

23 December 2019

### INFORMATION TO SHAREHOLDERS UPDATE ON PROPOSED DEBT RESTRUCTURE - COURT APPROVES DISPATCH OF SCHEME BOOKLET

**Perth, Western Australia:** On 6 December 2019, Tiger Resources Limited (ASX: TGS) (**Tiger** or **Company**) announced that it had determined to propose a debt restructure by way of a creditors' scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Scheme**).

Under the Scheme, the senior debt owed by the Company's subsidiary, Société d'Exploitation de Kipoi S.A. (**SEK**) and guaranteed by the Company and its subsidiaries (**Group**) under Tranche A of approximately US\$221.1 million will be reduced to US\$70 million. In consideration, the Company will issue fully paid ordinary shares at US\$0.00067 per share to its senior lenders: QMetco Limited, Taurus Mining Finance Fund L.P. (**Taurus**) and International Finance Corporation (**IFC**) (together, the **Scheme Creditors**), in proportion to the debt each compromises. This will result in the current holders of ordinary shares (other than the Scheme Creditors) holding approximately 0.76% of the post-Scheme diluted capital, with the balance held by the Scheme Creditors. Certain amendments are also proposed to be made to the Group's financing documents under the Scheme, including waivers of certain events of default and extensions of the final maturity dates for the Group's facilities. These amendments are set out in more detail in the attached explanatory statement (**Scheme Booklet**).

The first Court hearing for the Scheme was held on Friday, 20 December 2019. On Monday, 23 December 2019 the Federal Court of Australia (**Court**) made orders in relation to the Scheme, including for the dispatch of the Scheme Booklet to the Scheme Creditors and the convening of a meeting of the Scheme Creditors to consider and, if thought fit, approve the Scheme (**Scheme Meeting**).

The Scheme Booklet sets out the prescribed information about the Scheme that the Corporations Act requires Tiger to address to the Scheme Creditors, including an explanation of the effect of the Scheme. The Scheme Booklet contains a number of annexures, including:

- (a) the full terms and conditions of the Scheme (Annexure A); and
- (b) an independent expert's report that has been prepared by BDO Corporate Finance (WA) Pty Ltd (**BDO**) for the purposes of the Scheme (**BDO Report**) (Annexure D). In the BDO Report BDO opines on a number of matters that are relevant to the shareholders of the Company, including the likely outcome for the Company if the Scheme is not implemented and the expected amount (called a "dividend" in the BDO Report) that would be paid to various interested parties (including shareholders) under different scenarios.

The Scheme is subject to a number of conditions precedent which need to be satisfied before the Scheme can be implemented. Those conditions are:

- (a) **Foreign Investment Review Board (FIRB) approval:** any Scheme Creditors whose participation in the Scheme requires the approval of Australia's FIRB has obtained that approval or, if not, the Company

has taken all steps necessary to ensure that certain trust arrangements contemplated in the Scheme can apply on the date of implementation of the Scheme;

- (b) **Regulatory approvals:** each other regulatory approval necessary or desirable to implement and complete the Scheme has been provided, including approval from the Government of the Democratic Republic of Congo to an indirect change of control of SEK;
- (c) **Corporate approvals:** all corporate approvals necessary or desirable to implement and complete the Scheme have been obtained by each member of the Group;
- (d) **Deeds poll:** deeds poll necessary to give effect to the Scheme have been signed by the Scheme Administrator, Richard Tucker of KordaMentha, and certain other parties;
- (e) **Scheme Creditor approval:** the Scheme is agreed to by the required majority at the Scheme Meeting;
- (f) **Delisting:** the Company is removed from the official list of the ASX;
- (g) **Recognition in England:** an order recognising the Scheme is made by the High Court of England pursuant to Article 17(2)(b) of Schedule 1 to *The Cross-Border Insolvency Regulations 2006* (England and Wales). The Company envisages that the application will be made in London shortly after the Court approves the Scheme;
- (h) **Court Approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act, including with any alternations made or required by the Court under section 411(6) of the Corporations Act; and
- (i) **Other conditions:** any other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme.

The conditions precedent to the Scheme are set out in more detail in the attached Scheme Booklet.

The Scheme Meeting will be held at 10.00am (Perth time) on 5 February 2020 at King & Wood Mallesons, Level 30, QV1 Building, 250 St Georges Terrace, Perth, Western Australia, Australia. Only the Company's Scheme Creditors are entitled to be present and vote at the Scheme Meeting.

### Key dates

The key events and the expected timing in relation to the approval and implementation of the Scheme are set out in the table below.

Scheme Booklet dispatched to the Scheme Creditors	24 December 2019
Company delisted from ASX	3 February 2020
Scheme Meeting	5 February 2020
Second Court hearing	10 February 2020

Effective date	The business day after the day on which the conditions precedent to the Scheme have been satisfied
Implementation date	the 5th business day after the effective date or if certain steps cannot occur on this date, such other date on which those steps can occur

The dates set out above are indicative only and may be subject to change. The actual times and dates will depend on many factors outside the control of the Company, including the Court approval process and the satisfaction of the conditions precedent to the Scheme. The Company reserves the right to vary the times and dates set out above, subject to the Corporations Act and the approval of any variations by the Court and/or the Australian Securities and Investments Commission where required.

The Company's independent board committee unanimously considers that Scheme Creditors will be better off if the Scheme is approved and recommends that Scheme Creditors vote in favour of the Scheme at the Scheme Meeting.

### Information for Tiger shareholders

The current substantial shareholders of Tiger are Taurus (13.01%), Resource Capital Funds (14.50%), IFC (12.02%), Tom Todd & Todd Hanigan and associated entities (6.81%) and Republic Investment Management (5.17%).

If the Scheme is approved and implemented and shares in Tiger are issued to the Scheme Creditors in accordance with the Scheme, the aggregate shareholding of the Scheme Creditors will (based on the value of the secured debt as at 30 November 2019) increase to approximately 99.24%. Therefore, while the Scheme does not involve the transfer or cancellation of any existing shares, the Scheme will result in a significant dilution of the existing shareholders interest in Tiger.

Based on the conclusions set out in the BDO Report, the existing shares in the capital of Tiger do not have any economic interest in Tiger. For further information, Tiger shareholders should refer to Section 9 of the Scheme Booklet and the copy of the BDO Report at Annexure D of the Scheme Booklet.

As stated above, the Scheme remains subject to the satisfaction of a number of conditions precedent, including approval of the Court in accordance with section 411(4)(b) of the Corporations Act (**Court Approval**). Shareholder approval of the Scheme (including approval of the Scheme Creditors in their capacity as shareholders) will not be obtained and is not a condition precedent to the Scheme.

If the Scheme is agreed to by the required majority at the Scheme Meeting, it is anticipated that Court Approval will be sought at 10.15am (Sydney time) on 10 February 2020 at Level 17, Law Courts Building, 184 Phillip Street, Queens Square, Sydney, New South Wales, Australia (**Court Hearing**).

If you wish to oppose the approval of the Scheme, you must file and serve on Tiger a notice of appearance, in the prescribed form, together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Tiger at its address for service by 5.00pm (Sydney time) on 6 February 2020. Tiger's address for service is c/o King & Wood Mallesons, Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW 2000 (Ref: Tim Klineberg).

Tiger shareholders (and their advisors and any other interested parties) should read the Scheme Booklet (including the BDO Report) carefully and in its entirety before making a decision regarding whether to take any action in respect of the Scheme. It is recommended that professional legal, financial and taxation advice is sought before making that decision.

### **Further information**

In order to assist answering any questions shareholders might have in respect of the content of this announcement the Company asks that shareholders send their queries to: [info@tigerez.com](mailto:info@tigerez.com). The Company will endeavour to respond to queries as quickly as it is able to do so.

This announcement was authorised to be given to ASX by the Board. For further information in respect of the Company's activities more generally:

#### **Caroline Keats**

Managing Director/CEO

Tel: +61 (8) 6188 2000

Email: [info@tigerez.com](mailto:info@tigerez.com)

Company website: [www.tigerresources.com.au](http://www.tigerresources.com.au)



## Explanatory Statement

Pursuant to section 412 of the *Corporations Act 2001* (Cth)

For the Creditors' Scheme of Arrangement between:

Tiger Resources Limited  
ACN 077 110 304  
(the "Scheme Company")

and the

Scheme Creditors  
(as defined in the Scheme)

In order for the Scheme to proceed, it must be approved by the Scheme Creditors. Approval will be sought at the Scheme Meeting that will commence at 10.00am on 5 February 2020 at King & Wood Mallesons, Level 30, QV1 Building, 250 St Georges Terrace, Perth, Western Australia, Australia. Further details of the Scheme Meeting and on how to vote at the Scheme Meeting, as well as information about the proposed Scheme, are set out in this Explanatory Statement.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**You should read it carefully and in its entirety before deciding whether or not to vote in favour of the Scheme. It is recommended that you seek professional legal, financial and taxation advice before making your decision.**

# Explanatory Statement

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# Explanatory Statement

## 1 Important information

**YOU SHOULD READ THIS EXPLANATORY STATEMENT CAREFULLY AND IN ITS ENTIRETY BEFORE DECIDING WHETHER OR NOT TO VOTE IN FAVOUR OF THE SCHEME. IT IS RECOMMENDED THAT YOU SEEK PROFESSIONAL LEGAL, FINANCIAL AND TAXATION ADVICE BEFORE MAKING YOUR DECISION.**

### 1.1 Orders to convene the Scheme Meeting

On 23 December 2019, the Court made orders under section 411(1) of the Corporations Act directing that a meeting of the Scheme Creditors be convened to consider and, if thought fit, agree to the proposed Scheme. This Explanatory Statement has been provided to the Scheme Creditors in connection with the Scheme Meeting for the purpose of considering and, if thought fit, agreeing to the proposed Scheme between the Scheme Company and the Scheme Creditors.

The Scheme Meeting will commence at:

**10.00am on 5 February 2020**

at

**King & Wood Mallesons, Level 30, QV1 Building, 250 St Georges Terrace, Perth, Western Australia, Australia**

Further information on the Scheme Meeting and the procedure for voting is set out in Section 8.

#### **IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SECTION 411(1) OF THE CORPORATIONS ACT**

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved the explanatory statement required to accompany the notice of the Scheme Meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how the Scheme Creditors should vote (on this matter the Scheme Creditors must reach their own decision); or
- (b) has prepared, or is responsible for the content of, the explanatory statement.

The Court's order under section 411(1) is not an endorsement of, or any other expression of opinion on, the Scheme.

### 1.2 Prescribed information

Under section 412(1) of the Corporations Act and regulation 5.1.01 of the Corporations Regulations, this Explanatory Statement must contain certain information to assist the Scheme Creditors in deciding whether or not to vote in favour of the proposed Scheme. The below table indicates where in this Explanatory Statement that information can be found.

<b>Prescribed information</b>	<b>Section / Annexure</b>
An explanation of the effect of the proposed Scheme	Section 7
The material interests of the Directors (including the effect of the Scheme on those interests)	Section 13.1
The expected dividend that would be available to Scheme Creditors if the Scheme Company were to be wound up within 6 months after the First Court Date	Section 9.3(a)
The expected dividend that would be paid to the Scheme Creditors if the Scheme were put into effect as proposed	Section 9.3(b)
A list of the names of the Scheme Creditors and the debts owed to those Scheme Creditors	Annexure H
A report on the affairs of the Scheme Company in accordance with ASIC Form 507 ( <i>Report on company activities and property</i> )	Annexure F
A certified copy of all financial statements to be lodged by the Scheme Company with ASIC	Annexure E
The scale of charges that the Scheme Administrator proposes to charge to implement the Scheme	Annexure G
The criteria and the date for determining the participants in the Scheme, the persons entitled to vote at the Scheme Meeting, and the persons who will be bound by the Scheme	Sections 7.14 and 8.5

### **1.3 Responsibility statement**

The Scheme Company has provided and is responsible for all information in this Explanatory Statement (other than the BDO Information). The Scheme Company and its Directors, officers, employees and advisers disclaim and do not assume any responsibility for the accuracy or completeness of the BDO Information.

BDO has prepared the BDO Report in relation to the Scheme Company and the proposed Scheme based, in part, on information provided by the Scheme Company. Except to the extent that the Scheme Company is responsible for the information it has provided to BDO for the purpose of the BDO Report (and the Scheme Company takes responsibility for that information), BDO takes responsibility for the BDO Information.

The BDO Information consists of the information in Section 9, the BDO Report in Annexure D and certain other information or statements in this Explanatory Statement that have been identified as being sourced from, or attributed to, BDO.

No person has been authorised to give any information or to make any representation or warranty in connection with the Scheme other than the representations contained in this Explanatory Statement.

This Explanatory Statement has been prepared solely for use by the Scheme Creditors for the purpose of deciding whether or not to vote in favour of the Scheme. No other person apart from the Scheme Company and BDO (only in respect of the BDO Information) has been authorised to make any representation or warranty, express or implied, as to its accuracy or completeness. Nothing contained in this Explanatory Statement is, or should be relied on as, a representation, assurance or guarantee as to the benefits of the Scheme over any alternative for the Scheme Creditors.

#### **1.4 Websites**

The content of the Scheme Company's website does not form part of this Explanatory Statement and Scheme Creditors should not rely on its content for the purpose of deciding whether or not to vote in favour of the Scheme.

Any references in this Explanatory Statement to a website is a textual reference for information only and no information in any website forms part of this Explanatory Statement.

#### **1.5 No financial product or other advice**

This Explanatory Statement does not constitute financial product advice. It has been prepared without reference to the particular investment objectives, financial situation, tax situation, needs or specific circumstances of any Scheme Creditor. Scheme Creditors should not construe any statements made in this Explanatory Statement as investment, tax or legal advice. Each Scheme Creditor's decision whether or not to vote for or against the proposed Scheme will depend on an assessment of their individual circumstances. As the financial, legal and taxation consequences of the Scheme may be different for each Scheme Creditor, it is recommended that Scheme Creditors seek their own professional legal, financial and taxation advice before making their decision.

#### **1.6 Forward-looking statements**

Certain statements in this Explanatory Statement relate to the future. The forward-looking statements in this Explanatory Statement are not based solely on historical facts, but rather reflect the current expectations of the Scheme Company as at the date of this Explanatory Statement. These statements generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "likely", "should", "plan", "may", "estimate", "potential", or other similar words and phrases. Similarly, statements that describe the Scheme Company's objectives, plans, goals or expectations are or may be forward looking statements.

Forward-looking statements are based on numerous assumptions regarding present and future circumstances. As such, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual result, performance or achievement to be materially different from the future result, performance or achievement expressed or implied by those statements.

Given this, Scheme Creditors are cautioned not to place undue reliance on any forward-looking statements made in this Explanatory Statement or elsewhere.

Other than as required by law, none of the Scheme Company, its Directors, or any other person gives any representation, assurance or guarantee that the occurrence of any event, outcome, performance or achievement expressed or implied in any forward-looking statement in this Explanatory Statement will

actually occur. The Scheme Company has no intention of updating or revising any forward-looking statements, or publishing prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Explanatory Statement, except as required by law.

