TIGER RESOURCES LTD
ABN 52 077 110 304

Appendix 4D

Half yearly Report

30 June 2017

Half year ended:	**30 June 2017**	*Corresponding half year period:*	**30 June 2016**

Results for announcement to the market

		Half year ended 30 June 2016 $'000		Half year ended 30 June 2017 $'000
Revenue from ordinary activities	Down 23.8% from	56,556	to	**43,087**
Loss after tax from ordinary activities	Down 39.8% from	(38,674)	to	**(23,292)**
Loss after tax attributable to members	Down 40.5% from	(37,290)	to	**(22,181)**

Net tangible assets per share

	30 June 2016	30 June 2017
Net tangible assets per share	$0.07	($0.03)

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 half year ended 30 June 2017 of $22.181 million (30 June 2016: $37.290 million), representing loss per share of 1.13 cents (30 June 2016: 2.13 cents per share).

The decrease in the loss was primarily due to the recognition of an impairment charge related to the Kipoi cash generating unit in the prior corresponding period, offset by a reduction in revenue due to lower production volumes, the capitalisation of commissioning revenues from the tank leach.

In addition, a doubtful debt expense related to VAT and prepayments in respect of the energy efficiency and network reinforcement program was recognised in the current period.

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 Review and Accounting Standards

This report is based on the Consolidated Financial Statements that have been subject to a half-year review 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 Interim Financial Report for the half-year ended 30 June 2017. Other detailed commentary on the variation between the results for the half-year ended 30 June 2017 and the comparative period is provided in the Directors Report of the Interim Financial Report.

Date: 26 October 2017

Mark Connelly

Mark Connelly
Chairman

TIGER RESOURCES LIMITED

ABN 52 077 110 304

Interim Financial Report for the half-year ended 30 June 2017

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

Directors' Report

Your directors present their report on the consolidated entity consisting of Tiger Resources Limited (“Tiger” or “the Company”) and the entities it controlled (“Group” or “consolidated entity”) at the end of, or during, the half-year ended 30 June 2017.

All amounts in this report are presented in US Dollars ($), unless stated otherwise.

The following persons were directors of Tiger Resources Limited during the half-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

Shawn McCormick

Principal activities

The principal activities of the consolidated entity during the period under review consisted of the mining and production of copper cathode and mineral exploration and development in the Democratic Republic of Congo (DRC).

Operating and financial review

Overview

The Group’s principal asset is the Kipoi Copper Project (Kipoi) in the DRC. Kipoi is operated by Tiger’s subsidiary Société d’Exploitation de Kipoi SA (SEK), in which the Group has a 95% interest.

In addition, the Company has a 95% interest in the Lupoto Project (Lupoto), situated 10km south of Kipoi, and 100% of La Patience licence, situated 10km south-east of Kipoi.

As at 30 June 2017, cash and cash equivalents held by the Group was $4.563 million (31 December 2016: $7.364 million). The balance of copper cathode finished product inventory on hand was 500 tonnes with a sales value of $2.959 million (31 December 2016: 757 tonnes with a sales value of $4.174 million).

During the half-year ended 30 June 2017 the Group realised a net loss after tax of $23.292 million (30 June 2016: $38.674 million); with $1.111 million (30 June 2016: $1.384 million) attributable to non-controlling interests and $22.181 million (30 June 2016: $37.290 million) to the owners of the Company.

Health and Safety

Tiger’s good safety record at Kipoi continued with no lost time injuries in the six months to 30 June 2017. The Lost Time Injury Frequency Rate had dropped to 0.6 (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.

Directors' Report

Production

During the six months to 30 June 2017, the solvent-extraction and electro-winning (SXEW) plant produced 8,259 tonnes of copper cathode. Copper production continues to be negatively impacted by damage to the intermediate leach solution (ILS) pond and the inability to achieve the designed operating performance in the tank leach circuit.

All material stacked onto the heap leach and processed through the tank leach during the six months to 30 June 2017 was sourced from stockpiles and the tailings dam resulting from the Stage 1 Heavy Media Separation related mining operation.

