity investments at fair value through other comprehensive income

Equity investments at fair value through other comprehensive income, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as equity investments at fair value through other comprehensive income if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long-term.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Equity investments at fair value through other comprehensive income and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the Group's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

(iv) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

25. Summary of significant accounting policies (continued)

k) Investments and other financial assets (continued)

(iv) Impairment (continued)

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss. Impairment testing of trade receivables is described in note 8(b).

Equity investments at fair value through other comprehensive income

If there is objective evidence of impairment for equity investments at fair value through other comprehensive income, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as equity investments at fair value through other comprehensive income increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

(l) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

25. Summary of significant accounting policies (continued)

(m) Property, plant and equipment

The Group's accounting policy for land and buildings is explained in note 9(c). All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

The depreciation methods and periods used by the Group are disclosed in note 9(c).

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 25(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(n) Mine properties and development

Mine development expenditure incurred is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises net direct costs and appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest, which is expensed in the year it is incurred.

Once a development decision has been taken, the carrying amount of the exploration and evaluation acquisition costs in respect of the area of interest is aggregated with the development expenditure and classified under non-current assets as mine development.

Development expenditure is reclassified to mine properties at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management.

No depreciation is recognised in respect of development expenditure until reclassified as mine properties. Development expenditure is tested for impairment in accordance with the policy in note 25(g).

25. Summary of significant accounting policies (continued)

(n) Mine properties and development (continued)

When further development expenditure is incurred in respect of mine properties after the commencement of production, such expenditure is carried forward as part of the mining property when it is probable that additional future economic benefits associated with the expenditure will flow to the consolidated entity. Otherwise such expenditure is classified as a cost of production. Depreciation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in a depreciation charge proportional to the depletion of proved reserves. Mine properties are tested for impairment in accordance with the policy note 25(g).

Costs associated with the commissioning period are capitalised where the asset is available for use, but incapable of operating at normal levels without a commissioning period.

Deferred purchase consideration amounts are disclosed as contingent liabilities until they are able to be reliably measured. At the point these amounts are reliably measurable they are recognised as mine properties expenditure.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Goods and Services Tax (GST) & Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST or VAT, unless the GST or VAT incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST or VAT receivable or payable. The net amount of GST or VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST or VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(q) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

25. Summary of significant accounting policies (continued)

(r) Rehabilitation Provision

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations may include the costs of abandoning sites, removing facilities and restoring the affected areas.

A provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

25. Summary of significant accounting policies (continued)

(t) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(u) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Consolidated Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

The Group provides benefits to Directors, employees and consultants in the form of share, performance rights and option-based payments. The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate valuation technique that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, and the risk free interest rate for the term of the option.

The fair value of options granted under the Tiger Resources Limited Employee Option Plan and performance rights granted under the Performance Rights Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options or performance rights granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

25. Summary of significant accounting policies (continued)

(v) Contributed equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Group's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

(w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(x) Deferred stripping costs

Stripping (i.e. overburden and other waste removal) costs incurred in the production phase of the Kipoi mine are capitalised to the extent that they improve access to an identified component of the ore body and are subsequently amortised on a systematic basis over the expected useful life of the identified component of the ore body. Capitalised stripping costs are disclosed as a component of mine properties and development.

Components of an ore body are determined with reference to life of mine plans and take account of factors such as the geographical separation of mining locations and/or the economic status of mine development decisions. Capitalised stripping costs are initially measured at cost and represent an accumulation of costs directly incurred in performing the stripping activity that improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs.

The amount of stripping costs deferred is based on a relevant production measure which uses a ratio obtained by dividing the tonnage of waste mined by the quantity of ore mined for an identified component of the ore body. Stripping costs incurred in the period for an identified component of the ore body are deferred to the extent that the current period ratio exceeds the expected ratio for the life of the identified component of the ore body. Such deferred costs are then charged against the income statement on systematic units of production basis over the expected useful life of an identified component of the ore body.