## **1.7 ASIC and ASX**

A copy of this Explanatory Statement has been given to ASIC pursuant to section 412(7) of the Corporations Act. Neither ASIC nor its officers take any responsibility for the contents of this Explanatory Statement.

A copy of this Explanatory Statement has been lodged with ASX. Neither ASX nor its officers take any responsibility for the contents of this Explanatory Statement.

## **1.8 Rounding**

A number of figures, amounts, percentages, estimates, calculations of values and fractions in this Explanatory Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out.

## **1.9 Interpretation**

Section 14.1 contains general guidelines for interpreting this Explanatory Statement.

Capitalised terms and certain abbreviations used in this Explanatory Statement have the meanings set out in Section 14.2. The documents reproduced in the Annexures may have their own defined terms, which are sometimes different from those in Section 14.2.

## **1.10 Scheme Creditors outside Australia**

This Explanatory Statement has been prepared to reflect the applicable disclosure requirements of Australia, which may be different from the requirements applicable in other jurisdictions. The financial information included in this Explanatory Statement is based on financial statements that have been prepared in accordance with accounting principles and practices generally accepted in Australia, which may differ from generally accepted accounting principles and practices in other jurisdictions.

The implications of the Scheme for Scheme Creditors who are resident in, have a registered address in or are citizens of and/or are taxable in jurisdictions other than Australia may be affected by the laws of the relevant jurisdiction. Such overseas Scheme Creditors should inform themselves about and observe any applicable legal requirements. Any person outside Australia who is resident in, or who has a registered address in, or is a citizen of and/or is taxable in, an overseas jurisdiction and who is to receive or subscribe for any Scheme Shares should consult its professional advisers and satisfy itself as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction.

## **1.11 Foreign jurisdiction disclaimers**

**THIS EXPLANATORY STATEMENT AND THE SCHEME DO NOT CONSTITUTE AN OFFER OF SECURITIES IN ANY JURISDICTION IN WHICH IT WOULD BE UNLAWFUL. THIS EXPLANATORY STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY OTHER THAN THE SCHEME SHARES. NONE OF**

**THE SECURITIES REFERRED TO IN THIS EXPLANATORY STATEMENT  
MAY BE OFFERED, SOLD, ISSUED OR TRANSFERRED IN ANY  
JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.**

This Explanatory Statement may not be distributed to any person in any country outside Australia except in respect of those jurisdictions described below and in the manner contemplated below.

**(a) Cayman Islands**

No offer or invitation to subscribe for Scheme Shares may be made to the public in the Cayman Islands.

**(b) United States**

The Scheme Company intends to rely on an exemption from the registration requirements of the United States Securities Act of 1933 provided by Section 3(a)(10) thereof in connection with the consummation of the Scheme and the issuance of Scheme Shares. Approval of the Scheme by the Court will be relied upon by the Scheme Company for purposes of qualifying for the Section 3(a)(10) exemption.

Scheme Creditors should note that the Scheme is made for the securities of an Australian company in accordance with the laws of Australia. The Scheme is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under United States federal securities laws, since the Scheme Company is located in Australia and most of its officers and directors are residents of Australia. You may not be able to sue the Scheme Company or its officers or directors in Australia for violations of the United States securities laws. It may be difficult to compel the Scheme Company and its affiliates to subject themselves to a United States court's judgment.

You should be aware that the Scheme Company may purchase securities otherwise than under the Scheme, such as in privately negotiated purchases.

This Explanatory Statement has not been filed with or reviewed by the United States Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of this Explanatory Statement. Any representation to the contrary is a criminal offence.

The Scheme Shares have not been, and will not be, registered under the United States Securities Act 1933 or the securities laws of any United States state or other jurisdiction. The Scheme is not being made in any United States state or other jurisdiction where it is not legally permitted to do so.

## **1.12 Privacy**

The Chairperson, the Scheme Administrator and the Scheme Company may collect, use and disclose personal information in the process of conducting the Scheme Meeting and implementing the Scheme. This information may include the names, address, contact details and other details of Scheme Creditors and the names of persons appointed by Scheme Creditors to act as proxy, corporate representative or attorney at the Scheme Meeting. The collection and use of

some of this personal information is required or authorised by the Corporations Act.

The primary purpose of collecting this information is to assist the Chairperson, the Scheme Administrator and the Scheme Company in the conduct of the Scheme Meeting and to enable the Scheme to be implemented by the Scheme Administrator.

If the information outlined above is not collected, the Chairperson, the Scheme Administrator and the Scheme Company may be hindered in, or prevented from, conducting the Scheme Meeting and implementing the Scheme.

Personal information may be disclosed to the Court, the Chairperson, the Scheme Administrator, the Scheme Company, third party service providers, professional advisers, ASIC, FIRB, ASX and other Government Agencies and, in addition, where disclosure is required by law or where you have consented to the disclosure.

Disclosure of personal information to recipients in England and the DRC is likely to occur.

Scheme Creditors have the right to access personal information that has been collected about them. Scheme Creditors should contact the Scheme Company in the first instance about exercising that right.

If you have any questions in relation to the collection of personal information, please contact Ian Goldberg as follows:

Ian Goldberg  
Company Secretary  
Tiger Resources Limited  
Level 4, 1 Havelock Street  
West Perth WA 6005  
AUSTRALIA

Email: [igoldberg@tigerez.com](mailto:igoldberg@tigerez.com)

Scheme Creditors who appoint a named person to act as their proxy, corporate representative or attorney should ensure that they inform that person of the matters outlined above.

### **1.13 Documents available for inspection**

Documents referred to in this Explanatory Statement that are not reproduced in the Annexures or have not otherwise been provided to Scheme Creditors will be made available for inspection to Scheme Creditors on written request to the Company Secretary of the Scheme Company at the address set out in Section 1.14.

To the extent that documents referred to in this Explanatory Statement are confidential to the Scheme Company, other members of the Group or third parties, or if the Scheme Company cannot legally disclose such documents, the Scheme Company reserves the right:

- (a) not to make such documents available for inspection; or
- (b) to make only redacted copies of, or extracts from, such documents available for inspection.

### **1.14 Questions**

If you have any questions in relation to the Scheme, you may either:

- (a) direct your questions to the Scheme Company by email to Ian Goldberg at igoldberg@tigerez.com;
- (b) if you do not have access to email facilities, direct your questions in writing to the Scheme Company at:  

Ian Goldberg  
Company Secretary  
Tiger Resources Limited  
Level 4, 1 Havelock Street  
West Perth WA 6005  
AUSTRALIA
- (c) telephone Ian Goldberg on +61 8 6188 2000 between 9.00am and 5.00pm, Monday to Friday.

**1.15 Date**

This Explanatory Statement is dated 23 December 2019.

## 2 Key dates and next steps

### 2.1 Key dates

Event	Date
Deadline for receipt of Proxy Forms for voting purposes at the Scheme Meeting	10.00am on 3 February 2020
Scheme Meeting	10.00am on 5 February 2020
Second Court Date	10 February 2020
Effective Date	The Business Day after the day on which the conditions precedent to the Scheme have been satisfied
Calculation Date	The date that is the second Business Day after the Effective Date
Implementation Date - proposed date on which Steps 3 ( <i>Debt Assumption</i> ) to 7 ( <i>Released Obligor Individual releases</i> ) inclusive are to occur under the Scheme	<ul style="list-style-type: none"><li>the 5<sup>th</sup> Business Day after the Effective Date; or</li><li>if the Scheme Administrator forms the opinion that Steps 3 (<i>Debt assumption</i>) to 7 (<i>Released Obligor Individual releases</i>) cannot occur on the date above, such other date on which, in the opinion of the Scheme Administrator, such steps can occur,</li></ul> but, in any event, not earlier than the Business Day after the Calculation Date and not later than the End Date

The times and dates set out in the above table are indicative only and may be subject to change. The actual times and dates will depend on many factors outside the control of the Scheme Company, including the Court approval process and the satisfaction of the conditions precedent to the Scheme. The Scheme Company reserves the right to vary the times and dates set out above, subject to the Corporations Act and the approval of any variations by the Court and/or ASIC where required.

All references to time in this Explanatory Statement are references to Perth, Western Australia, Australia time.

### 2.2 What should you do next?

Scheme Creditors are encouraged to take the following steps in advance of the Scheme Meeting:

(a) **Read this Explanatory Statement and take professional advice**

Scheme Creditors should read this Explanatory Statement carefully and in its entirety before deciding whether or not to vote in favour of the Scheme.



The Scheme Company encourages you to take professional advice, and to consult with your professional advisers, when making any decisions in connection with the Scheme.

(b) **Consider FIRB requirements**

If you are a foreign person, including a foreign corporation, foreign entity or a foreign government investor, for the purposes of the FATA, consider whether you need to provide a notification to the Treasurer in respect of the acquisition of Scheme Shares on implementation of the Scheme and seek approval under the FATA. If you require such approval, and you do not confirm in writing to the Scheme Company that you have obtained the requisite approval under the FATA prior to the Calculation Date, your Scheme Shares will be subject to the arrangements described in Section 7.8.

Accordingly, if you are a foreign person, including a foreign corporation, foreign entity or a foreign government investor, for the purposes of the FATA, you are encouraged to confirm in writing to the Scheme Company (at the address set out in Section 1.14) that you have obtained the requisite approval under the FATA prior to the Calculation Date.

(c) **Consider attending and voting at the Scheme Meeting**

See Section 8 for detailed information in relation to the Scheme Meeting.

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### 3 Letter from the Managing Director / CEO

Dear Scheme Creditor

I am writing to you further to our recent discussions regarding the prospective creditors' scheme of arrangement ("**Scheme**") being proposed by Tiger Resources Limited ("**Scheme Company**") to the Scheme Creditors. On 23 December 2019, the Federal Court of Australia made orders convening a meeting of the Scheme Creditors to consider and, if thought fit, agree to the Scheme ("**First Court Hearing**").

The Scheme is subject to a number of conditions precedent, including Scheme Creditor and Court approval.

Subject to Scheme Creditor and Court approval and satisfaction of the other conditions precedent, the Scheme Company proposes to implement the Scheme which, in view of the Scheme Company's independent board committee ("**IBC**"), will maximise the overall return for the Scheme Creditors. Details of the Scheme are set out in this Explanatory Statement. This Explanatory Statement provides information which is material to the decision of the Scheme Creditors about whether or not to vote in favour of the Scheme.

If the Scheme is not approved or implemented, the Scheme Company and its subsidiaries ("**Group**"), including Société d'Exploitation de Kipoi S.A. ("**SEK**") which operates the Kipoi Copper Project, would become insolvent without further financing and would be expected to enter applicable insolvency procedures.

#### Summary of the Scheme

The principal objects and purposes of the Scheme are to reduce the Secured Debt owing by the Group to the Scheme Creditors, which involves:

- (a) the Secured Debt owed by SEK under Tranche A being reduced from approximately US\$221.1 million to US\$70 million;
- (b) the Scheme Company assuming the amount of Secured Debt being reduced ("**Assumed Debt**") pursuant to a Debt Assumption Deed to be made between SEK, the Scheme Company, the Scheme Creditors and others;
- (c) the Scheme Creditors subsequently releasing the Scheme Company from its obligation to pay the Assumed Debt;
- (d) as consideration for the compromise of Assumed Debt, Scheme Shares being issued to each Scheme Creditor (or their nominee) (with each Scheme Creditors' entitlement to be issued Scheme Shares determined in clause 7.5(f)(i) of the Scheme);
- (e) certain amendments being made to the Financing Documents pursuant to the Amending Financing Documents, including waivers of certain Events of Default and extensions of the final maturity date for Tranche A, Tranche D and Tranche E; and
- (f) mutual releases between the Scheme Company and any person who is or was, at any time up to and including the Implementation Date, a director or officer of any Obligor and who has executed a deed poll, in respect of any Claims relating to any matter that arose or occurred in respect of, or in connection with, the Scheme or any transactions effected under it (although the Scheme Company is not aware of any potential Claims that may be available against, or to, any of those persons).

## **Impact of the Scheme on control of the Scheme Company**

The current substantial shareholders of the Scheme Company are Taurus (13.01%), Resource Capital Funds (14.50%), IFC (12.02%), Tom Todd & Todd Hanigan and associated entities (6.81%) and Republic Investment Management (5.17%). QMetco does not hold any Shares.

As set out in Sections 7.1 and 7.10, if the Scheme is approved and implemented and Scheme Shares are issued to the Scheme Creditors as referred to above, the aggregate shareholding of the Scheme Creditors will (based on the value of the Secured Debt as at 30 November 2019) increase to 99.24%.

A statement from Taurus and QMetco regarding their intentions for the Scheme Company if the Scheme is implemented is set out in Section 7.14.

## **Opinion of BDO**

BDO has been engaged to consider the consequences if the Scheme is approved, and if the Scheme is not approved and the Scheme Company is wound up within 6 months after the date of the First Court Hearing. A copy of the BDO Report is at Annexure D. BDO estimates that the Scheme Creditors may receive value of between:

- (a) 77.9 cents to 100 cents in the dollar (of the reduced debt amount) if the Scheme is approved and implemented; or
- (b) 34.6 cents to 70.6 cents in the dollar (of the unreduced debt amount) if the Scheme is not approved and the Company is wound up within 6 months of the First Court Hearing.

## **Opinion of the IBC**

The Board has established the IBC to consider and deal with all aspects of the proposed restructure of which the Scheme forms part. The Scheme has been proposed because the IBC believes that implementation of the Scheme will:

- (a) reduce total Secured Debt to a sustainable level by reference to the Group's current business performance;
- (b) enable the Scheme Company and other members of the Group to continue to trade and operate;
- (c) reduce the Group's ongoing debt servicing obligations under the Financing Documents;
- (d) prevent breaches and Events of Default under the Financing Documents from occurring; and
- (e) recapitalise the Group to enable the Group to be in a position to obtain funding for its Capital Works Program, Further Exploration and the working capital requirements of the Group in future.

The IBC unanimously considers that Scheme Creditors will be better off if the Scheme is approved and recommend that Scheme Creditors vote to approve the Scheme.

However, the IBC acknowledges that there are a number of reasons why the Scheme Creditors may not wish to vote in favour of the Scheme. I encourage you to read the Scheme Booklet carefully and in its entirety, including Sections 10 (*Reasons Scheme Creditors may consider voting for the Scheme*) and 11

*(Reasons Scheme Creditors may vote against the Scheme)* and the BDO Report before deciding how to vote on the Scheme.

If the Scheme is agreed to by the Requisite Majority at the Scheme Meeting, then it is anticipated that approval of the Court will be sought on 10 February 2020 which would allow the Scheme Company to implement the Scheme. If the Scheme is not approved, then the Scheme Company and the other members of the Group would become insolvent without further financing and would be expected to enter applicable insolvency procedures.

Further details of the Scheme are set out in this Explanatory Statement together with details of who to contact if Scheme Creditors wish to discuss any aspect of this Explanatory Statement or the proposed Scheme.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Caroline Keats', written in a cursive style.