Heap leach operations continued to utilise a two-stage leach process, utilising the smaller decant pond as a temporary ILS pond. The decant pond is only one third of the volume of the damaged ILS pond which adversely affects solution management and copper production, with repairs to the damaged ILS pond commencing during the six months to 30 June 2017 (repairs could only commence after the end of the wet season) and completed in October 2017.

To address the material handling issues negatively impacting tank leach throughput, the HMS slimes recovery method has been changed to utilise hydraulic monitors to excavate the tailings and pump the resultant slurry into the tank leach circuit. A hydraulic reclamation contractor has been mobilised to the Kipoi site and commenced commissioning and operation of their equipment in July 2017. The hydraulic reclamation equipment mobilised to site is rated to deliver a feed rate which exceeds the designed 50 tonnes per hour throughput of the tank leach circuit.

Grid power supplied 92% of Kipoi's power requirements for the six months to 30 June 2017, which exceeded expected supply of 70%.

Copper cathode sold for the six months to 30 June 2017 was 8,515 tonnes, at a realised price of $5,846 per tonne. Revenue of $43.087 million was reported from copper sales of 6,662 tonnes, with 1,853 tonnes of copper produced during the commissioning period of the tank leach circuit. The revenue from the sale of copper produced by the tank leach as a result of commissioning testing, net of cost, was offset against the property, plant and equipment costs.

Corporate

Finance Facilities and Going Concern

Events impacting going concern assessment and company plans

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%.
- 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 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;
- 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).

Directors' Report

- 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.

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 interim financial report for the half year ended 30 June 2017 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 2 to the financial statements, together with the auditor's report.

Subsequent events

Other than set out below, no matters or circumstances have arisen since the end of the reporting period 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 4 August 2017, the Company issued 26,226,013 ordinary shares to lenders, pursuant to the capitalisation of interest payments under the revised facility terms. 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)).
    - 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:
    - 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;

Directors' Report

  - 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.
- 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.

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 11.

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.

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

Mark Connelly

Director

Perth

25 October 2017

Auditor's Independence Declaration

pwc

Auditor's Independence Declaration

As lead auditor for the review of Tiger Resources Limited for the half-year ended 30 June 2017, 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 review; and

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

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

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Consolidated Statement of Comprehensive Income

		Consolidated	
		Six months ended 30 June 2017	Six months ended 30 June 2016
	Notes	$'000	$'000
Total sales		**48,675**	56,556
Revenue offset against property, plant and equipment	*7*	**(5,588)**	-
Revenue		**43,087**	56,556
Total cost of sales		**(47,147)**	(52,567)
Cost capitalised to property, plant and equipment	*7*	**3,612**	-
Cost of sales		**(43,535)**	(52,567)
		(448)	3,989
Other income		**69**	16
Exploration and evaluation expenses		**(234)**	-
Administration expenses	*4(a)*	**(3,295)**	(1,599)
Movement in fair value of derivative liability		**(107)**	374
Foreign exchange loss		**(2,615)**	(103)
Doubtful debt expense	*3(b)*	**(5,090)**	-
Impairment loss	*3(a)*	**-**	(39,756)
Finance costs	*4(b)*	**(11,114)**	(10,828)
Loss before income tax		**(22,834)**	(47,907)
Income tax (expense)/benefit	*4(c)*	**(458)**	9,233
Loss for the period		**(23,292)**	(38,674)
Net loss attributable to:			
Owners of Tiger Resources Limited		**(22,181)**	(37,290)
Non-controlling interests		**(1,111)**	(1,384)
		(23,292)	(38,674)
Other comprehensive (loss)			
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments		**(145)**	(389)
Total comprehensive loss for the period		**(23,437)**	(39,063)
Total comprehensive loss for the period is attributable to:			
Owners of Tiger Resources Limited		**(22,326)**	(37,679)
Non-controlling interests		**(1,111)**	(1,384)
		(23,437)	(39,063)
Basic loss per share (cents per share)		**(1.13)**	(2.13)
Diluted loss per share (cents per share)		**(1.13)**	(2.13)