Changes to the life of mine plan, identified components of an ore body, stripping ratios, units of production and expected useful life are accounted for prospectively. Deferred stripping costs form part of the total investment in a cash generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Directors' declaration

In the directors' opinion:

(a) The financial statements and notes set out on pages 34 to 105 are in accordance with the *Corporations Act 2001*, including:
   - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
   - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that Tiger Resources Limited will be able to pay its debts as and when they become due and payable.

Note 25(a)(i) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declaration by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Mark Connelly
Chairman
Perth,
25 October 2017

Independent auditor's report

pwc

Independent auditor's report

To the members of Tiger Resources Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Tiger Resources Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its financial performance for the year then ended

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 31 December 2016
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group had a working capital deficiency of $178.122 million as at 31 December 2016. As a result the Group is undertaking a comprehensive strategic review, which includes operational, technical and financial aspects of the Group with focus on the implementation of initiatives to improve the Group's operational and financial performance and to lead to a recapitalisation of the Group. These conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality

- For the purpose of our audit we used overall Group materiality of US$1.474 million, which represents approximately 5% of the Group's loss before tax, impairment and doubtful debt expense.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group loss before tax because, in our view, it is the metric against which the performance of the Group is most commonly measured and is a generally accepted benchmark. We excluded impairment and doubtful debt expense as they were infrequently occurring items impacting profit/loss.
- We selected 5% based on our professional judgement noting that it is also within the range of commonly acceptable profit related thresholds.

Audit scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- An audit of the financial information used for consolidation purposes of the Australian operations and the Group's subsidiaries in the Democratic Republic of Congo (DRC) was performed. Local component auditors assisted with the audit procedures performed in the DRC under supervision of the group audit team. The supervision included discussions, issuing written instructions and reporting throughout the year with the component auditors and reviewing their audit work papers.
- Our audit involved valuation experts and tax specialists.

Key audit matters

- Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee:
  - Material uncertainty related to going concern
  - Impairment of non-current assets
  - Borrowings
  - Recoverability of other assets
  - Income tax
- These are further described in the *Key audit matters* section of our report, except for the material going concern uncertainty which is described in the *Material uncertainty related to going concern* section.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of non-current assets *Refer to Note 4 (a) "Impairment of non-current assets"* The Group identified indicators of impairment as at 31 December 2016, because the initial net assets of the Group were significantly higher than its market capitalisation, market interest rates had increased during the period affecting the discount rate, and operating results were below budget resulting in a Group operating loss before tax of $216.167 million for the year. The Group has one cash generating unit (CGU), the Kipoi operating mine in the DRC, and an impairment assessment was performed by the Group for this CGU because of the impairment indicators identified. The impairment assessment involved calculating the value of the Kipoi CGU by utilising the fair value less cost of disposal methodology. The Group concluded that assets of the Kipoi CGU were not fully recoverable and an impairment charge of $156.198 million was recorded for the year ended 31 December 2016. We considered this to be a key audit matter because: • The valuation model is complex due to the large number of inputs into the model • Calculating the value of the CGU involves significant judgement by the Group in estimating: – Forecasted copper prices – Forecasted production quantities – Forecasted operating and capital costs – The discount rate used – Inflation rate used • A small change in the estimates noted above could have a potentially material impact on the financial report, and • The impairment charge recognised was financially significant.	We performed the following procedures, amongst others: • Considered if 'fair value less cost of disposal' was the best basis upon which to infer value of the CGU and whether there were sufficient comparable market transactions to allow a reliable estimate to be made. • Compared forecasted production, operating and capital cash outflows used in the model used to assess impairment (the model) to the Group's appropriate business plans. • Evaluated the accuracy by which the Group forecasts future results for the business by comparing the prior year's budgeted production and expenditure to reported actual results for the current year. • Compared total forecasted production quantities over the remaining life of the mine in the model with the Group's latest published independently determined mineral reserves and resources statement. • Compared the forecasted copper price and discount rates used in the model to independent market data. • Tested the logical integrity and mathematical accuracy of the model's calculations. • Evaluated the adequacy of the disclosures made in note 4 (a), including those regarding the key estimates/assumptions and sensitivities to changes in such assumptions, in light of the requirements of Australian Accounting Standards.