Caroline Keats  
Managing Director / CEO  
Tiger Resources Limited

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## 4 Overview of Explanatory Statement and Scheme

### 4.1 Why have you been sent this Explanatory Statement?

This Explanatory Statement contains information about the proposed Scheme and is required by section 412(1) of the Corporations Act to be issued together with the notice of the Scheme Meeting set out at Annexure B.

You have been sent this Explanatory Statement (and should read it carefully and in its entirety) because you are a Scheme Creditor.

As a Scheme Creditor, you are eligible to vote at the Scheme Meeting to consider and, if thought fit, agree to the proposed Scheme provided that if you wish to vote by proxy, the Chairperson receives a Proxy Form from you by 10.00am on 3 February 2020. The Proxy Form is set out in Annexure C.

Additionally, if you wish to vote by attorney or corporate representative, such attorney or corporate representative (as applicable) should bring to the Scheme Meeting evidence of their appointment including authority under which the appointment was made.

Further details of the Scheme Meeting, including the procedure for voting, can be found in Section 8.

### 4.2 What is this Explanatory Statement for?

This Explanatory Statement provides information to assist Scheme Creditors in determining how to vote on the proposed Scheme at the Scheme Meeting.

This Explanatory Statement explains the terms of the Scheme and the details of the risks and benefits as well as applicable conditions precedent to the implementation of the Scheme (including agreement to the Scheme by the Requisite Majority and approval by the Court).

### 4.3 Summary of the Scheme procedure

The proposed Scheme is the Scheme Company's proposal to the Scheme Creditors that a creditors' scheme of arrangement be implemented in respect of the Secured Debt between the Scheme Company and the Scheme Creditors. A creditors' scheme of arrangement is a compromise or arrangement between a company and its creditors (or any class of them) effected in accordance with Part 5.1 of the Corporations Act.

The resolution to agree to the Scheme at the Scheme Meeting must be passed by a majority in number (more than 50%) of the Scheme Creditors who are present and voting at the Scheme Meeting (either in person or by proxy, corporate representative or attorney) being a majority whose Claims together amount to at least 75% of the Secured Debt owing to the Scheme Creditors present and voting at the Scheme Meeting (either in person or by proxy, corporate representative or attorney) ("**Requisite Majority**").

If the Scheme is agreed to by the Requisite Majority, in order to become Effective, the Scheme must then be approved by the Court. The Court may grant its approval subject to such alterations or conditions as it thinks fit. However, the Scheme will not take any effect if any alterations the Court makes or the conditions the Court imposes change the substance of the Scheme, including the Steps, in any material respect.

In addition to Scheme Creditor approval and Court approval (as discussed above), the conditions precedent to the Scheme (detailed in Section 7.2) include:

- (a) as at 8.00am on the Second Court Date, any Scheme Creditor whose participation in the Scheme is subject to FATA has obtained FIRB Approval or if not, the Scheme Company has taken all steps necessary to ensure that the arrangements in clause 8 of the Scheme can apply on the Implementation Date;
- (b) as at 8.00am on the Second Court Date, each other Regulatory Approval necessary or (in the opinion of the Scheme Company) desirable to implement and complete the Scheme and each Step has been provided on an unconditional basis, or with conditions satisfactory to the Scheme Creditors acting reasonably, and shall remain in full force and effect and shall not have been withdrawn, suspended or revoked, including approval from the DRC Government to an indirect change of control of SEK;
- (c) as at 8.00am on the Second Court Date, each Obligor has received all corporate approvals necessary or (in the opinion of the Scheme Company) desirable to implement and complete the Scheme and each Step;
- (d) as at 8.00am on the Second Court Date, the Scheme Administrator and the Other Obligors have entered into certain deeds poll (in the case of the Other Obligors, to be held in escrow in accordance with the terms of the Scheme);
- (e) the Scheme Company is De-Listed;
- (f) the High Court of England grants a recognition order in respect of the Scheme under the English Regulation; and
- (g) the Court Orders become Effective.

The steps to implement the Scheme are intended to be completed no more than 5 Business Days after all of the conditions precedent under the Scheme have been satisfied. However, the Scheme Administrator may vary the date on which the Scheme is implemented to a date that is no earlier than the Business Day after the Calculation Date and not later than the End Date.

If all of the Steps have not been completed on or before 11.59pm on the End Date, then with effect from that time, the Scheme will not be capable of implementation and will lapse, terminate and be of no further force or effect. In that situation, without further financing the Scheme Company, SEK and the other members of the Group would become insolvent and would be expected to enter applicable insolvency procedures.

In the event the Scheme becomes Effective, it will be binding upon the Scheme Company and all Scheme Creditors as at the Effective Date, including those Scheme Creditors that did not vote in favour of the Scheme, or those that did not attend, or vote at, the Scheme Meeting.

If, in the opinion of the Scheme Administrator, as a result of a release, discharge, allotment, issue or other event referred to or contemplated by a Step failing to occur or to take effect, it is not possible to give effect to intent and purpose of the Scheme in all material respects:

- (a) no other release, discharge, allotment, issue or other event referred to or contemplated by the Steps has effect (including as a result of nonsatisfaction of a condition to a released Claim or released obligation, if any), and each such release, discharge, allotment, issue or other event is deemed not to have effect; and

- (b) each of the Scheme Company, the Scheme Creditors and the Other Obligors must do all things reasonably necessary to put each other party in the position it would have been in if none of the Steps under the Scheme had occurred.

#### 4.4 Objects and purpose of the Scheme

The principal objects and purposes of the Scheme are to reduce the Secured Debt owing by the Group to the Scheme Creditors, which involves:

- (a) the Secured Debt owed by SEK under Tranche A being reduced from approximately US\$221.1 million to US\$70 million;
- (b) the Scheme Company assuming the amount of Secured Debt being reduced (“**Assumed Debt**”) pursuant to a Debt Assumption Deed to be made between SEK, the Scheme Company, the Scheme Creditors and others;
- (c) the Scheme Creditors subsequently releasing the Scheme Company from its obligation to pay the Assumed Debt;
- (d) as consideration for the compromise of Assumed Debt, Scheme Shares being issued to each Scheme Creditor (or their nominee) (with each Scheme Creditors’ entitlement to be issued Scheme Shares determined in clause 7.5(f)(i) of the Scheme);
- (e) certain amendments being made to the Financing Documents pursuant to the Amending Financing Documents, including waivers of certain Events of Default and extensions of the final maturity date for Tranche A, Tranche D and Tranche E; and
- (f) mutual releases between the Scheme Company and any director or officer of any Obligor who has executed a deed poll, in respect of any Claims relating to any matter that arose or occurred in respect of, or in connection with, the Scheme or any transactions effected under it (although the Scheme Company is not aware of any potential Claims that may be available against, or to, any of those persons).

The Scheme does not involve any compromise of unsecured trade creditors of the Scheme Company, SEK or any other companies in the Group. The Scheme proposal is only to the Scheme Creditors. It will also have no effect on employees of the Scheme Company who, subject to ordinary course changes in employment arrangements, will continue their employment with the Scheme Company.

Section 7 contains detailed information on the terms of the Scheme. The Scheme itself is set out at Annexure A.

#### 4.5 Why is the Scheme being proposed?

The Scheme is being proposed as it offers the best means for the Scheme Company and the Group to restructure their liabilities to the Scheme Creditors with transactional certainty. It is intended that implementation of the Scheme will:

- (a) reduce total Secured Debt to a sustainable level by reference to the Group’s current business performance;
- (b) enable the Scheme Company and other members of the Group to continue to trade and operate;
- (c) reduce the Group’s ongoing debt servicing obligations under the Financing Documents;

- (d) prevent breaches and Events of Default under the Financing Documents from occurring; and
- (e) recapitalise the Group to enable the Group to be in a position to obtain funding for its Capital Works Program, Further Exploration and the working capital requirements of the Group in future.

BDO (who were engaged by King & Wood Mallesons on behalf of the Scheme Company to prepare a report as described in Section 9 and set out at Annexure D) have opined that, subject to the assumptions set out in the BDO Report:

- (f) in the event the Scheme does not proceed, the net liability position of the Group is between US\$140.7 million to US\$224.3 million;
- (g) in the event the Scheme is implemented, the net asset position of the Group is between US\$(74.9) million and US\$8.7 million;
- (h) following the implementation of the Scheme, the Scheme Company does not appear to be insolvent. However the Scheme Company remains loss making in the short term and has an urgent cash requirement from late February 2020;
- (i) in the event the Scheme does not proceed, the expected dividend that would be available to the Scheme Creditors is between US\$89 million (36% of the amount owing) and US\$175 million (71% of the amount owing). The expected dividend to unsecured creditors and Shareholders would be nil;
- (j) the expected dividend that would be available to the Scheme Creditors immediately following implementation of the Scheme is between US\$75 million (78% of the amount owing) and US\$96 million (100% of the amount owing). Unsecured creditors would receive between nil and US\$68 million (83% of the amount owing). Shareholders would receive nil; and
- (k) if the Scheme is not implemented, the Group will be insolvent and will need to enter applicable insolvency procedures in the various jurisdictions of the companies within the Group. If the Scheme is not implemented, there would also be a reduced return for Scheme Creditors. For further details on the consequences of the Scheme not proceeding, see Sections 7, 8, 9, 10 and 11 and the BDO Report.

Accordingly, the Scheme, if agreed to by the Requisite Majority, approved by the Court and implemented in accordance with its terms, will enable the Scheme Company and the broader Group to trade solvently in the future and avoid the ongoing risk of insolvency events occurring throughout the Group.

#### **4.6 Support for the Scheme**

The Scheme Company currently expects that more than 50% of Scheme Creditors by number holding at least 75% of the Secured Debt will support the Scheme.

Taurus and QMetco have confirmed that they are supportive of the terms of the Scheme and have confirmed that they will vote in favour of the Scheme at the Scheme Meeting.

#### **4.7 Secured Debt**

As at 30 November 2019:



- (a) SEK owes a principal amount of US\$186,902,000 and accrued interest of US\$60,113,000 to the Scheme Creditors under the terms of the Financing Documents; and
- (b) the Scheme Company has a A\$50,000 credit card facility with Australia and New Zealand Banking Group Limited which is secured against a cash deposit of A\$50,000.

The Secured Debt referred to at paragraph (a) above is comprised of:

- (a) a principal amount of US\$12,000,000 and accrued interest of US\$191,000 advanced by QMetco on a super senior basis under Tranche E;
- (b) a principal amount of US\$13,200,000 and accrued interest of US\$531,000 advanced by Taurus on a super senior basis under Tranche D;
- (c) a principal amount of US\$14,926,000 and accrued interest of US\$5,380,000 advanced by QMetco on a senior basis under Tranche A;
- (d) a principal amount of US\$106,475,000 and accrued interest of US\$38,380,000 advanced by Taurus on a senior basis under Tranche A; and
- (e) a principal amount of US\$40,301,000 and accrued interest of US\$15,631,000 advanced by IFC on a senior basis under Tranche A.

This is diagrammatically represented in the Group structure chart at Annexure I.

Further details on the Scheme Company's financial arrangements can be found in Section 5.7.

#### **4.8 Other debt**

As at 30 November 2019, SEK has the following additional debt facilities ("**Unsecured Debt Facilities**"):

- (a) a US\$6.046 million overdraft facility from Rawbank SA, a DRC bank; and
- (b) a US\$5.0 million overdraft facility and a \$6.968 million amortising term from Banque Commerciale du Congo, a DRC bank.

Amounts owing under the Unsecured Debt Facilities or the credit card facility referred to in Section 4.7 will not be compromised by the implementation of the Scheme.

#### **4.9 Transaction Costs**

The Costs associated with the Scheme, including legal and adviser Costs of the Scheme Company, fees payable under the Financing Documents, fees payable in respect of the proposed amendments to the Financing Documents contemplated by the Scheme and the Scheme Administrator's Costs are estimated to be between A\$2.5 million and A\$3 million (inclusive of GST). Some of these Costs have already been paid by the Scheme Company.

#### **4.10 Summary of rights of Scheme Creditors before and after the implementation of the Scheme**

The below table is intended to provide Scheme Creditors with a brief summary of the rights they have before and after implementation of the Scheme (excluding other financing arrangements not affected by the Scheme).

<b>Rights of Scheme Creditor</b>	<b>Pre-implementation of the Scheme</b>	<b>Post-implementation of the Scheme</b>
Principal debt owed	Principal debt owed by the Scheme Company and Other Obligors in full.	Principal debt owed by the Scheme Company and Other Obligors under Tranche A is reduced to US\$70 million.  Principal debt owed by the Scheme Company and Other Obligors under Tranche D and Tranche E remains unchanged.
Changes to amortisation schedule	Quarterly principal payments under Tranche A.	No quarterly principal payments under Tranche A.
Rights under guarantees	Secured Debt is guaranteed by the Scheme Company and the Other Obligors (except SEK).	Secured Debt is guaranteed by the Scheme Company and the Other Obligors (except SEK).
Security	Secured Debt is secured by the Security.	Secured Debt is secured by the Security.
Shareholder rights	For Taurus and IFC: rights as ordinary shareholders of the Scheme Company.  For QMetco: no rights as shareholder of the Scheme Company as QMetco does not hold any shares in the capital of the Scheme Company (see Section 7.10 for details of the shareholdings of the Scheme Creditors).	Rights as ordinary shareholders of the Scheme Company (summarised in Section 13.4).

#### **4.11 Advantages and disadvantages of the Scheme**

The potential advantages and disadvantages of the Scheme are summarised below and are set out in more detail in Sections 10 and 11.

##### **(a) Advantages to Scheme Creditors**

Scheme Creditors may consider voting in favour of the Scheme because:

- (i) it will effect a debt-for-equity swap and as Shareholders, the Scheme Creditors may have the opportunity to recover some or all of the value of their converted debt through the sale or transfer of the Scheme Shares;

- (ii) the most likely outcome if the Scheme is not approved or implemented is that the Scheme Company and other companies in the Group would become insolvent without further financing and would be expected to enter applicable insolvency procedures, which would be destructive to the realisable value of the Group's business and assets, which may further diminish the recoverable value of the Secured Debt owed to them;
- (iii) it has the potential to avoid the Costs, delays and uncertainty that could result from formal insolvency processes such as voluntary administration, liquidation or receivership of the Scheme Company and other companies in the Group;
- (iv) the BDO Report estimates that Scheme Creditors will most likely receive a dividend of between approximately US\$84,715,000 and US\$173,143,000 if the Scheme Company is wound-up within 6 months, whereas it is possible that the Scheme Shares will increase in value and, in turn, it is possible that the Scheme Creditors may eventually be able to sell or transfer the Scheme Shares for an amount which exceeds the amount that they would have received had the Scheme not been implemented;
- (v) Scheme Creditors will have greater transaction certainty under the Scheme than under a sale or restructuring of the Scheme Company involving formal insolvency processes without a scheme of arrangement; and
- (vi) implementation of the Scheme, and the consequential reduction of Secured Debt, will improve the Scheme Company's financial position and is expected to improve the ability of the Group continue to trade, operate its businesses and raise funds in the future to improve and expand its business operations.