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

Consolidated Balance Sheet

		Consolidated	
		30 June 2017	31 December 2016
	Notes	$'000	$'000
ASSETS			
Current Assets			
Cash and cash equivalents		**4,563**	7,364
Trade and other receivables	*5*	**4,401**	8,786
Inventories		**17,457**	25,206
Equity investments at fair value through other comprehensive income		**315**	460
Total current assets		**26,736**	41,816
Non-current assets			
Receivables	*5*	**5,035**	6,965
Inventories		**4,072**	3,408
Mine properties & development	*6*	**49,278**	44,480
Property, plant & equipment	*7*	**98,166**	99,882
Total non-current assets		**156,551**	154,735
Total assets		**183,287**	196,551
LIABILITIES			
Current liabilities			
Trade and other payables		**29,443**	28,520
Current tax payable		**498**	42
Borrowings	*8*	**198,602**	191,347
Provisions	*9*	**8**	29
Total current liabilities		**228,551**	219,938
Non-current liabilities			
Other payables		**143**	965
Derivative financial instruments		**455**	315
Provisions	*9*	**7,684**	5,490
Total non-current liabilities		**8,282**	6,770
Total liabilities		**236,833**	226,708
NET LIABILITIES		**(53,546)**	(30,157)
EQUITY			
Contributed equity	*10*	**299,014**	298,204
Reserves		**(50,231)**	(49,324)
Accumulated losses		**(299,376)**	(277,195)
Capital and reserves attributable to owners of the Company		**(50,593)**	(28,315)
Non-controlling interest		**(2,953)**	(1,842)
TOTAL EQUITY		**(53,546)**	(30,157)

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 2016		286,210	(50,666)	(86,961)	148,583	6,497	155,080
Loss for the half-year		-	-	(37,290)	(37,290)	(1,384)	(38,674)
Other comprehensive loss for the half-year		-	(389)	-	(389)	-	(389)
Total comprehensive loss for the half-year		-	(389)	(37,290)	(37,679)	(1,384)	(39,063)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs		9,828	-	-	9,828	-	9,828
Share-based payments		-	83	-	83	-	83
		9,828	83	-	9,911	-	9,911
Balance at 30 June 2016		296,038	(50,972)	(124,251)	120,815	5,113	125,928
Balance at 1 January 2017		**298,204**	**(49,324)**	**(277,195)**	**(28,315)**	**(1,842)**	**(30,157)**
Loss for the half-year		**-**	**-**	**(22,181)**	**(22,181)**	**(1,111)**	**(23,292)**
Other comprehensive loss for the half-year		**-**	**(145)**		**(145)**		**(145)**
Total comprehensive loss for the half-year		**-**	**(145)**	**(22,181)**	**(22,326)**	**(1,111)**	**(23,437)**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs		**(6)**	**-**	**-**	**(6)**	**-**	**(6)**
Share-based payments		**816**	**(762)**	**-**	**54**	**-**	**54**
		810	**(762)**	**-**	**48**	**-**	**48**
Balance at 30 June 2017	*10*	**299,014**	**(50,231)**	**(299,376)**	**(50,593)**	**(2,953)**	**(53,546)**

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

Consolidated Statement of Cash Flows

	Consolidated	
	Six months ended 30 June 2017 $'000	Six months ended 30 June 2016 $'000
Cash flows from operating activities		
Receipts from product sales	**42,265**	48,871
Payments to suppliers and employees	**(39,124)**	(46,248)
Interest received	**7**	10
Bank guarantees	**(4)**	-
Income tax paid	**(22)**	(756)
Net cash inflows from operating activities	**3,122**	1,877
Cash flows from investing activities		
Purchase of plant and equipment	**(3,010)**	(11,432)
Net cash outflows from investing activities	**(3,010)**	(11,432)
Cash flows from financing activities		
Proceeds from borrowings	**-**	138,197
Repayment of borrowings	**(1,786)**	(135,188)
Issues of shares	**-**	10,105
Share issue costs	**(6)**	(277)
Interest paid	**(969)**	(6,162)
Financing costs	**(152)**	(9,193)
Net cash outflows from financing activities	**(2,913)**	(2,518)
Net (decrease) in cash and cash equivalents held	**(2,802)**	(12,073)
Cash and cash equivalents at the beginning of the financial period	**7,364**	19,007
Net foreign exchange differences	**1**	-
Cash and cash equivalents at the end of the financial period	**4,563**	6,934

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

Other than set out in this interim financial report for the half year ended 30 June 2017, there have not been any other significant changes in the state of affairs of the Group during the reporting period.

