

31 October 2017

## Corporate Overview

Tiger Resources Ltd (**Tiger** or **the Company**) made significant progress across the business during Q3 2017. This included important financial agreements with lenders that provide certainty to enable Tiger to progress with its turnaround strategy, as well as further operational and technical improvements at the Company's Kipoi Copper production business situated in the Democratic Republic of Congo (DRC).

A summary of initiatives delivered by Tiger in Q3 2017:

- Two of the key technical issues impacting copper production and that contributed to the company being voluntarily suspended from trading on ASX were successfully remedied:
  - The tank leach throughput was improved and is now operating at the design rate; and
  - Subsequent to the end of the quarter, the heap leach process was restored to normal operations following completion of the intermediate Leach Solution (ILS) and event pond repairs.
- Additional works were completed to remedy additional pond issues and proactively provide additional solution storage capacity ahead of the next wet season.
- Entered into an interim finance facility of \$US18.154 million with two of the Company's existing senior lending group.
- Concurrently secured a deed of forbearance with the Company's lenders, deferring obligations on the Company's existing secured debt through to at least October 2018.
- The additional funding and forbearance agreements demonstrate strong support from the Company's lenders and provides a 12-month period to enable Tiger to pursue its key initiatives of:
  - further improving the Company's operational and financial performance at Kipoi;
  - developing an updated Life of Mine Plan for the Kipoi copper mine; and
  - attracting new investment that will enable the necessary restructure of the Company's balance sheet and recapitalisation of the business.
- In addition, subsequent to the end of Q3 2017 Tiger also secured an extension to the maturity date for its existing DRC bank overdraft facilities totalling US\$20.0 million through to 31 December 2018, providing ongoing funding for the Company's day-to-day operations.
- Copper production up 10% in Q3 2017 and achieved a C1 cash operating costs of US\$1.86/lb a 14% reduction.
- Stockpiles of heap leach feed were fully depleted after the close of the quarter.

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- Delivered operational improvements to support this production increase in Q3 2017, in particular commissioning a hydraulic reclamation plant that increased tank leach throughput and is currently outperforming nameplate capacity.
- Progressed a new life of mine planning exercise for Kipoi to address existing technical knowledge gaps at the project.
- Completed a scoping study on options to recover cobalt from solution as a saleable product over the life of the Kipoi project, being considered in the new Life of Mine Plan.

The Company remains in voluntary suspension from trading on the ASX whilst it seeks to achieve a restructuring and recapitalisation with the support of the senior lending group or a sale of assets. The Company will keep shareholders informed of its progress.

The Company's Annual General Meeting will be held on 28 November 2017 at 9.30am at the Celtic Club, 48 Ord St, West Perth, Western Australia.

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

### Production

*Table A: Summary of Kipoi production and costs*

|                                | Q3 2017  | Q2 2017  | Q1 2017  |
|--------------------------------|----------|----------|----------|
| Copper produced (tonnes)       | 4,639    | 4,204    | 4,055    |
| Cash operating costs (US\$/lb) | US\$1.86 | US\$2.14 | US\$2.23 |

Copper cathode production for the quarter was 4,639 tonnes, with 4,508 tonnes of copper cathode sold for the quarter at an average realised price of US\$6,286/t (US\$2.85/lb):

- One year (equivalent to three million man-hours) lost time injury free achieved in September 2017;
- Copper production for Q3 2017 was 10% higher than for Q2 2017;
- Crushing and stacking of heap leach ore from stockpiles and re-processing of high grade tailings through the tank leach process continued during the quarter;
- Commissioning of the hydraulic reclamation plant commenced in July 2017. The change to hydraulic reclamation was designed to increase tank leach throughput and was successfully commissioned during the quarter. In September 2017, monthly average tank leach performance met the design rates of 50 tonnes per hour throughput and 90% availability;
- Kipoi Central pre-strip remains deferred until 2018; and

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

- The completion of technical and other works to optimise the Life of Mine Plan (LOMP); and
- A financing program to fund the costs of the future Kipoi Central pre-stripping phase.