Further details are set out in Section 10.

**(b) Disadvantages to Scheme Creditors**

Scheme Creditors may consider voting against the Scheme because:

- (i) the Scheme Creditors will release the Scheme Company, and the Other Obligors, from their obligations to pay to the Scheme Creditors a portion of the Secured Debt in exchange for the issue of the Scheme Shares, which represents a reduction of the face value of the Secured Debt compared to its current face value;
- (ii) the Scheme Shares received by each Scheme Creditor as a result of the partial debt-for-equity swap implemented by the Scheme will rank behind the claims of all creditors (including unsecured creditors) of the Scheme Company in a winding up of the Scheme Company;
- (iii) there are risks associated with holding Shares, and being a minority shareholder, in the Scheme Company. Some of these risks are detailed in Section 12. No assurances can be given in respect of the future performance of the Scheme Company, the value of, or return on, Shares or the ability of any Scheme Creditor to sell or transfer its Shares;
- (iv) some counterparties to contracts with the Scheme Company or other members of the Group may have rights to terminate those

contracts as a result of the proposal or implementation of the Scheme;

- (v) Chapter 6 of the Corporations Act imposes certain restrictions on the acquisition of “relevant interests” in Shares, which may inhibit the ability of the Scheme Creditors to dispose of their Scheme Shares; and
- (vi) while there is no certainty as to the outcome of a formal insolvency process, Scheme Creditors may consider that such a process could potentially deliver a better outcome to them than implementation of the Scheme.

Further details are set out in Section 11.

#### **4.12 Scheme Creditors and amounts owing to them**

As at the date of this Explanatory Statement the Secured Debt is held by the Scheme Creditors.

A list which provides details of the name of, and amount owing to, each Scheme Creditor (either actually or contingently) by SEK as at 30 November 2019, being Secured Debt is set out in Annexure H. The Scheme Company and the other companies in the Group have provided full recourse guarantees in favour of the Scheme Creditors in respect of the Secured Debt pursuant to the Guarantee.

If the Scheme is approved and implemented, the amounts and allocations as between Scheme Creditors are subject to confirmation and adjustment in accordance with clause 7.5(b) of the Scheme.

#### **4.13 Scheme Creditors should obtain advice**

The Scheme Company is not in a position to make an assessment of the prospects of success of any individual Scheme Creditor’s Claims, the quantum of recovery which may be available to individual Scheme Creditors if the Scheme does not proceed or the future value of any Scheme Shares if the Scheme proceeds. These are matters for each Scheme Creditor to consider. A Scheme Creditor may form the view that - despite the potential uncertainty and Costs of formal insolvency procedures occurring in respect of the Scheme Company and other companies in the Group, which may occur if the Scheme is not approved or implemented, and the Costs and delays of any recovery actions that may include possible litigation - the Scheme Creditor would achieve a greater return by pursuing any Claims which it may have against the Scheme Company instead of supporting the Scheme. A Scheme Creditor may also form the view that formal insolvency procedures in respect of the Scheme Company and other companies in the Group would not cause undue disruption to the business of the Scheme Company.

As the legal, financial and taxation consequences of the Scheme may be different for each Scheme Creditor, Scheme Creditors should seek professional legal, financial and taxation advice in relation to the Scheme.

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## 5 Scheme Company

This Section provides an overview of the Scheme Company, its principal activities and its history.

The Scheme Company is listed on ASX and is obliged to comply with the continuous disclosure requirements of ASX. Information on the Scheme Company may also be obtained from ASX's website [www.asx.com.au](http://www.asx.com.au) or from the Scheme Company's website [www.tigerresources.com.au](http://www.tigerresources.com.au).

### 5.1 Background

The Scheme Company is a public company listed on ASX, being the ultimate holding company of the other companies in the Group, as depicted in the Group structure chart set out at Annexure I. A number of the other companies in the Group are incorporated in jurisdictions other than Australia, including in the British Virgin Islands, South Africa and in the DRC.

SEK is the main operating company in the Group. SEK's operations involve the discovery, development, exploration and sale of high-grade copper metal in the Katanga Copper Belt in the DRC. SEK has one main project, being the Kipoi Copper Project. Further details regarding this project is set out in Section 5.2.

Shares in the Scheme Company were voluntarily suspended from trading on 22 February 2017 and it remains in suspension. As previously announced on ASX, the Scheme Company has for some time been pursuing a strategic review of its options to recapitalise and to restructure the Senior Facility, with a view to reducing its gearing and setting up a sustainable capital structure which will enable it to attract new investment, undertake a capital works program at the Kipoi Copper Project to improve yields and reduce SEK's operating costs and further develop the Kipoi Copper Project and associated mineral resources.

The Scheme Company announced to ASX on 28 November 2019 that as its capital structure is unlikely to be appropriate for continued listing on ASX, it will be De-Listed on 3 February 2020 under ASX's long term suspended entity policy.

### 5.2 Kipoi Copper Project - background

The Kipoi Copper Project is owned and operated by SEK, a 95%-owned DRC incorporated subsidiary of the Scheme Company. The Group produced copper-in-concentrate at the Kipoi Copper Project from 2011 to 2014 and transitioned to production of higher-grade copper cathode in May 2014.

The project is located approximately 75km north-northwest of Lubumbashi in the Katanga Province of the DRC in central Africa.

The project covers an area of 55 square kilometres and contains a 12 kilometre-long copper-cobalt mineralised segment of Upper Roan sediments. The project has 5 known copper deposits: Kipoi Central, Kipoi North, Kileba, Judeira and Kaminafitwe.

### 5.3 Kipoi Copper Project - performance

The Scheme Company reported a number of operational issues during the first 6 months of 2019 and was negatively impacted by:

- (a) significant wet weather events;
- (b) delayed delivery of a semi-permanent electric crushing plant which was acquired to address difficulties the Scheme Company was experiencing with contract crushing performance; and

- (c) tank leach feed issues, which includes hydrometallurgical processing problems associated with (among other things) producing a continuous regulated feed of material to the tank leach circuit, to enable the extraction of copper from ore.

Over the last 4 months the Scheme Company has been focused on stabilising operations and ramping up production.

Detailed below is a summary of the Scheme Company's key performance metrics over the last 4 quarters through to 30 September 2019:

KIPOI SXEW PLANT PRODUCTION, SALES AND COSTS SUMMARY FOR THE QUARTER ENDED 30 SEPTEMBER 2019					
		Q3 2019	Q2 2019	Q1 2019	Q4 2018
<b>MINING</b>					
Ore mined	Tonnes	104,467	59,110	150,777	437,124
Waste material mined	Tonnes	461,498	429,019	841,834	1,217,256
<b>COPPER PRODUCTION</b>					
Copper produced	Tonnes	2,473	1,829	2,178	4,564
<b>CATHODE SALES</b>					
Copper cathode sold	Tonnes	2,280	1,955	2,947	4,925
Average realised copper price	US\$/lb	2.63	2.80	2.76	2.79
	US\$/t	5,807	6,180	6,081	6,158
<b>CATHODE STOCKPILE</b>					
Copper cathode	Tonnes	441	248	374	1,143
<b>OPERATING COSTS</b>					
C1 costs	US\$/lb	4.27	5.40	3.96	1.97
AISC	US\$/lb	5.25	5.85	4.44	2.32

The Scheme Company is currently focused on ramping up mining operations to a more sustainable level with the following items noted from its September quarterly report:

- (a) In the September quarter mining of Kipoi North continued and commenced at Kileba. Kipoi North which will be completed in the fourth quarter of 2019 with Kileba being the main source of ore in December 2019 and into 2020.
- (b) Also in the September quarter, daily crushing and screening rates increased from 2,000 to 6,000 tonnes per day following optimisation of the contract crushing plant. Commissioning and ramp up of the fines retreatment plant (which was commissioned in order to increase the feed rate to the tank leach circuit to facilitate hydrometallurgical processing and increased copper extraction and production) was also completed, providing additional feed to the tank leach circuit.
- (c) The Scheme Company continues to focus on the key aspects of improving production through increases to mining, crushing and stacking of ore.
- (d) Additionally operation cost have been identified as being too high for a sustainable business in the current lower copper price environment. Thus as part of an overall cost optimisation strategy, a cost reduction program is being implemented to ensure a sustainable business model is delivered going forward.
- (e) The strategy will focus on both reduction of overheads and direct input cost as well as operational efficiencies to drive down overall unit cost.

## 5.4 Capital Works Program

Despite the Kipoi Copper Project having the potential to be a significant project, a number of issues are currently hindering operations, including:

- (a) the current fines treatment plant is not a long term solution for treating fines and was built as a trial solution for treating stockpiled fines. Currently, run of mine ore is not scrubbed, which presents issues due to the high fines content and clays present in some ore, as a result -5 millimetre ore is screened out and stockpiled until assets can be deployed whereby it can be scrubbed or otherwise treated;
- (b) the stacker and materials handling equipment requires refurbishment in order to improve utilisation and stacking height options and optimise agglomeration; and
- (c) the tank leach has had one stage of washing removed in order to smooth feed surges, manage the water balance and control density; an additional unit in the counter current decantation circuit (“**CCD**”) is required, as well as more leach tanks (leaching is incomplete by the time it flows to the CCD) and clarification of pregnant liquor solution (“**PLS**”).

The Scheme Company intends to undertake the following capital enhancements at the Kipoi Copper Project, subject to receiving additional financing, to upgrade the existing process facilities at Kipoi while retaining the existing assets including heap leach, tank leach (each, a separate industrial mining hydrometallurgical process used to extract copper compounds from ore using a series of chemical reactions) and solvent-extraction electro-winning (“**SXEW**”) plant:

- (a) upgrade of the materials handling systems to reduce spillage, tracking problems and subsequent downtime;
- (b) installation of a wet scrubbing facility to remove excess fines from the ore prior to heap leaching;
- (c) refurbishment of the agglomerator (being the device that is used for the coalescence of copper ore fines), stacker and conveying systems;
- (d) upgrade and expansion of the tank leach to process fines from the scrubber; and
- (e) general infrastructure upgrades including medium voltage distribution package, workshop installation, and communications upgrade.

Post-upgrade, the Scheme Company’s existing heap and tank leach and SXEW plant would have the potential to produce at its current nameplate capacity of 32.5 Ktpa.

## 5.5 Further Exploration

The Scheme Company is of the view that its properties are located in a prospective part of the Central African Copperbelt which is host to significant copper occurrences. The Scheme Company was successful in the implementation of systematic exploration programs that led to the discoveries of several deposits.

The Scheme Company has undertaken limited exploration over the last 4 years given its significant existing reserve base. Additional mineralisation potential is possible with the majority of Kipoi deposits being open-ended. The Scheme Company has a deep understanding of the lithological and structural control on the copper mineralisation which should greatly assist with adding additional resources to deposits to date.

There are a number of resources not included within the current mine schedule (Judeira, Lupoto) that with further development could add significant value to the Kipoi Copper Project. Lupoto in particular already holds resources at an indicated level with the Kipoi Sud (South), Judeira, and Kaminafitwe deposits not reflected in the current mine schedule but with enhancement of these mineralised zones to at least an indicated resource level could support future inclusions and better represent the mine's endowment and tenure.

In addition, SEK and other subsidiaries of the Scheme Company have mineral rights to extensive permits in the wider area around the Kipoi Copper Project with wide-spread copper and cobalt anomalism which are underexplored.

## 5.6 Current capital structure

As at the date of this Explanatory Statement, the Scheme Company has on issue 2,249,303,779 Shares.

## 5.7 Financial arrangements with the Scheme Creditors

### (a) Loan Agreements

As at 30 November 2019, certain Secured Debt has been advanced to SEK under the following Loan Agreements:

- (i) a super senior secured loan facility provided by QMetco pursuant to which approximately US\$12,191,000 of principal and interest is currently outstanding ("**Tranche E**");
- (ii) a super senior secured loan facility provided by Taurus pursuant to which approximately US\$13,731,000 of principal and interest is currently outstanding ("**Tranche D**"); and
- (iii) a senior secured loan facility provided by:
  - (A) QMetco, pursuant to which approximately US\$20,306,000 of principal and interest is currently outstanding;
  - (B) Taurus, pursuant to which approximately US\$144,855,000 of principal and interest is currently outstanding; and
  - (C) IFC, pursuant to which approximately US\$55,932,000 of principal and interest is currently outstanding, ("**Tranche A**").

### (b) Guarantee

The Scheme Company and the other companies in the Group have provided full recourse guarantees in favour of the Scheme Creditors in respect of the "Guaranteed Obligations" (as defined in the Guarantee) pursuant to the Guarantee.

### (c) Security

The Scheme Company and the other companies in the Group have granted security in favour of the Security Trustee (who holds the security on trust for the Scheme Creditors pursuant to the Intercreditor and Security Sharing Agreement) over all of the shares in all of the subsidiaries of the Scheme Company.



In accordance with the terms of the Intercreditor and Security Sharing Agreement, Tranche D and Tranche E are afforded super senior priority in respect of proceeds of enforcement of the Security.

(d) **Default risk**

There are certain Events of Default or Potential Events of Default that are continuing. These include Events of Default or Potential Events of Default caused as a result of the Scheme Company making this Scheme proposal to the Scheme Creditors and taking other steps to seek approval and to implement the Scheme, as well as a number of other Potential Events of Default and Events of Default arising from other operations of the Group.

Taurus and QMetco have executed a forbearance agreement under which they agreed to forbear from taking any enforcement action in relation to certain specified Events of Default or Potential Events of Default until the earlier of certain trigger events. The current Potential Events of Default and Events of Default which the Scheme Company is aware of at the date of this Explanatory Statement are listed in that forbearance agreement.

At the date of this Explanatory Statement, IFC has not executed the forbearance agreement. Accordingly, under the Financing Documents, IFC has independent rights to accelerate the debt owed to it under the Financing Documents and may at any time take steps to accelerate the Secured Debt or otherwise commence Enforcement Action, including against the Scheme Company. If IFC were to enforce those rights, the Scheme Company and the other companies in the Group would need to seek to take urgent steps to negotiate a forbearance arrangement with IFC, failing which the Scheme Company and the other companies in the Group would become insolvent without further financing and would be expected to enter applicable insolvency procedures. For the Scheme Company, the likely consequence would be the appointment of administrators.

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## 6 Background to the Scheme

### 6.1 Group funding arrangements

The Kipoi Copper Project is the only source of earnings from operations in the Group and it has been trading at a cashflow negative basis for 12 months.

Prior to August 2016, the Group had been funded historically through equity raised on ASX, and subsequently the Secured Debt. However, ongoing operating losses being incurred by SEK continue to require funding and it has been necessary for the Scheme Company to consider alternative sources of funding.

### 6.2 Tranche E funding

Having considered alternative sources of funding without being able to transact, the Scheme Company approached QMetco to request further funding.