TIGER RESOURCES LIMITED

Key audit matter	How our audit addressed the key audit matter
Borrowings *Refer to Note 8 (e) 'Borrowings'* Borrowings as a percentage of total liabilities as at 31 December 2016 was 84%.We considered the accounting for borrowings to be a key audit matter given: • The size of the borrowings balance and significant costs incurred to secure additional borrowings during the year ended 31 December 2016. • During the year the Group drew down $162.5 million from a new debt facility (Senior Facility) which was used to repay previous secured facilities and provide funding for capital expansions and operations. • The Group has been in breach of the terms of the Senior Facility from time to time since inception of the Senior Facility and waivers have been granted by the Senior Lenders from time to time. Accordingly, as described in Note 6 (c) to the financial statements, the Group have classified the Senior Facility as a current liability as at 31 December 2016.	We performed the following procedures, amongst others: • Read the most up-to-date agreements between the Group and its financiers to gain an understanding of the terms associated with the borrowing facilities and the amount of facilities available for drawdown. • Considered whether costs incurred in relation to obtaining additional borrowings were either expensed or capitalised in accordance with Australian Accounting Standards. • Compared the Senior Facility borrowings balance as at 31 December 2016 to agreements in place, and confirmed the Senior facility balance as at 31 December 2016. • We assessed the Group's classification of borrowings between current and non-current liabilities, given breaches of debt covenants and waivers obtained during the year.
Recoverability of other assets *Refer to Note 4 (c) "Doubtful debt expense"* The Group concluded that electricity prepayments and VAT in subsidiaries in DRC were not recoverable and a doubtful debt expense of $29.853 million was recognised for the year ended 31 December 2016. We considered recoverability of electricity prepayments and VAT in DRC to be a key audit matter because: • Determining the recoverable value of the assets involves significant judgement by the Group in estimating the timing and extent of the recovery. • The doubtful debt expense recognised was financially significant.	We performed the following procedures, amongst others: • Considered the actual utilisation of electricity prepayments and receipt of VAT refunds in the period after 31 December 2016 to finalisation of the financial report. • Enquired of the Group as to their knowledge of events or conditions that cast doubt on the Group's ability to recover these assets.

Income tax
Refer to Note 7 "Income tax expense" and Note 15 (b) "Income Taxes" within "Critical estimates, judgments and errors"
The Group operates in multiple tax jurisdictions, each with different tax regimes. The Group is required to understand the tax laws in each jurisdiction and appropriately apply these to individual subsidiaries' tax calculations and the overall Group tax position.
We considered income tax to be a key audit matter because of :
• The complexity associated with different tax jurisdictions and judgments requiring
	We performed the following procedures, amongst others:
	• For individual entities with significant income tax expense or benefit, which are then consolidated into the consolidated group workings, we agreed the key inputs in the tax calculations to the relevant general ledger balance and assessed the reasonableness of:
	    ○ Material permanent differences included in the calculation of the income tax expense or benefit, and
	    ○ The accounting and tax bases included in the calculation of deferred tax assets and liabilities.

Key audit matter	How our audit addressed the key audit matter

consideration when preparing the Group's income tax calculation.
• Consolidated tax models used to calculate the Group tax balances are largely manual in nature and therefore may have an increased risk of error.
• Judgment required by the Group in assessing whether there will be sufficient future taxable profits in order for deferred tax assets to be realised, and therefore recognised on balance sheet.
	• We tested mathematical accuracy of the tax consolidation model.
	• As part of our audit procedures we assessed the recoverability of deferred tax balances, in particular where balances related to tax losses. In this case, we performed the following:
	    o Identified entities with significant deferred tax assets attributable to tax losses; and
	    o Assessed the Group's assessment of recoverability of deferred tax assets on carry forward tax losses and temporary differences.