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

### Production (cont'd)

*Table B: Summary of Kipoi SXEW plant production, sales and costs*

| KIPOI SXEW PLANT PRODUCTION, SALES AND COSTS SUMMARY<br>FOR THE QUARTER ENDED 30 SEPTEMBER 2017 |         | Q3 2017 | Q2 2017 | Q1 2017 |
|---|---------|---------|---------|---------|
| <b>MINING</b>   |         |         |         |         |
| Material mined  | Tonnes  | -       | 158,013 | 726,500 |
| <b>COPPER PRODUCTION</b>  |         |         |         |         |
| Copper produced   | Tonnes  | 4,639   | 4,204   | 4,055   |
| <b>CATHODE SALES</b>  |         |         |         |         |
| Copper cathode sold   | Tonnes  | 4,508   | 4,431   | 4,084   |
| Average realised copper price   | US\$/t  | 6,286   | 5,807   | 5,877   |
| <b>QTR END CATHODE STOCKPILE</b>  |         |         |         |         |
| Copper cathode  | Tonnes  | 632     | 501     | 728     |
| <b>OPERATING COSTS</b>  |         |         |         |         |
| C1 costs  | US\$/lb | 1.86    | 2.14    | 2.23    |
| AISC  | US\$/lb | 2.22    | 2.28    | 2.65    |

Kipoi produced 4,639 tonnes of copper cathode for the quarter. Copper production improved during the quarter following the commissioning of the hydraulic reclamation and the improvement in tank leach throughput and availability.

During the quarter, heap leach operations continued to operate a two-stage leach process, utilising the smaller decant pond as a temporary ILS pond. The construction and commissioning of the new ILS pond was completed in October 2017, subsequent to quarter end.

290,684 tonnes of ore was reclaimed from low grade ore stockpiles and stacked on the heap leach pads during the quarter, with an estimated total copper grade of 1.20% TCu.

During the quarter 82,248 tonnes of HMS Slimes were processed through the tank leach at an estimated average copper grade of 3.04% TCu. Copper recovery in the tank leach circuit for the quarter was reported as 76%.

To address the materials handling issues adversely impacting tank leach throughput, as reported in the March 2017 quarterly report, the HMS slimes recovery method was changed to utilise hydraulic monitors to excavate the tailings and pump the resultant slurry into the tank leach circuit. The hydraulic reclamation contractor was mobilised to the Kipoi site and commenced commissioning of their equipment in July 2017. The hydraulic reclamation equipment mobilised to site is rated to deliver a feed rate exceeding the 50 tonnes per hour design throughput for the tank leach circuit and in September monthly average tank leach performance met the design rates of 50 tonnes per hour throughput and 90% availability.

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

### **Production (cont'd)**

The stockpiles of heap leach feed material were depleted in October 2017. Heap leach stacking activities have now been suspended until the re-commencement of mining from Kipoi Central or alternate source of heap leach feed is sourced.

Irrigation of the heap leach pads and production of copper from the pads is planned to continue through to Q2 2018.

Copper production from the heap leach process will begin to reduce and tail off over coming months until mining of ore recommences or an alternative source of feedstocks is arranged.

Hydraulic reclamation and processing of TSF#1 material through the tank leach circuit is scheduled to continue through the next quarter and into the second half of the 2018 calendar year.

### **Operating costs**

Cash operating costs for the quarter were US\$1.86/lb and all-in sustaining costs (AISC) were US\$2.22/lb.

The AISC includes mining, stockpile reclaim and civil costs of US\$0.19/lb.

### **Life of mine plan (LOMP) update**

The Company is undertaking an update and optimisation of its LOMP. The program incorporates recent strategic thinking on mining and processing options, and operating experience. The LOMP is scheduled to be progressed over the remainder of the year. Initial technical and financial modelling of the plan has been completed and will be updated on an ongoing basis to form part of the development of the Company's strategic financing initiatives.