On 16 August 2019, the Scheme Company announced its entry into the Tranche E facility which constitutes a US\$30 million super senior facility. Of that, US\$12 million was unconditionally available for drawing and was drawn in 4 separate drawings of US\$2,354,270 on 22 August 2019, US\$2,579,382 on 26 August 2019, US\$2,243,890 on 16 September 2019 and US\$3,015,959 on 28 October 2019. The balance of US\$18 million was conditional on conversion into equity, which required Shareholder approval.

The Scheme Company has agreed with the Scheme Creditors amendments to the Tranche E facility to enable the Scheme Company to access the remaining US\$18 million without shareholder approval (and therefore on a non-convertible basis).

The Tranche E funding was intended for the specific purposes of making the capital investments via SEK outlined in Section 5.4. However, the funding has been used to date to pay some capital works but primarily to pay creditors of SEK, which was necessary to ensure continuity and stability of operations at the Kipoi Copper Project and to pay expenses associated with the restructuring of the Group.

### 6.3 Future Group funding requirements

Having entered into the Tranche E facility, the Scheme Company reconsidered the forward-looking cashflow position of the Group, and in particular the funding required to undertake the Capital Works Program and Further Exploration.

Given that under the Financing Documents Taurus and QMetco have exercised their right to appoint a director to the Scheme Company and in this regard have appointed Ms Rachel Johnston (Taurus nominee) and Dr Michael Richard Anderson (QMetco nominee) as directors of the Scheme Company, the Board resolved to set up appropriate governance procedures and form an independent board committee ("**IBC**") to consider and deal with all aspects of the proposed restructure of which the Scheme forms part ("**Proposed Restructure**").

The IBC comprises Ms Caroline Keats and Mr Michael Griffiths, with Mr Griffiths acting as Chair.

The Board established the IBC to take responsibility for administering certain protocols that were adopted for the IBC and to manage all aspects of the Proposed Restructure. The IBC's activities include:

- (a) consideration and assessment of the Proposed Restructure;

- (b) negotiation of the terms and documents pertaining to the Proposed Restructure;
- (c) making announcements to ASX or media in respect of the Proposed Restructure;
- (d) supervising preparation of any disclosure documents and any other information to be sent to Shareholders and creditors in connection with the Proposed Restructure;
- (e) approving the final terms of, and entering into on behalf of the Scheme Company, any corporate transaction and necessary documents in connection with the Proposed Restructure;
- (f) retaining advisers and obtaining advice;
- (g) engaging and dealing with experts as may be required; and
- (h) liaising and dealing with other members of the Board with respect to the Proposed Restructure as it sees fit, including with respect to any actual or potential conflicts of interest.

The IBC appointed KordaMentha to advise it on its financial position and consulted with its operational experts to consider the forward-looking cashflow requirements of SEK to undertake the Capital Works Program and the Further Exploration. The IBC appointed King & Wood Mallesons as restructuring counsel, to advise on options to implement the Proposed Restructure.

#### **6.4 Proposed Restructure terms**

Based on the further professional advice received, the IBC concluded that:

- (a) the full US\$30 million Tranche E funding would need to be used in the immediate term for SEK's working capital purposes (including some capital works expenditure and some capital works program expenditure as outlined in Section 5.4), particularly to ensure that arrangements were reached with operational creditors of SEK to ensure that the Kipoi Copper Project remained viable and able to continue to operate as a going concern;
- (b) the Group requires further capital to invest in the Capital Works Program and the Further Exploration; and
- (c) accordingly, for the Group to remain solvent and to operate viably in future, the Group's commitments under the Secured Debt will need to be reduced from their current levels to a sustainable level.

The Scheme Company considered alternative sources of finance that may be available to the Group (outlined in Section 6.5).

#### **6.5 Alternatives considered**

The Scheme Company has considered and investigated a number of alternatives to the Proposed Restructure, which could have provided alternative methods of resolving the Group's exposure under the Secured Debt and providing ongoing funding. These included:

##### **(a) Fully consensual restructuring**

Over the last 12 months the Scheme Company has had discussions and negotiations with the Scheme Creditors in relation to restructuring the Secured Debt. However, the parties have not been able to agree the

key terms of any such restructuring. Accordingly, the discussions to date on a fully consensual restructuring have not resulted in a suitable proposal for Board consideration and approval.

**(b) Refinancing**

The Scheme Company has had various conversations with financiers over the past several months for the refinancing of the Secured Debt. To date, there has not been any proposals put to the Scheme Company to refinance the Secured Debt that have been acceptable to the Scheme Company. As such, there is not any valid Secured Debt refinancing option for the Board or the IBC to consider as an alternative to the Scheme.

**(c) Capital raising**

As stated earlier, Shares in the Scheme Company were voluntarily suspended from trading on 22 February 2017 and it remains in suspension. The Scheme Company announced to ASX on 28 November 2019 that as its capital structure is unlikely to be appropriate for continued listing on ASX, it will be De-Listed on 3 February 2020 under ASX's long term suspended entity policy.

In order to put the Scheme Company in the best position to be able to raise capital, over the past 12 months the Scheme Company has undertaken significant work to:

- (i) delineate areas for improvement in operations at the Kipoi Copper Project;
- (ii) provide an updated re-estimation of mineral resources and ore reserves at the Kipoi Copper Project, which update was announced to ASX on 26 November 2019; and
- (iii) execute on plans to improve the overall performance of operations at the Kipoi Copper Project, including capital expenditure to enhance those operations.

Those initiatives are still ongoing with operational improvements and capital enhancements underway.

Given the circumstances, the Scheme Company has not been able to source an adequate amount of equity funding which could be utilized to reduce the Secured Debt to a satisfactory level. As such, there is not any valid equity funding option for the Board or the IBC to consider as an alternative to the Scheme.

## **6.6 Consequences of a failure to approve or implement the Scheme**

Having considered its position and alternatives carefully, the Scheme Company has determined that the Scheme is the only viable alternative available to the Group to restructure the Secured Debt in a timeframe which will permit the Scheme Company and the other companies in the Group to remain solvent based on their cashflow requirements.

Accordingly, the Scheme has been prepared on an urgent basis and proposed to the Scheme Creditors as an alternative to the entry of the companies in the Group into applicable insolvency procedures.

The Scheme Company is not considering, nor is it aware of any superior alternate proposals for either obtaining the necessary financing or reducing the

existing debt requirements for the Group. The Board did not consider that taking time to investigate any alternatives to the Scheme would realistically provide a feasible proposal. Given the Group's urgent funding need, the approaching interest payment dates and the currently unsustainable level of debt, the Board considers that the Scheme is the only way to satisfy its obligations to the Scheme Creditors whilst the Group continues to operate as a going concern and outside of applicable insolvency procedures.

The Scheme Company considers that if the Scheme is not approved and implemented as the Scheme Company has proposed, the Scheme Company and the Group would become insolvent without further financing and would be expected to enter applicable insolvency procedures. In respect of the Scheme Company, it would need to appoint administrators and:

- (a) in respect of the companies in the Group incorporated in the DRC (Sase Mining SARL, Tiger Congo SARL, Congo Minerals SARL and SEK), each would need to file for insolvency in the competent local court within 30 days from the date it became insolvent;
- (b) in respect of the companies in the Group incorporated in the British Virgin Islands (Balcon Holdings Limited, Havelock Finance Limited and Tiger Resources Finance Limited), each would need to consider the appropriate insolvency processes, including to apply to a competent local court to appoint a liquidator; and
- (c) in respect of the companies in the Group incorporated in South Africa (Crux Energy (Pty) Ltd and Balcon Investments and Logistics (Pty) Ltd), each would need to be placed under business rescue or file for liquidation in the competent local court.

The Scheme Company notes that BDO Report has considered the implications of insolvency events for the Scheme Company and the other companies in the Group. The Scheme Company notes that would provide a significantly inferior outcome for the Scheme Creditors and the other creditors and stakeholders in the Group.

## 7 The Scheme explained

### 7.1 Overview of the outcome of the Scheme

The below table illustrates the anticipated outcome for the Group and the Scheme Creditors following implementation of the Scheme with respect to the debt owed to the Scheme Creditors under the Financing Documents and the Shareholders:

Affected outcome	Before implementation of Scheme (as at 30 November 2019)	After implementation of Scheme
Secured Debt owed by SEK under Tranche A	Approximately US\$221.1 million	US\$70 million
Secured Debt owed by SEK under Tranche D	Approximately US\$13.7 million	Approximately US\$13.7 million (plus any additional interest)
Secured Debt owed by SEK under Tranche E	Approximately US\$12.2 million	Approximately US\$12.2 million (plus any additional drawing and interest)
Shareholders	Scheme Creditors - 25.02% of the outstanding share capital of the Scheme Company  Existing shareholders (excluding the Scheme Creditors) - 74.98% of the outstanding share capital of the Scheme Company	Scheme Creditors – 99.24% of the outstanding share capital of the Scheme Company  Existing shareholders (excluding the Scheme Creditors) - 0.76% of the outstanding share capital of the Scheme Company

### 7.2 Conditions precedent

The Scheme is subject to the satisfaction of various conditions precedent, being those set out in clause 4.1 of the Scheme (see Annexure A).

The conditions precedent to the Scheme are:

(a) **FIRB Approval**

As at 8.00am on the Second Court Date, any Scheme Creditor whose participation in the Scheme is subject to FATA has obtained FIRB Approval or if not, the Scheme Company has taken all steps necessary to ensure that the arrangements in clause 8 of the Scheme can apply on the Implementation Date.

(b) **Regulatory Approvals**

As at 8.00am on the Second Court Date, each other Regulatory Approval necessary or (in the opinion of the Scheme Company) desirable to implement and complete the Scheme and each Step has been provided on an unconditional basis, or with conditions satisfactory to the Scheme Creditors acting reasonably, and shall remain in full force and effect and shall not have been withdrawn, suspended or revoked,

including approval from the DRC Government to an indirect change of control of SEK.

(c) **Corporate approvals**

As at 8.00am on the Second Court Date, each Obligor has received all corporate approvals necessary or (in the opinion of the Scheme Company) desirable to implement and complete the Scheme and each Step.

The IBC has reported to the Board in respect of the Scheme. The Scheme Company has undertaken all corporate approvals necessary to implement the Scheme.

Each of the Other Obligors have passed corporate approvals authorising entry into the respective Other Obligors' Deed Poll and taking all steps necessary to implement the Scheme.

(d) **Deeds Poll**

As at 8.00am on the Second Court Date, the Scheme Administrator has executed and delivered to the Scheme Company the Scheme Administrator Deed Poll and each of the Other Obligors have executed and delivered to the Scheme Company the Other Obligors' Deed Poll.

The Other Obligors' Deeds Poll are governed by the laws of England. Those documents contain a submission by the Other Obligors to the non-exclusive jurisdiction of the courts exercising jurisdiction in the Commonwealth of Australia for the purposes of implementing the Scheme.

The Other Obligors' Deeds Poll are expected to be executed by the Other Obligors, and will be held in escrow and released on the Effective Date in accordance with the terms of the Scheme.

(e) **Scheme Creditor approval**

The Scheme is agreed to by the Requisite Majority at the Scheme Meeting.

(f) **De-Listing**

The Scheme Company is De-Listed.

The Scheme Company announced to ASX on 28 November 2019 that as its capital structure is unlikely to be appropriate for continued listing on ASX, it will be De-Listed on 3 February 2020 under ASX's long term suspended entity policy.

(g) **Court approval**

The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act (which alterations do not change the substance of the Scheme, including the Steps, in any material respect).

If the Scheme is agreed to by the Requisite Majority at the Scheme Meeting, it is anticipated that this approval will be sought on 10 February 2020.

(h) **Other conditions**

Any other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme (which conditions are not intended to change the substance of the Scheme, including the Steps, in any material respect) have been satisfied.

Section 411(6) of the Corporations Act allows the Court to approve the Scheme subject to such alterations or conditions as it thinks just.

(i) **Recognition in England**

An order recognising the Scheme is made by the High Court of England pursuant to Article 17(2)(b) of Schedule 1 to *The Cross-Border Insolvency Regulations 2006* (England and Wales) ("**English Regulation**").

The Scheme Company does not own or hold interests in any English companies and it does not have any assets located in England. However, the Financing Documents are governed by the laws of England and the Scheme Creditors and Other Obligors have submitted to the jurisdiction of the Courts of England under the Financing Documents. The Scheme Company considers it prudent to apply to the High Court of England for recognition of the Scheme and has obtained authorisation of the Scheme Administrator to function as a foreign representative of the Scheme for the purposes of making a recognition application under the English Regulation.

The grant of a recognition order under the English Regulation is a condition precedent to implementation of the Scheme. The Scheme Company envisages that the application will be made in London shortly after the grant of the Court Orders.

(j) **Effective**

The Scheme becoming effective upon the lodgement of the Court Orders with ASIC.

Section 411(10) of the Corporations Act provides that the Court order approving the Scheme does not have any effect until an office copy of the order is lodged with ASIC, and upon being so lodged, the order takes effect, or is taken to have taken effect, on and from the date of lodgement or such earlier date as the Court determines and specifies in order to approve the Scheme.

Shareholder approval of the Scheme (including approval of the Scheme Creditors in their capacity as Shareholders) will not be obtained and is not a condition precedent to the Scheme.

### 7.3 **Standstill**

During the period on and from the Effective Date up to the earlier of completion of Step 7 (*Released Obligor Individual releases*) and the End Date ("**Implementation Period**"), each of the Agent, Security Trustee and Scheme Creditors must not, except for the purpose of enforcing the terms of the Scheme or as otherwise permitted by the Scheme, exercise certain of its rights under the Financing Documents. The terms of the standstill are set out in clause 9.2 of the Scheme. Its purpose is to ensure that the Scheme can be implemented in an orderly manner in accordance with its terms.



If all of the Steps have not been completed on or before 11.59pm on the End Date, then with effect from that time:

- (a) the Scheme will not be capable of implementation and the Scheme will lapse, terminate and be of no further force or effect; and
- (b) the standstill will cease to apply in relation to any Scheme Creditor.

#### **7.4 No transfer**

During the Implementation Period, each Scheme Creditor must not dispose of or transfer any right under any Financing Document and instructs the Agent not to register any such disposal or transfer.

#### **7.5 Steps to implement the Scheme**

The Scheme provides for a series of steps to give effect to the terms of the restructuring of the Secured Debt. If the Court makes orders approving the Scheme and the other conditions precedent to the Scheme are satisfied, subject to the form of orders made by the Court, immediately following the Court's orders the Scheme provides for 7 separate Steps to be taken in the sequence set out below.

These Steps are set out in full in clause 7.5 of the Scheme (which is at Annexure A). This Section only summarises key parts of the Steps and does not include every part of each Step. Scheme Creditors should review the complete Steps in the Scheme carefully and in their entirety.

If, in the opinion of the Scheme Administrator, as a result of a release, discharge, allotment, issue or other event referred to or contemplated by a Step failing to occur or to take effect, it is not possible to give effect to the intent and purpose of the Scheme in all material respects, no other release, discharge, allotment, issue or other event referred to or contemplated by the Steps has effect and each such release, discharge, allotment, issue or other event is deemed not to have effect, and each of the Scheme Company, the Scheme Creditors and the Other Obligors are required to do all things reasonably necessary to put each other party in the position it would have been in if none of the Steps under the Scheme had occurred.