Other information

The directors are responsible for the other information. The other information included in the Group's annual report for the year ended 31 December 2016 comprises the Corporate Directory, Annual Mineral Resources and Ore Reserve Statement, Operations Review, Directors' Report and Additional Shareholder Information but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 19 to 29 of the Directors' Report for the year ended 31 December 2016.

In our opinion, the remuneration report of Tiger Resources Limited for the year ended 31 December 2016 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers.

PricewaterhouseCoopers

Craig Heatley
Partner

Perth
25 October 2017

Additional Shareholder Information

A. Distribution of Holders of Equity Securities

The numbers of security holders, by size of holdings are:

Size of Holding			Total holders
1	-	1,000	245
1,001	-	5,000	668
5,001	-	10,000	586
10,001	-	100,000	1,940
100,001 and over			877
			4,316

The number of shareholdings comprising less than a marketable parcel was 1,507.

B. Performance Rights

Exercise price A$	Expiry date	Number of performance rights	Number of holders
Nil	27 May 2018	2,109,174	2
Nil	26 May 2019	6,500,000	3

All of the above performance rights have been issued under the Company's Performance Rights Plan.

C. Voting rights

There are no restrictions to voting rights attached to the ordinary shares. On a show of hands every member present in person will have one vote and upon a poll, every member present or by proxy will have one vote for each share held.

D. Substantial shareholders

The names of the substantial shareholders who have notified the Company in accordance with Section 671B of the Corporations Act 2001 are:

Name	Shares held
Resource Capital Funds VI L.P.	305,085,894
International Finance Corporation	208,395,822
Todd Hannigan and associated entities	153,208,629
Tom Todd and Bean Investments Pty Ltd	153,208,629
Republic Investment Management Pte Ltd	116,339,553
Taurus SM Holdings Pty Limited	144,793,732

E. On-market buy-backs

There is no current on-market buy-back.

Additional Shareholder Information (continued)

F. Equity security holders

The names of the twenty largest holders of ordinary shares are listed below.

#	Registered Holder	Shares Held	% of issued capital
1.	J P MORGAN NOMINEES AUSTRALIA LIMITED	427,438,288	21.18
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	318,762,711	15.79
3.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	305,495,619	15.13
4.	CITICORP NOMINEES PTY LIMITED	269,405,066	13.35
5.	TAURUS MINING FINANCE FUND L.P/C	144,793,732	7.17
6.	BNP PARIBAS NOMS PTY LTD <DRP>	17,054,703	0.84
7.	JTR INVESTMENTS LTD	14,321,719	0.71
8.	NATIONAL NOMINEES LIMITED <DB A/C>	10,767,094	0.53
9.	MR GEORGE CAREDES	6,715,778	0.33
10.	MR MARK ANDREW WILLETT	6,162,523	0.31
11.	CAPRICORN MINING PTY LTD	6,000,000	0.30
12.	MR DIMITRI LAMPITSI	5,218,018	0.26
13.	MR ROBERTO VERSACE	5,088,880	0.25
14.	UBS NOMINEES PTY LTD	4,959,187	0.25
15.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	4,927,567	0.24
16.	MS KERRIE LEE-ANNE JONES	4,700,000	0.23
17.	MR MARK OWENS <MAGNUS MCAULEY S/F A/C>	4,420,028	0.22
18.	WASHINGISHU PTY LTD <LESSOS FAMILY A/C>	4,400,000	0.22
19.	STEVERLYNCK SUPER PTY LTD <STEVERLYNCK SUPER FUND A/C>	4,265,293	0.21
20.	MR THOMAS QUINN	4,250,000	0.21
		1,569,146,206	77.74

G. Corporate Governance Statement

The ASX Corporate Governance Council (CGC) has developed corporate governance principles and recommendations for listed entities with the aim of promoting investor confidence and meeting stakeholder expectations. ASX listing rule 4.10.3 requires that listed entities disclose the extent to which they have followed the CGC's recommendations and, where a recommendation has not been followed, the reasons why. Tiger's corporate governance statement can be found on the Company's website at the following link: http://www.tigerresources.com.au/corporate_governance.33.html