- On 10 February 2017, the Company advised ASX of the appointment of Mr Stuart Bradley Sampson as Chief Executive Officer and Managing Director of the Company, and 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;
- 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; and
- During the reporting period, issued a total of 54,091,961 ordinary shares to lenders, pursuant to the capitalisation of interest payments under the revised facility terms, as follows: 23,979,422 shares on 6 February, 6,414,873 shares on 31 March and 23,697,666 on 8 May 2017. 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.

There have not been any significant changes in the state of affairs of the Group during the half-year, other than as noted in this financial report.

2. GOING CONCERN

Balance Sheet

The half-year financial statements 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.

As at 30 June 2017 the Group had net liabilities of $53.546 million, which has increased from net liabilities at 31 December 2016 of $30.157 million.

For the half-year ended 30 June 2017, the Group made a net loss after tax attributable to the owners of the Company of $22.181 million (30 June 2016: net loss $37.290 million) and a net cash inflow from operating activities of $3.122 million (30 June 2016: inflow $1.877 million). The Group also has a working capital deficiency of $201.815 million as at 30 June 2017 (31 December 2016: $178.122 million deficiency). During the half-year and at 30 June 2017, 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 granted from time to time), the outstanding amounts are required to be classified as current liabilities, increasing the working capital deficiency at 30 June 2017.

Events impacting going concern assessment and company plans

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

2. GOING CONCERN (CONTINUED)

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 May 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%.
- 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 debotttlecking programme. In September 2017, monthly average tank leach performance 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.

2. GOING CONCERN (CONTINUED)

- 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;
- 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;
- 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

Notes to the Consolidated Financial Statements

2. GOING CONCERN (CONTINUED)

- 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.

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.

3. IMPAIRMENT AND DOUBTFUL DEBT EXPENSE

(a) Impairment loss

		Consolidated	
	Notes	Six months ended 30 June 2017 $000	Six months ended 30 June 2016 $000
Kipoi CGU	(i)	-	38,681
Capitalised feasibility costs		-	1,075
Total impairment loss		-	39,756

(i) At each reporting date, the Group assesses whether there are any indicators that an asset, or group of assets, may be impaired. Management has reviewed external and internal indicators of impairment for the Kipoi Copper Project, being the Group's Cash Generating Unit (Kipoi CGU). As the impairment indicators were identified, a CGU impairment test was performed based on the same estimates and mine plan used for the 31 December 2016 assessment as no additional factors were noted at 30 June 2017.

Notes to the Consolidated Financial Statements

3. IMPAIRMENT AND DOUBTFUL DEBT EXPENSE (CONTINUED)

(a) Impairment loss (continued)

Based on the half-year assessment at 30 June 2017, the Group determined that no further impairment of the Kipoi CGU is required, as the recoverable value of the Kipoi CGU supports its carrying value. As there were no changes in estimates used in determining the Kipoi CGU recoverable value at 30 June 2017 since the last impairment loss was recognised, the Group has not reversed losses recognised in prior reporting periods.

(b) Doubtful debt expense

	Consolidated	
	Six months ended 30 June 2017 $000	Six months ended 30 June 2016 $000
VAT Receivable - doubtful debt expense	**1,060**	-
Energy Efficiency prepayments - doubtful debt expense	**3,000**	-
Energy Efficiency rebates receivable - doubtful debt expense	**1,030**	-
	5,090	-

During the reporting period the Group continued providing for possible non-recoverability of VAT receivables in DRC, as the timing and extent of the VAT refunds remains uncertain. The doubtful debt expense recognised in the income statement in respect to VAT receivable for half-year was $1.060 million.