##### **(a) Step 1 (*Deeds Poll and aggregate amounts*)**

Having executed the Scheme Administrator Deed Poll, the Scheme Administrator has already undertaken to be bound by the Scheme. Accordingly, once the Scheme Administrator has been notified of the Court making the Court Orders, on the Effective Date, and prior to any other Step commencing:

- (i) first, the Scheme Administrator (as attorney for the Scheme Creditors and Obligors) will notify each Scheme Creditor, each Obligor, the Agent and Security Trustee that the Courts Orders have become Effective, together with any other notifications required in connection with the Scheme or the Financing Documents;
- (ii) second, the Scheme Company will release from escrow the Other Obligors' Deeds Poll;
- (iii) third, the Scheme Administrator (as attorney for the Scheme Creditors and Obligors) will give the Agent and Security Trustee all necessary instructions, consents and directions to perform their obligations under the Scheme and to execute the Deeds Poll and New Financing Documents to which they are a party;

- (iv) fourth, the Agent and Security Trustee will execute the relevant Deeds Poll;
- (v) fifth, the Agent will provide to the Scheme Administrator and Scheme Company details of the Aggregate Senior Amount in respect of each Scheme Creditor and the Total Aggregate Amount.

(b) **Step 2 (*Calculations*)**

Step 2 involves the Scheme Administrator confirming, based on the Agent's notification in Step 1 (*Deeds Poll and aggregate amounts*), the proportional amounts of Tranche A held by the Scheme Creditors. Those amounts are then used by the Scheme Administrator in calculating the equity issued in accordance with the Scheme.

Accordingly, on the Calculation Date, based on the Agent's notification of the Aggregate Senior Amounts and the Total Aggregate Amount, the Scheme Administrator must:

- (i) calculate each Scheme Creditors' Senior Relevant Proportion and the number of Scheme Shares to be issued to the Scheme Creditor; and
- (ii) provide details of such calculations to the Scheme Company and each Scheme Creditor.

(c) **Step 3 (*Debt assumption*)**

Step 3 then effects a transfer of the Secured Debt to be converted to equity under the Scheme (being the Assumed Debt) from SEK to the Scheme Company. The Scheme Company does this by assuming the Assumed Debt and a corresponding intercompany loan being advanced by the Scheme Company to SEK. Under the Scheme, the Scheme Administrator has been appointed as attorney to execute the relevant documents on behalf of the Scheme Creditors and the Obligors.

Accordingly, as early as practicable on the Implementation Date:

- (i) the Scheme Administrator (as attorney for the Scheme Creditors and each Obligor as applicable), Agent and Security Trustee must execute the Debt Assumption Deed; and
- (ii) the Scheme Administrator (as attorney for the Scheme Company and SEK) must execute the Intercompany Loan Agreement.

(d) **Step 4 (*Amending Financing Documents*)**

The new terms of the restructured Secured Debt are provided in the Amending Financing Documents, which amend and restate the Financing Documents as necessary. Again, the Scheme Administrator has been appointed as attorney to execute the relevant documents on behalf of the Scheme Creditors and the Obligors. However, the Agent and Security Trustee have not appointed the Scheme Administrator as attorney and will sign for themselves.

Immediately after Step 3 (*Debt assumption*), the Scheme Administrator (as attorney for each Obligor and Scheme Creditor), Agent and Security Trustee must execute each Amending Financing Document to which they are expressed to be a party.

(e) **Step 5 (*Release of Assumed Debt*)**

Having exchanged the Amending Financing Documents, the Assumed Debt is then automatically released by operation of the Scheme.

Immediately after Step 4 (*Amending Financing Documents*), each of the Scheme Creditors, Agent and Security Trustee releases the Scheme Company from its obligation to pay the Assumed Debt and waives all rights against the Scheme Company to the extent such rights arise under the Debt Assumption Deed and relate to the Assumed Debt.

(f) **Step 6 (*Scheme Share issue*)**

The Scheme Administrator then attends to the steps necessary to issue the Scheme Shares to the Scheme Creditors in consideration for the release of the Assumed Debt.

Accordingly, immediately after Step 5 (*Release of Assumed Debt*), in consideration for the release of the Assumed Debt, the Scheme Company allots and issues the Scheme Shares to each Scheme Creditor (or their nominee) in accordance with the formulae set out in the Scheme.

The Scheme Administrator (as attorney for the Scheme Company) will enter the name and address of each Scheme Creditor (or its nominee) into the Share Register.

(g) **Step 7 (*Released Obligor Individual releases*)**

There is then a release of potential claims against the Released Obligor Individual. This occurs automatically as the last step in the Scheme.

Immediately after Step 6 (*Scheme Share issue*):

- (i) each Scheme Creditor releases each Released Obligor Individual from all Claims relating to any matter that arose or occurred in respect of, or in connection with:
  - (A) the Scheme or any transactions effected under it; and
  - (B) to the extent permitted by law, any disclosure or misleading or deceptive conduct in relation to the Scheme, including this Explanatory Statement; and
- (ii) each Released Obligor Individual releases each Scheme Creditor from all Claims relating to any matter that arose or occurred in respect of, or in connection with the Scheme or any transactions effected under it,

except in each case to the extent that the released party has engaged in fraud or wilful misconduct or been reckless, grossly negligent or dishonest in respect of the matters to which that Claim relates.

## 7.6 Implementation

The Scheme is fully implemented once the Steps outlined in Section 7.5 have been completed.

The Scheme Administrator will keep a register noting the time of completion of the Steps, and sign it where indicated on completion of each Step. Each of the register and a copy of the register certified by the Scheme Administrator will be

conclusive evidence that the Step was completed at the time noted in the register. As soon as practicable after completion of the Steps, the Scheme Administrator will give a copy of the register, certified by the Scheme Administrator, to each of the Scheme Company, the Scheme Creditors, the Agent and the Security Trustee.

As a Scheme Creditor, once you have voted at the Scheme Meeting, and provided that the Scheme becomes effective, you do not need to execute any documentation to give effect to the Scheme. You will receive a copy of the register certified by the Scheme Administrator as soon as practicable after completion of the Steps.

## 7.7 Nominee arrangements

Under the terms of the Scheme, each Scheme Creditor may nominate a person who will be issued the Scheme Shares that would otherwise be issued to the Scheme Creditor. To make such a nomination, a Scheme Creditor must notify the Scheme Company of its nominee's name and address at the address set out in Section 1.14 no later than the Calculation Date.

A person ("**Nominee**") is only eligible to be nominated to be issued Scheme Shares under the Scheme if:

- (a) the address for the Nominee notified to the Scheme Company in accordance with the terms of the Scheme is an address in Australia;
- (b) the Nominee is a sophisticated investor within the ambit of section 708(8) of the Corporations Act or a professional investor within the ambit of section 708(11) of the Corporations Act; and
- (c) the Nominee either:
  - (i) does not require FIRB Approval; or
  - (ii) does require FIRB Approval and the Nominee has obtained FIRB Approval prior to the Calculation Date.

## 7.8 Outline of trust arrangements - Ineligible Scheme Creditors

If you are a Scheme Creditor and both of the following apply to you:

- (a) you require FIRB Approval; and
- (b) have not notified the Scheme Company that you have obtained FIRB Approval prior to the Calculation Date,

you will be considered an "**Ineligible Scheme Creditor**".

In order to address restrictions under the FATA that may inhibit a Scheme Creditor being issued Scheme Shares, in respect of any Ineligible Scheme Creditor the Scheme Shares to be allotted and issued in accordance with Step 6 (*Scheme Share issue*) of the Scheme will initially be transferred to a person nominated by the Scheme Company ("**Shareholder Trustee**") who will hold the Scheme Shares on trust for a person nominated by the Scheme Company ("**Acting Beneficiary**").

The Acting Beneficiary will remain the beneficiary of the relevant trust until the earlier of:

- (a) the relevant Ineligible Scheme Creditor has satisfied certain obligations specified in the Scheme, such as providing certain confirmations to the Shareholder Trustee, including:

- (i) that the relevant Ineligible Scheme Creditor (or its nominee, as relevant) is:
    - (A) a person outside Australia to whom the Scheme Shares may lawfully be transferred without, or without additional, lodgement, registration or other formality; and
    - (B) a sophisticated investor within the ambit of section 708(8) of the Corporations Act or a professional investor within the ambit of section 708(11) of the Corporations Act; and
  - (ii) instructions for dealing with the relevant Scheme Shares; and
  - (iii) that the relevant Ineligible Scheme Creditor has obtained FIRB Approval in relation to the Scheme Shares or determined that it does not require FIRB Approval in relation to the Scheme Shares; and
- (b) the date which is 12 months after the date of the Court Orders and the Shareholder Trustee has sold the relevant Scheme Shares in accordance with the Scheme.

If the obligations referred above are not satisfied within the time required by the terms of the Scheme, then the Shareholder Trustee will sell the Ineligible Scheme Creditor's Scheme Shares and hold the proceeds on trust for the relevant Ineligible Scheme Creditor to claim within 6 years in accordance with the terms of the Scheme.

For more details of the arrangements referred to above, see clause 8 of the Scheme.

## 7.9 Proposed terms of the Amending Financing Documents

A copy of the Amending Financing Documents to be executed by the Scheme Company, the Other Obligors, the Scheme Creditors, the Agent and the Security Trustee (as the case may be) under the Scheme is at Schedule 10 to the Scheme.

In summary, if the Scheme is implemented and the Amending Financing Documents becomes effective, it will vary the Loan Agreement in the way set out in detail in the Amending Financing Documents, including the following ways:

- (a) **(principal debt)** the Scheme Company considers that the Group is over geared and will not be able to service or to ultimately repay the Secured Debt unless the Tranche A commitments are reduced.

The Group considers that US\$70 million in Tranche A commitments are sustainable provided other amendments are made to the Financing Documents to allow time for the Group cashflows to improve.

Accordingly, the Scheme has been structured such that the Tranche A commitments are reduced from approximately US\$221.1 million to US\$70 million.

The principal debt under Tranche D and Tranche E will not be reduced;

- (b) **(maturity):**

- (i) the final maturity date of Tranche A will be extended from 31 January 2024 to 31 December 2025 (without any quarterly amortisation payments);
  - (ii) the final maturity date of Tranche D will be extended from 18 July 2020 to 31 December 2024; and
  - (iii) the final maturity date of Tranche E will be extended from 31 December 2020 to 31 December 2024;
- (c) **(amortisation)** the amortisation schedule for Tranche A will be removed;
- (d) **(excess cash sweep)** on reaching the “Minimum Liquidity Date” (as defined in the Amending Financing Documents), SEK will commence quarterly cash sweeps on each “Interest Payment Date” (as defined in the Amending Financing Documents) of an amount equal to 75% of “CFADS” (as defined in the Amending Financing Documents) for the period of 3 months preceding the “Calculation Date” (as defined in the Amending Financing Documents) prior to that “Interest Payment Date” (minus the aggregate of the principal, interest, fees and costs required to be repaid during the period of three months preceding that “Calculation Date” prior to that “Interest Payment Date” pursuant to the Financing Documents or any “Permitted Financial Debt” (as defined in the Amending Financing Documents)). Cash sweep payments will be applied to Tranche D and Tranche E on a pro-rata basis. Once Tranche D and Tranche E have been repaid in full, cash sweep payments will be applied to Tranche A; and
- (e) **(consolidated budget)** the monthly “Approved Budget” mechanics contemplated in the Tranche D Letter and Tranche E Letter will be approved by the “Relevant Lenders” - namely, QMetco and Taurus - which is consistent with the existing position under the Tranche D Letter and Tranche E Letter.

## 7.10 Outcome for Scheme Creditors

If the Scheme is implemented, the Scheme Creditors will:

- (a) receive Scheme Shares in an amount calculated in accordance with the formula in the Scheme as consideration for the release of the Assumed Debt;
- (b) be owed in aggregate the amount of approximately US\$95,753,000 by SEK (and guaranteed by the Scheme Company and the other Obligors) in respect of the Secured Debt;
- (c) provide releases in favour of any Released Obligor Individual, in respect of any Claims relating to any matter that arose or occurred in respect of, or in connection with the Scheme or any transactions effected under it (although the Scheme Company is not aware of any potential Claims that may be available against, or to, any of those persons); and
- (d) be subject to amended terms on which they are owed the remaining debt under the Financing Documents (as amended by the Amending Financing Documents) as set out in Section 7.9.

Based on substantial holder lodgements that have been made to ASX before the date of this Explanatory Statement and other information available to the Scheme Company as at the date of this Explanatory Statement, the Scheme Creditors have the following interests in Shares:

- (a) 292,546,030 Shares held by Taurus Mining Finance Fund GP Limited, an associate of Taurus and QMetco (“**Taurus Shares**”); and
- (b) 270,291,425 Shares held by Citigroup Pty Limited as custodian for IFC (“**IFC Shares**”).

The Taurus Shares and IFC Shares (together, the “**Existing Scheme Creditor Shares**”) in aggregate represent 25.02% of the Shares.

Based on the conclusions set out in the BDO Report, the Existing Scheme Creditor Shares do not have any economic interest in the Scheme Company. For more details, see Section 9 and the copy of the BDO Report at Annexure D.

The below table demonstrates that while the percentage shareholding represented by the Existing Scheme Creditor Shares will fall from 25.02% to 0.23% as a result of implementation of the Scheme, the aggregate shareholding of the Scheme Creditors (being the sum of the Existing Scheme Creditor Shares and the Scheme Shares) will, based on the value of the Secured Debt as at 30 November 2019, increase to 99.24%.

Shares	As at the date of this Explanatory Statement		Immediately following implementation of the Scheme (based on the value of the Secured Debt as at 30 November 2019)	
	Number	Percentage	Number	Percentage
Existing Scheme Creditor Shares	562,837,455	25.02%	562,837,455	0.23%
Scheme Shares	N/A	N/A	225,511,940,299	99.01%
<b>Total</b>	<b>562,837,455</b>	<b>25.02%</b>	<b>226,074,777,754</b>	<b>99.24%</b>

### 7.11 Outcome for the Scheme Company

If the Scheme is implemented, the outcomes of the Scheme for the Scheme Company are:

- (a) the Secured Debt owed by SEK (and guaranteed by the Scheme Company and the other Obligor) will be reduced to approximately US\$95,753,000 as at the Implementation Date;
- (b) the terms on which the remaining debt is owed to the Scheme Creditors under the Financing Documents will be amended in accordance with the Amending Financing Documents (as set out in Section 7.9); and
- (c) it will issue Scheme Shares to the Scheme Creditors on implementation of Step 6 (*Scheme Share issue*).