The LOMP update program includes two drilling programmes – a grade control drilling programme and a metallurgical testwork drilling programme.

1. The grade control drilling program is designed to delineate and quantify additional copper mineralisation visible within the Kipoi pre-strip zone that does not currently form part of the mineral resources, and which has the potential to improve future short-term mine economics. This drilling programme is complete and the Company is awaiting results.
2. The metallurgical drilling programme is designed to provide additional information on copper recoveries and acid consumption on oxide and transitional ores within the current planned Kipoi Central Open Pit. This programme may be extended to provide further metallurgical information to optimise recovery of copper sulphide mineralisation occurring at the base of the currently planned Kipoi Central Open Pit. It is expected that this drilling programme will commence early November 2017 with first metallurgical test results in December and then continuing into 2018.

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

### Cashflow improvement initiatives

A number of actions continue to be progressed to address cost and liquidity issues in the DRC operations which include:

- Identification of revenue improvement opportunities which will be further explored in Q4 2017 including:
  - Potential to improve tank leach throughput to more than 50 tonnes per hour:
    - By October 2017, 60 tonnes per hour Tank Leach throughput was being achieved with stable operation (20% higher than nameplate capacity).
    - Further actions are being taken with a goal to achieve 70tph throughput by 2018.
  - Possibility to source, procure, and treat third-party sources of ore on the Kipoi leach pads from late 2017 until mining recommences from Kipoi Central;
  - Pilot trial heap leaching of 5,000 tonnes of Kipoi North material in October which, if successful, may facilitate the mining and processing of an interim pit at Kipoi North providing up to 500,000 tonnes of heap leach feed; and
  - Successful initial trial of ‘Fines Optimised Heap Leach’ is now evaluated with a view to installing a 30tph trial plant. The 30tph trial could commence as early as January 2018. Fines Optimised Heap Leach is a new technique that improves the management of fine particles in the heap leaching process. The first small scale trials of this new technique have been positive with copper recovery of approximately 90% achieved on the heap within 30 days of commencement of irrigation. Successful piloting of this technique may enable early processing of the Kipoi Fines Stockpile (approximately 552,400 tonnes at 1.38%Cu) and offers potential to reduce capital expenditure on processing equipment over the life of the Kipoi project.
- Stabilisation of supplier relationships, including the implementation of creditor repayment standstill agreements with key suppliers.
- Reduction in site operating and capital costs, with a program to achieve significant further cost savings identified and being implemented. Measures include:
  - Comprehensive review and reduction in planned capital expenditure;
  - Improvement of cash flow forecasting and expenditure control processes;
  - Reduction in the expatriate workforce at the Kipoi operation; and
  - Engagement with key suppliers such as the contract crushing and mining/materials handling and civil construction service providers to improve efficiencies and reduce costs.
- Insurance claim processed under the Company’s property damage and business interruption policies regarding the ILS pond breach resulted in an interim payment of US\$3.0 million during the quarter.

## Cobalt

During the quarter DRA Engineering (South Africa) completed a scoping study on options to recover cobalt from solution as a saleable product over the life of the Kipoi project.

Cobalt production options as a by-product of copper production are now being considered within the Life of Mine studies currently being progressed.

## Cash & borrowings

As at 30 September 2017, the Company held cash and cash equivalents of US\$4.3 million (30 June 2017: US\$4.7 million). Copper cathode inventory on hand at the end of the quarter was 632 tonnes with an invoice value of approximately US\$3.8 million.

Borrowings as at 30 September 2017 comprised US\$181.6 million of secured facilities (principal and capitalised interest and fees) and US\$19.0 million of short-term facilities provided by DRC banks.

## Management

Narelle Warren joined the Company during the quarter as Company Secretary. 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.

In addition, the Company continues to build capability in its operational management team with further appointments at its operations in the DRC, including General Manager Operations and a General Manager Finance and Commercial.

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For further information in respect of Tiger's activities, please contact:

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