The Group also fully impaired the energy efficiency and network reinforcement program prepayments and rebates accrued during the half-year, expensing further $4.030 million of doubtful debt expense in the income statement, 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 prepayments were to be realised on the basis of units of power drawn from the grid, of which the last payment received related to the rebate for the month of August 2016.

Notes to the Consolidated Financial Statements

4. PROFIT AND LOSS INFORMATION

	Consolidated	
	30 June 2017 $000s	30 June 2016 $000s
(a) Administration expenses		
Employee-related expenses	**1,109**	931
Depreciation expense	**11**	13
Corporate advisory and compliance	**1,432**	277
Other administration expenses	**743**	378
Total administration expenses	**3,295**	1,599
(b) Finance costs		
Interest charged on loans	**10,312**	8,079
Other borrowing costs	**802**	2,749
Total finance costs	**11,114**	10,828
(c) Income tax expense/(benefit)		
Current tax expense	**458**	567
Deferred tax (benefit)	**-**	(9,800)
Total income tax expense/(benefit)	**458**	(9,233)

Income tax expense

The income tax expense for the half-year ended 30 June 2017 is a provisional amount based on the DRC minimum income tax payable of 1% of revenue. The Group continues not to recognise deferred tax asset on carry forward losses or temporary differences.

5. TRADE AND OTHER RECEIVABLES

		Consolidated	
		30 June 2017 $000s	31 December 2016 $000s
Current			
Trade receivable	*(i)*	**1,063**	4,674
Indirect taxes receivable - GST	*(ii)*	**74**	33
Other receivable		**536**	1,512
Prepayments	*(iii)*	**2,109**	1,951
Security deposits		**619**	616
		4,401	8,786
Non-current			
Income tax receivable		**5,035**	6,965
		5,035	6,965

Notes to the Consolidated Financial Statements

5. TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) The balance of rebates receivable under the Energy Efficiency Programme of $1.030 million, has been fully provided against as no rebates have been received since the August 2016 rebate receipt and it is uncertain whether they will be received in the future.

(ii) Due to uncertainty of VAT refunds in DRC, the Group continued providing against non-recoverability of the VAT receivable during the reporting period, consistent with the treatment in the financial statements for the year ended 31 December 2016. At 30 June 2017 the total provision for doubtful debt in respect to VAT non-recoverability was $18.221 million.

(iii) At the reporting date Group provided further $3.000 million against the 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, resulting in the total doubtful debt provision of $15.467 million.

6. MINE PROPERTIES AND DEVELOPMENT

	Consolidated	
	30 June 2017 $000s	31 December 2016 $000s
Opening balance	**44,480**	75,224
Additions	**2,805**	357
Impairment loss	**-**	(31,957)
Rehabilitation asset addition	**2,204**	1,168
Amortisation	**(211)**	(312)
Closing balance	**49,278**	44,480

7. PROPERTY, PLANT AND EQUIPMENT

	Consolidated				
	Motor Vehicles $000s	Plant & Equipment $000s	Land & Buildings $000s	Construction in Progress $000s	Total $000s
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
Half-year ended 30 June 2017					
Opening net book amount	83	84,124	2,091	13,584	99,882
Additions	-	1,035	-	1,976	3,011
Transfers (to)/from other classes	64	15,079[1]	(10)	(15,133)	-
Depreciation charge	(99)	(4,560)	(68)	-	(4,727)
Closing net book amount	48	95,678	2,013	427	98,166
At 30 June 2017					
Cost	3,627	268,606	4,632	15,013	291,878
Accumulated depreciation and impairment	(3,579)	(172,928)	(2,619)	(14,586)	(193,712)
Net book value	48	95,678	2,013	427	98,166

[1]The transfer from Construction in Progress to Plant & Equipment of $15.133 million includes a net offset of $1.976 million, being the revenue, net of costs, realised through the sale of cathode produced by the tank leach circuit as part of commissioning efforts.