### 7.12 Outcome for the Other Obligors

If the Scheme is implemented, the outcomes of the Scheme for the Other Obligors are:

- (a) the Secured Debt owed by SEK (and guaranteed by the Scheme Company and the other Obligors) will be reduced to approximately US\$95,753,000 as at the Implementation Date;
- (b) the Other Obligors will be released from their obligation to pay the amount of the Assumed Debt under the Financing Documents; and
- (c) the terms on which the remaining debt is owed to the Scheme Creditors under the Financing Documents will be amended in accordance with the Amending Financing Documents (as set out in Section 7.9).

### 7.13 Summary of statutory Australian shareholder rights and protections

The Corporations Act affords a number of rights to members, and includes a number of minority shareholder protections. These rights and protections include the following:

- (a) **(Right to request a general meeting of members)** Section 249D of the Corporations Act provides that the directors of the company must call and arrange to hold a general meeting of members on the valid request of members with at least 5% of the votes that may be cast at the general meeting.
- (b) **(Right to requisition a general meeting of members)** Section 249F of the Corporations Act provides that members with at least 5% of the votes that may be cast at a general meeting of the company may call, and arrange to hold, a general meeting.
- (c) **(Right to propose resolutions at a general meeting of members)** Section 249N of the Corporations Act provides that the following may give a company notice of a resolution that they propose to move at a general meeting:
  - (i) members with at least 5% of the votes that may be cast at the general meeting; or
  - (ii) at least 100 members who are entitled to vote at the general meeting.

The notice must be in writing, set out the wording of the proposed resolution and be signed by the members proposing to move the resolution. The resolution must be considered at the next general meeting that occurs more than 2 months after the notice is given.

- (d) **(Information access rights)** The Corporations Act affords rights to Shareholders to access certain information about the Scheme Company. These include the right to inspect the Scheme Company's register of members and minute books for members' meetings.
- (e) **(Ability to seek relief for "oppressive conduct")** Part 2F.1 of the Corporations Act provides for a "statutory oppression" remedy for members, which provides the court with broad powers to grant relief to a member if the conduct of the company is either:
  - (i) contrary to the interests of the members as a whole; or
  - (ii) oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a member (or members) whether in that capacity or another capacity.

Examples of oppressive or unfair conduct can include:



- (i) an issue of shares by the directors to the disadvantage of a minority;
- (ii) improper diversion of business or business opportunities; and
- (iii) denial of access to information.

The orders a court can make on the finding of oppressive or unfair conduct are broad, and may include:

- (i) that the company be wound up;
  - (ii) that the constitution be amended or repealed;
  - (iii) regulating the conduct of the company's affairs in the future; and
  - (iv) authorising a member to institute, prosecute, defend or discontinue specified proceedings in the name and on behalf of the company (e.g. by way of statutory derivative action).
- (f) **(Chapter 6 restrictions)** The acquisition of Shares and other interests in the Scheme Company is regulated by Chapter 6 of the Corporations Act. For a brief discussion about relevant restrictions imposed by Chapter 6, see Section 11(c).

#### 7.14 Intentions of the Scheme Creditors

Taurus and QMetco have provided to the Scheme Company the following statement regarding their respective intentions following implementation of the Scheme:

*“Each party intends to continue to support Tiger with an overall goal of achieving stable operations at Kipoi. This will include a particular focus on ensuring that appropriate environmental, social, governance and safety standards are maintained at all times.*

*In the short-term each party expects to operate the company in the manner that it is currently operated, including with regard to the deployment of its assets and employees. However, given the financial position of the company the intention is to promptly commence a review of the business which may result in changes in the short to medium term.*

*TMFF and QMetco also consider that the operations of Tiger are not suitable for diffuse ownership. If either or both parties become entitled to compulsorily acquire the minority holdings in Tiger, either through the scheme or any subsequent transaction, each party will consider exercising that right.”*

Taurus and QMetco have given and have not withdrawn, before the date of this Explanatory Statement, their written consent to the inclusion of the above statement in this Explanatory Statement. Neither Taurus nor QMetco have authorised or caused the issue of this Explanatory Statement and do not make or purport to make any statement in this Explanatory Statement other than the statement set out above. To the maximum extent permitted by law, Taurus and QMetco disclaim all liability in respect of, makes no representation regarding and takes no responsibility for, any part of this Explanatory Statement other than as described in this Section.

#### 7.15 Who will be bound by the Scheme?

If the Scheme becomes Effective and each of its conditions precedent are satisfied, it will bind each Scheme Creditor and the Scheme Company. This is by

operation of section 411 of the Corporations Act and also the effect of the Court Orders approving the Scheme (if made).

Other parties elect to be bound by the Scheme by entering into Deeds Poll which form part of the Scheme. Specifically:

- (a) the Scheme Administrator enters into the Scheme Administrator Deed Poll prior to the Court Orders, which becomes effective when the Court Orders become Effective;
- (b) the Other Obligors enter into the Other Obligor Deeds Poll prior to the Court Orders, which are held in escrow by the Scheme Company and released on the Effective Date;
- (c) the Agent and the Security Trustee enter into their respective Deeds Poll as part of the Steps, which is after the Court Orders have been made and become Effective;
- (d) any person who is or was, at any time up to and including the Implementation Date, a director or officer of any Obligor (in their capacity as such) can enter into a Released Obligor Individual Deed Poll which, if delivered it to the Scheme Administrator, becomes effective when the Released Individual Obligor receives notice that the Court Orders have become Effective; and
- (e) the Shareholder Trustees can enter into the Trustee Deeds Poll in accordance with the Scheme (if applicable).

If you are a Scheme Creditor and you do not vote at the Scheme Meeting, or you vote against the Scheme, you will be bound by the Scheme, provided that the Scheme is agreed by the Requisite Majority, is approved by the Court and each of the Scheme conditions precedent are satisfied.

## **7.16 Execution risks**

The execution risks that could prevent the Scheme being implemented include:

- (a) the Requisite Majority do not agree to the Scheme;
- (b) the Court does not approve the Scheme or it approves the Scheme with alterations or conditions that change the substance of the Scheme, including the Steps, in a material way;
- (c) any of the other conditions precedent to the Scheme are not satisfied;
- (d) a person objecting to the Scheme appeals against the Court's orders approving the Scheme (and potentially seeks a stay of those orders pending resolution of that appeal) or applies for injunctive relief and the Court orders the stay or grants an injunction without requiring the person to give the usual undertaking as to damages;
- (e) any of the Steps have not been completed on or before 11.59pm on the End Date;
- (f) the High Court of England does not grant the recognition order being sought under the English Regulation as a condition precedent to the Scheme; or
- (g) a foreign court otherwise fails to recognise the binding effect of the Scheme, should the Court Orders be made. This risk should be considered in the context where the Scheme is being proposed by an

Australian company (the Scheme Company), the borrower under the Loan Agreements is domiciled in the DRC and the Financing Documents, which include the Loan Agreements, Intercreditor Security Sharing Agreement and associated Guarantee, are governed by the laws of England.

It is also fundamental to the operation of the Scheme that:

- (a) the Agent executes the Agent's Deed Poll and performs its obligations in connection with the Scheme;
- (b) the Security Trustee executes the Security Trustee Deed Poll and performs its obligations in connection with the Scheme;
- (c) the Scheme Administrator executes the Scheme Administrator Deed Poll and performs its obligations in connection with the Scheme; and
- (d) each Other Obligor executes the Other Obligors' Deed Poll and performs their obligations in connection with the Scheme.

## **7.17 Modification of the Scheme**

### **(a) Modifications by the Scheme Creditors**

It is possible that a Scheme Creditor may propose a modification to the terms of the Scheme at the Scheme Meeting (prior to passing of the resolution to agree the Scheme) or apply to the Court for a modification of the terms of the Scheme.

Although it is permissible for a Scheme Creditor to propose a modification and for a Scheme Meeting to consider a resolution to approve the modification proposed, Scheme Creditors should be aware that the consequences of modifying the terms of the Scheme include:

- (i) if the modification is materially adverse to the Scheme Company or any particular Scheme Creditor or class of them, it may give rise to a basis, which may not otherwise exist, for the Court to refuse to approve the modified Scheme. In such circumstances, the Scheme will not become Effective (in either the modified or original form);
- (ii) the Scheme Company may not consent to the modified Scheme and therefore the Scheme Company may not be prepared to seek the Court's approval of the modified Scheme; and
- (iii) depending on the nature and extent of the modifications and their impact upon the overall Scheme, the modifications could effectively invalidate any previously obtained consents and, if so, then the consequences may be that further consents would need to be obtained.

### **(b) Modifications by the Court**

Under section 411(6) of the Corporations Act, the Court may approve the proposed Scheme at the Second Court Hearing subject to alterations or conditions as it thinks just.

The conditions precedent to the Scheme (outlined in Section 7.2) include that the Scheme will only come into effect if, among other things, the Court's alterations or conditions (if any) to the Scheme do not change the substance of the Scheme, including the Steps, in any material way.

## **7.18 Scheme Administrator**

If the Scheme is agreed to by the Requisite Majority of Scheme Creditors, approved by the Court and the Court Orders become Effective, the Scheme Administrator will be appointed in accordance with the terms of the Scheme Administrator Deed Poll. Richard Tucker of KordaMentha has agreed to act as Scheme Administrator.

Under the terms of the Scheme Administrator Deed Poll, the Scheme Administrator:

- (a) consents to act as Scheme Administrator in accordance with the terms and conditions of the Scheme;
- (b) covenants to be bound by the Scheme as if they were a party to the Scheme; and
- (c) undertakes:
  - (i) to accept all appointments, authorisations and directions, to perform all obligations and undertake all actions attributed to the Scheme Administrator under the Scheme;
  - (ii) to do all things necessary and execute all further documents necessary to give full effect to the Scheme and all transactions contemplated by it; and
  - (iii) not to act inconsistently with any provision of the Scheme.

The Scheme Administrator's liability in the performance or exercise of their powers, obligations and duties under the Scheme is limited in accordance with the Scheme.

The remuneration of the Scheme Administrator, their partners and staff will be calculated on a time basis at the hourly rates set out in Annexure G. The Scheme Administrator's Costs of administering the Scheme are estimated to be up to A\$100,000.

## **7.19 Challenging the Scheme Administrator generally**

A Scheme Creditor who is aggrieved by any act, omission or decision of the Scheme Administrator may appeal to the Court under section 599 of the Corporations Act. The Court may confirm, reverse or modify the act or decision, or remedy the omission, as the case may be, and make such orders and directions as the Court thinks fit.

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## **8 Scheme Meeting and voting procedures**

### **8.1 Time, date and place**

The Scheme Meeting will be held to consider and, if thought fit, approve the Scheme at:

**10.00am on 5 February 2020**

at

**King & Wood Mallesons, Level 30, QV1 Building, 250 St Georges Terrace, Perth, Western Australia, Australia**

### **8.2 Chairperson**

The Court has directed that Tim Klineberg is to act as chairperson of the Scheme Meeting (and that if Tim Klineberg is unable or unwilling to attend, Michael Griffiths or Caroline Keats is to act as chairperson of the Scheme Meeting) and has directed the chairperson to report the results of the resolution to the Court.

### **8.3 Agenda for the Scheme Meeting**

The proposed agenda for the Scheme Meeting is as follows:

- (a) the Chairperson will address those present at the Scheme Meeting, providing an explanation of the background to and purpose of the Scheme Meeting;
- (b) there will be a general presentation in relation to the proposed Scheme and attendees will be given a reasonable opportunity to ask questions in relation to the Scheme;
- (c) the procedure for voting on the Scheme will be explained; and
- (d) the resolution to agree to the Scheme will be put to the Scheme Creditors present in person or by proxy, attorney or corporate representative at the Scheme Meeting for discussion and vote.

### **8.4 Classes of Scheme Creditors**

In making its orders under section 411(1) of the Corporations Act to convene the Scheme Meeting, the Court did not order that the Scheme Creditors be divided into separate classes. As such all Scheme Creditors will all vote as one class.

### **8.5 Eligibility and entitlement to vote**

Only the Scheme Creditors are eligible to vote at the Scheme Meeting.

Voting is not compulsory. However, Scheme Creditors who do not vote at the Scheme Meeting will be bound by the Scheme, provided that the Scheme is agreed to by the Requisite Majority and approved by the Court.

Voting at the Scheme Meeting will be conducted by poll.

### **8.6 How to vote at the Scheme Meeting**

#### **(a) Voting in person**

A Scheme Creditor who wishes to vote in person on the Scheme should attend the Scheme Meeting.

Where the Scheme Creditor is a corporation, it may appoint a proxy, attorney or corporate representative to attend the Scheme Meeting on its behalf. Any attorney or corporate representative should bring to the Scheme Meeting evidence of their appointment including authority under which the appointment was made.

**(b) Voting by proxy, attorney or corporate representative**

If you cannot attend the Scheme Meetings and wish to vote, you may vote by proxy, attorney or, in the case of a corporate Scheme Creditor, by corporate representative in accordance with section 250D of the Corporations Act.

If you appoint a proxy, you will need to complete and lodge a Proxy Form as set out in Annexure C, in accordance with the instructions on the form, so that it is received by the Chairperson by 10.00am on 3 February 2020.

Any attorney or corporate representative should bring to the Scheme Meeting evidence of their appointment including authority under which the appointment was made.

**8.7 Modification of Scheme at Scheme Meeting**

Scheme Creditors may propose modifications to the Scheme at the Scheme Meeting. However, Scheme Creditors should be aware that there are risks associated with modifying the terms of the Scheme at the Scheme Meeting. For more detail on these risks, refer to Section 7.17(a).

**8.8 Lodgement of documents and further queries**

Complete Proxy Forms should be lodged in accordance with the instructions on those forms.

If you have any questions in relation to the Scheme Meeting, including completing and lodging Proxy Forms, please contact:

Ian Goldberg  
Company Secretary  
Tiger Resources Limited  
Level 4, 1 Havelock Street  
West Perth WA 6005  
AUSTRALIA

Email: [igoldberg@tigerez.com](mailto:igoldberg@tigerez.com)

Phone: +61 8 6188 2000

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## 9 BDO Report

### 9.1 Scope of the BDO Report

King & Wood Mallesons, on behalf of the Scheme Company, has engaged BDO to prepare a report addressing the following matters:

- (a) the solvency of the Scheme Company immediately following implementation of the Scheme;
- (b) the value of the assets of the Scheme Company relative to the debts owing to the Scheme Creditors under the Loan Agreements;
- (c) the expected dividend that would be available to the:
  - (i) Scheme Creditors; and
  - (ii) Shareholders,if the Scheme did not proceed and, as part of an enforcement of the Guarantee and Securities granted by the Guarantors (including the Scheme Company) in support of SEK's obligations under the Loan Agreements, the Scheme Company were to be wound up within 6 months of the hearing of the application for an order under section 411(1) and (1A) of the Corporations Act;
- (d) the expected dividend that would be paid to:
  - (i) the Scheme Creditors; and
  - (ii) Shareholders,if the Scheme were put into effect as proposed, immediately after implementation of the Scheme; and
- (e) the likely outcome for the Scheme Company should the Scheme not be implemented having regard to the Scheme Company's existing financial position, and projections.

The Scheme Creditors should consider the entire BDO Report, which is at Annexure D before deciding how to vote at the Scheme Meeting.