Notes to the Consolidated Financial Statements

8. BORROWINGS

		Consolidated	
		30 June 2017 $000s	31 December 2016 $000s
Current borrowings			
Senior facility - principal	*(a)(b)*	**162,500**	162,500
Financing costs of facility added to principal	*(b)*	**1,206**	-
Senior facility – capitalised interest	*(b)*	**11,055**	3,538
Senior facility – accrued interest	*(b)*	**2,880**	2,563
		177,641	168,601
Bank overdraft facilities		**19,294**	19,413
Term loan		**1,667**	3,333
Total current borrowings		**198,602**	**191,347**

Bank overdraft facilities and term loan

The total amount drawn under the bank overdraft facilities was $19.294 million, with $0.706 million available for drawdown at the reporting date.

The bank overdraft facilities are held with:

- Banque Commerciale du Congo (BCDC) ($15.000 million), originally repayable in February 2018; and
- Rawbank ($5.000 million), originally 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.

At 30 June 2017, the outstanding balance of the Rawbank term loan was $1.667 million (31 December 2016: $3.333 million). The remaining balance is classified as current borrowings, and it is repayable in equal monthly instalments, with the final instalment due in December 2017.

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

Financing facilities

(a) Senior Facility

On 16 December 2015, the Group agreed final terms with Taurus and International Finance Corporation (IFC), for a $162.500 million secured financing facility (Senior Facility) to refinance the existing debt facilities with Taurus and Gerald Metals SA (Gerald) and provide capital for the debottlenecking initiative to increase capacity of the Kipoi SXEW plant.

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; and
- Pre-payable at any time without financial penalty.

8. BORROWINGS (CONTINUED)

Loan covenants

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

At 30 June 2017, the Company had agreed with the Lender Group to extend the date for payment of the scheduled repayment instalments totalling $2.437 million, and extend (or waive) a number of conditions under the Senior Finance Facility, until 1 October 2017.

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.

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.

Notes to the Consolidated Financial Statements

8. BORROWINGS (CONTINUED)

(b) Senior facility movement during the period

	Principal Drawn $'000	Capitalised Interest $'000	Accrued Interest $'000	Total Senior Loan $'000
Balance at 1 January 2017	162,500	3,538	2,563	168,601
Financing expenses settled by lenders and added to the loan principal	1,206	-	-	1,206
Interest payable during the reporting period capitalised	-	7,517	-	7,517
Movement in accrued interest	-	-	317	317
Balance at 30 June 2017	**163,706**	**11,055**	**2,880**	**177,641**

(c) Unused facilities available

Unused financing facilities at 30 June 2017

	Senior Facility $'000	Overdraft Facility $'000	Term Facility $'000	Total Facilities $'000
Total facility	162,500	20,000	1,667	184,167
Used to date	(162,500)	(19,294)	(1,667)	(183,461)
Facility available	**-**	**706**	**-**	**706**

Notes to the Consolidated Financial Statements

9. PROVISIONS

		Consolidated	
		30 June 2017 $000s	31 December 2016 $000s
Current			
Employee benefits - long service leave		**8**	29
Non-current			
Employee benefits - long service leave		**42**	87
Provision for rehabilitation	*(i)*	**7,388**	4,948
Other provisions		**254**	455
		7,684	5,490

(i) Reconciliation of movement in rehabilitation provision

	Consolidated	
	2017 $000s	2016 $000s
Opening balance	**4,948**	3,408
Re-assessment of provision	**2,204**	1,168
Unwinding of discount	**236**	372
Closing balance	**7,388**	4,948

The amount added to rehabilitation provision upon reassessment reflects an increase in the disturbed area; since 31 December 2016, the estimate for the pit disturbance increased by 91% and for the waste rock disturbance by 41%. The overall increase was caused by general operation and, primarily, by significant pre-stripping and the removal of overburden performed as per mining plan until the end of May 2017, when the mining activities were suspended.

Notes to the Consolidated Financial Statements

10. EQUITY SECURITIES ISSUED

(a) Share capital

	30 June 2017 Number	30 June 2017 $000s	30 June 2016 Number	30 June 2016 $000s
Ordinary shares fully paid net of costs	**1,992,270,121**	**299,014**	1,795,147,420	296,038

(b) Movement in ordinary share capital

Date		Number of shares	Issue price ($A)	Shares value $000s
	2016			
01-Jan-16	Opening balance	1,484,618,275	-	286,210
21-Jan-16	Issue under rights entitlement	48,668,852	0.047	1,573
22-Jan-16	Subscription	107,121,415	0.047	3,532
04-Feb-16	Subscription	154,738,878	0.047	5,000
	Capital raising costs	-	-	(277)
30-Jun-16	Closing balance	1,795,147,420		296,038
	2017			
01-Jan-17	**Opening balance**	**1,938,178,160**	**-**	**298,204**
06-Feb-17	Finance facility extension issue*	23,979,422	0.0200	367
31-Mar-17	Finance facility extension issue*	6,414,873	0.0200	98
08-May-17	Finance facility extension issue*	23,697,666	0.0200	351
	Capital raising costs	-	-	(6)
30-Jun-17	**Closing balance**	**1,992,270,121**		**299,014**

* In accordance with the revised facility terms, the Company issued 47.677 million shares with respect to capitalisation of interest payable and 6.415 million shares with respect to further funds drawdowns. The shares were issued for nil consideration, valued at A$0.02 per share, based on the market price on the date of the revised terms agreement.

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

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.

11. COMMITMENTS AND CONTINGENCIES

(a) Capital and other commitments

There are no commitments for significant capital expenditure at the end of the reporting period.

The Group has contracted other commitments detailed below:

Energy efficiency and network reinforcement programs

SEK has entered into a funding agreement with Megatron RDC SARL 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 the balance date, SEK had payment commitments of $15.082 million over a further two and a half year period (31 December 2016: $18.082 million).

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.

Hydraulic reclamation

In May 2017 SEK entered in to a 22 month contract for hydraulic reclamation with Paragon Tailings for a total contracted value of $1.222 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.

Other

At 30 June 2017, the Group commitments for site operating services, consumables and operating leases was approximately $3.187 million (2016: 3.215 million).

(b) Contingencies

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 is contesting all points raised in the revised re-assessments in accordance with the DRC tax procedures, which requires a payment of 20% of the re-assessment in order to lodge an objection. The amount due to be paid by SEK to contest the notice of re-assessments is $0.085 million.

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.

12. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Other than set out below, no matters or circumstances have arisen since the end of the reporting period 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 4 August 2017, the Company issued 26,226,013 ordinary shares to lenders, pursuant to the capitalisation of interest payments under the revised facility terms. 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)).
    - 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:
    - 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;
    - 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);

12. EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONTINUED)

- 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.
  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.

13. BASIS OF PREPARATION OF HALF-YEAR REPORT

This consolidated interim financial report for the half-year reporting period ended 30 June 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2016 and any public announcements made by Tiger Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(a) New and amended standards adopted by the group

No new standards were applied by the group for the first time in the half-year reporting period commencing 1 January 2017.

(b) Impact of standards issued but not yet applied by the entity

The Group's assessment of the impact of the new standards and interpretations not yet adopted 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.

13. BASIS OF PREPARATION OF HALF-YEAR REPORT (CONTINUED)

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.

(b) Impact of standards issued but not yet applied by the entity (continued)

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.

- AASB 16 Leases 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.

Directors' declaration

In the directors' opinion:

(a) The financial statements and notes set out on pages 12 to 31 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 30 June 2017 and of its performance for the half-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.

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

Mark Connelly
Director

Perth
25 October 2017

Independent auditor's review report to the members of Tiger Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tiger Resources Limited (the company), which comprises the consolidated balance sheet as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Tiger Resources Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tiger Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tiger Resources Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date;

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the consolidated entity had a working capital deficiency of $201.815 million as at 30 June 2017. As a result, the consolidated entity is undertaking a comprehensive strategic review, which includes operational, technical and financial aspects of the consolidated entity with focus on the implementation of initiatives to improve the consolidated entity's operational and financial performance and to lead to a recapitalisation of the consolidated entity. These conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

PricewaterhouseCoopers.

PricewaterhouseCoopers

Craig Heatley
Partner

Perth
25 October 2017