### 9.2 BDO's conclusions

Subject to the assumptions made in the BDO Report, BDO is of the opinion that:

- (a) in the event the Scheme does not proceed, the net liability position of the Group is between US\$140.7 million to US\$224.3 million;
- (b) in the event the Scheme is implemented, the net asset position of the Group is between US\$(74.9) million and US\$8.7 million;
- (c) following the implementation of the Scheme, the Scheme Company does not appear to be insolvent. However the Scheme Company remains loss making in the short term and has an urgent cash requirement from late February 2020;
- (d) in the event the Scheme does not proceed, the expected dividend that would be available to the Scheme Creditors is between US\$85 million (35% of the amount owing) and US\$173 million (71% of the amount

owing). The expected dividend to unsecured creditors and Shareholders would be nil;

- (e) the expected dividend that would be available to the Scheme Creditors immediately following implementation of the Scheme is between US\$75 million (78% of the amount owing) and US\$96 million (100% of the amount owing). Unsecured creditors would receive between nil and US\$68 million (83% of the amount owing). Shareholders would receive nil; and
- (f) if the Scheme is not implemented, the Group will be insolvent and will need to enter applicable insolvency procedures in the various jurisdictions of the companies within the Group. If the Scheme is not implemented, there would also be a reduced return for Scheme Creditors.

### 9.3 Expected dividends

Subject to the assumptions made in the BDO Report, BDO is of the opinion that:

- (a) if the Scheme Company is wound up within 6 months of the First Court Date (and the Scheme is not implemented), then the Scheme Creditors would be likely to receive a dividend in the following ranges:

	Low value	High value
US\$'000	84,715	173,143
Percentage	34.6%	70.6%

- (b) the expected dividend that would be paid to the Scheme Creditors immediately after implementation of the Scheme would be:

	Low value	High value
US\$'000	74,605	95,753
Percentage	77.9%	100%



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## 10 Reasons Scheme Creditors may consider voting for the Scheme

The reasons why the Scheme Creditors may consider voting in favour of the Scheme include:

(a) **Effecting a partial debt-for-equity swap with potential uplift in value from ownership of Scheme Shares**

If the Scheme becomes Effective, the Scheme Creditors will release the Scheme Company from its obligation to pay the Assumed Debt (being a portion of the Secured Debt that it has assumed pursuant to the Debt Assumption Deed) to the Scheme Creditors. In consideration for this release, the Scheme Company will issue the Scheme Creditors the Scheme Shares. Accordingly, under the Scheme the Scheme Creditors will, amongst other things, receive Shares.

As Shareholders, the Scheme Creditors may have the opportunity to recover some or all of the value of their converted debt through the sale or transfer of the Scheme Shares. The Scheme Creditors may consider that the potential to recover value through the sale or transfer of the Scheme Shares is an advantage when compared to the likely crystallisation of loss that would occur for some or all of the Scheme Creditors on an insolvency event (as expressed in the BDO Report).

(b) **Most likely alternative may reduce the realisable value of the Group's business and assets**

Scheme Creditors may consider that a formal insolvency process, being the most likely alternative to the Scheme, is likely to be destructive to the realisable value of the Group's business and assets, which may further diminish the recoverable value of the Secured Debt owed to them. For details of the applicable process, see Section 6.6. Additional disadvantages of a formal insolvency process are described in Section 10(c).

(c) **Potential avoidance of Costs, delays and uncertainty associated with insolvency**

The Scheme will provide a means by which a portion of the Secured Debt owed to the Scheme Creditors will be restructured without the appointment of a voluntary administrator, liquidator or receiver and manager to the Scheme Company or the Other Obligors.

The legal, administrative and funding Costs associated with the administration, liquidation or receivership and management of the Group would be avoided if the Scheme is approved and implemented.

The Scheme will also minimise disruption to the business and the diminution of value that could occur as a consequence of such appointments. Any appointment of an administrator, liquidator or receiver and manager may result in certain counterparties being entitled to terminate contracts with the Group. This would be detrimental to the ongoing business of the Group and would affect the value that could be realised out of a sale of the assets of the Group.

(d) **Better alternative to a potential dividend**

The BDO Report estimates that the Scheme Creditors may receive value of between:

- (i) 77.9 cents to 100 cents in the dollar (of the reduced debt amount) if the Scheme is approved and implemented; or
- (ii) 34.6 cents to 70.6 cents in the dollar (of the unreduced debt amount) if the Scheme is not approved and the Company is wound up within 6 months of the First Court Hearing.

If the Scheme is approved and implemented, it is possible that the Scheme Shares will increase in value and, in turn, it is possible that the Scheme Creditors may eventually be able to sell or transfer the Scheme Shares for an amount which exceeds the amount that they would have received had the Scheme not been implemented.

(e) **Transaction certainty**

Effecting a restructuring by way of the Scheme will provide greater transaction certainty for the Scheme Creditors and the Scheme Company (which will continue to operate the business) than could be achieved without the Scheme in circumstances in which the Scheme Creditors do not unanimously consent to the proposed restructuring. In the event that the Court makes orders approving the Scheme and those orders are lodged with ASIC (and subject to satisfaction of the conditions precedent), the steps that give effect to the restructure will have the force of law.

(f) **Ability for Scheme Company to continue to trade and raise additional funds**

If the Scheme is implemented, subject to the copper prices and US\$/AU\$ exchange rate, the potential for the Scheme Company to continue to trade and operate its businesses will be improved by a lower debt burden. Over time, and subject to the risks and qualifications outlined in Section 12, including those relating to copper prices and US\$/AU\$ exchange rates, the Scheme Company could generate an uplift in value for all of its Shareholders and (including the Scheme Creditors in their capacity as Shareholders).

The decrease in overall debt (and corresponding effect on the Scheme Company's balance sheet) may enable the Scheme Company to explore further fund raising opportunities in the future for the purpose of business growth and expansion (subject to the terms of the Financing Documents).

These potential advantages must be considered in light of the potential disadvantages of the Scheme, which are discussed in Section 11.

Scheme Creditors are encouraged to obtain independent legal, financial and taxation advice in relation to their own individual circumstances.

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## 11 Reasons Scheme Creditors may vote against the Scheme

The reasons why the Scheme Creditors may consider voting against the Scheme include:

(a) **You may think that insolvency procedures in respect of the Scheme Company and the other companies in the Group could realise greater value**

If the Scheme is not implemented, the Scheme Company would be placed in a position where it is expected that the Scheme Company would appoint administrators given that the Scheme Company would not without further financing be in a position to pay its debts as and when they fall due in future. The other companies in the Group would also without further financing lack funding and would be expected to enter into applicable insolvency procedures in their own jurisdictions.

In that situation, the Scheme Creditors would have the right to take enforcement action, including to accelerate the Secured Debt and appoint receivers to the Scheme Company. In respect of each of the Other Obligors, the Scheme Creditors would have the following rights:

- (i) in respect of the companies incorporated in the DRC (Sase Mining SARL, Tiger Congo SARL, Congo Minerals SARL and SEK), the competent court may appoint receivers and may appoint a number of the creditors as controllers to enforce the rights of the eligible creditors, including eligible secured creditors;
- (ii) in respect of the companies incorporated in the British Virgin Islands (Balcon Holdings Limited, Havelock Finance Limited and Tiger Resources Finance Limited), the Scheme Creditors may call on the guarantees and enforce rights under the relevant security agreement(s), which may include the right to appoint receivers over the secured assets; and
- (iii) in respect of the companies incorporated in South Africa (Crux Energy (Pty) Ltd and Balcon Investments and Logistics (Pty) Ltd), the Scheme Creditors may call on the guarantees and, other than in the case of Crux Energy (Pty) Ltd, may enforce rights under the relevant security agreement(s) (subject to liaising with any appointed business rescue practitioner or liquidator).

If this occurs, given the size of the negative equity position of the Scheme Company and the Group, the shortfall in the amount received by Scheme Creditors from realising the assets of the Group is expected to be less following the implementation of the Scheme. Shareholders are expected to receive no value.

However, you may disagree with the Scheme Company's assessment that the return to Scheme Creditors through insolvency procedures in respect of the Scheme Company and the other companies in the Group. You may prefer to take control of the Scheme Company through the appointment of a receiver and implement a sale or alternative transaction. You may believe that returns would be higher in that scenario than through the Scheme.

The process conducted by the Scheme Company to explore options available to the Scheme Company to reduce its debt did not provide any

basis for such belief. The BDO Report also confirms that the counterfactual of a winding up of the Scheme Company within 6 months of the hearing of the Scheme would be less than the forecast return under the Scheme.

Any assessment should be considered with regard to the Scheme Company's negative net asset position of A\$159,182,000 at 31 October 2019 (prior to liquidation value adjustments).

(b) **Equity in the Scheme Company**

The Scheme, if implemented, will result in Scheme Creditors holding Shares. Such equity will rank behind secured and unsecured creditors of the Scheme Company. You may not wish to hold Shares in place of the Secured Debt commitments under Tranche A that you currently hold (which would be converted to Shares by operation of the Scheme).

(c) **Chapter 6 restrictions**

The Scheme Company is a public company with more than 50 members and, as such, is subject to Chapter 6 of the Corporations Act. Chapter 6 imposes certain restrictions on the acquisition of "relevant interests" in Shares. These include the following:

- (i) a person cannot acquire a relevant interest in Shares if, because of that acquisition, that person's (or another person's) voting power in the Scheme Company increases:
  - (A) from 20% or below to more than 20%; or
  - (B) from a starting point that is above 20% and below 90%,  
other than in ways permitted by the Corporations Act ("**Takeovers Prohibition**");
- (ii) disposing of Shares, where the proposed acquirer would acquire those Shares in breach of the Takeovers Prohibition; and
- (iii) becoming associated with other Shareholders, in relation to matters such as voting Shares and determining board appointments to the Scheme Company, where the aggregated shareholdings of the associated Shareholders would breach the Takeovers Prohibition.

A "relevant interest" under the Corporations Act is a broad concept. Generally speaking, a person will have a relevant interest in securities where they are the holder of the securities, where they can exercise or control the voting rights attached to those securities or dispose of, or control the disposal of, those securities.

Importantly, in the context of the Takeovers Prohibition, a person's "voting power" in the Scheme Company is calculated by aggregating the number of Shares in which that person has a relevant interest with the number of Shares in which each person who is an "associate" of that person has a relevant interest. Generally speaking, 2 or more persons will be taken to be associates in relation to the Scheme Company if:

- (i) they are body corporates belonging to the same corporate group;

- (ii) they have entered into an agreement, arrangement or understanding for the purpose of controlling or influencing the composition of the Board or the conduct of the Scheme Company's affairs; or
- (iii) they are acting, or proposing to act, "in concert" in relation to the Scheme Company's affairs.

While the acquisition of the Scheme Shares by the Scheme Creditors pursuant to the Scheme falls within an exception to the Takeovers Prohibition (see item 17 of section 611 of the Corporations Act), the restrictions and other legal considerations outlined above will apply in respect of any increases to the voting power of any such person following implementation of the Scheme.

Furthermore, as a Shareholder, a Scheme Creditor will be subject to certain ongoing notification requirements under the Corporations Act. For example, a Scheme Creditor must make the notifications described below:

- (i) in circumstances where they (together with their associates) have relevant interests in voting shares of the Scheme Company or interests representing 5% or more of the total votes of the Scheme Company (or if the person has made a takeover bid for voting shares or interests in the Scheme Company) (this is called a "Substantial Holding"), by lodging an ASIC Form 603 (*Notice of Initial Substantial Shareholder*) with the Company and ASX;
- (ii) for each 1% (or more) change in their Substantial Holding, by lodging a Form 604 (*Notice of Change of Interests of Substantial Shareholder*) with the Scheme Company and ASIC;
- (iii) if they cease to have a Substantial Holding (that is, their relevant interest in voting shares of the Scheme Company or interests in the total votes of the Scheme Company, falls below 5%), by lodging a Form 605 (*Notice of Ceasing to be a Substantial Shareholder*) with the Scheme Company and ASX.

Generally speaking, these forms must be lodged within 2 business days after the Scheme Creditor (or their associate, as the case may be) becomes aware of either the transaction effecting the change or the change in percentage holding itself.

It should be noted here that the requirement to lodge the forms as discussed above will cease to apply once the Scheme Company has been De-Listed on 3 February 2020 under ASX's long term suspended entity policy.

Scheme Creditors should seek their own independent legal advice on the effect of Chapter 6 of the Corporations Act on the Scheme Company.

(d) **Risks in holding equity in the Scheme Company**

There are risks associated with investment in the Scheme Company, including as described in Section 12. No assurances can be given in respect of the future performance or prospects of the Scheme Company, the value of, or return on, securities in the Scheme Company or, the ability of Shareholders to sell or transfer their Shares.

These potential disadvantages must be considered in light of the potential advantages of the Scheme, which are discussed in Section 10.

Scheme Creditors are encouraged to obtain independent legal, financial and taxation advice in relation to their own individual circumstances.

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## 12 Risks associated with the Scheme Company

A summary of selected major industry risks and risks relating to the Scheme Company is set out in this Section. It should be noted that these risks are in addition to the risks commonly faced by businesses, including financial, economic, counterparty, credit and regulatory risks, which may have adverse consequences on the Scheme Company. Scheme Creditors should be familiar with these risks.

The future performance of the Scheme Company, and the price of Shares, will be influenced by a number of factors, which may be specific to the proposed Scheme, or to the Scheme Company, or of a general nature. Whilst some of these factors can be mitigated by the use of safeguards and appropriate systems and actions, some are outside the control of the Scheme Company and cannot be mitigated. The principal risks include those set out below.

Scheme Creditors should be aware that holding Shares involves many risks, which may be different to the risks associated with holding shares in other companies.

Scheme Creditors should consider consulting their professional advisers before deciding whether to vote in favour of the Scheme.

### (a) Financial risk

The Group is exposed to financial risks through the normal course of their business operations. The key risks impacting the Group's financial instruments are considered to be foreign currency risk, interest rate risk, liquidity risk and credit risk (discussed separately below). The Group's financial instruments exposed to these risks are cash and short term deposits, receivables, trade payables and investments in foreign operations.

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

### (b) Foreign currency risk management

The Group has significant operations in the DRC. The functional currency of the subsidiaries of the Scheme Company in the DRC is US\$. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US\$.

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

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

### (c) Foreign jurisdiction risks

Due to the Group conducting its mining, development and exploration activities in the DRC, the Group's foreign mining investments are subject to various risks associated with the conduct of business in foreign countries.

Some of these risks are more prevalent in countries that are less developed or have emerging economies, such as the DRC. Because the DRC is a developing nation, with poor physical and institutional infrastructure, the Group's operations are subject to various increased economic, political and other risks, including bribery and corruption, civil unrest (for e.g. strikes and riots) and ethnic conflicts. Additionally, there are potential risks associated with exposure to Congolese customary laws, particularly in relation to the interactions between the Group's expat workforce and indigenous Congolese. The occurrence of one or more of these risks could have a material and adverse effect on the Scheme Company's profitability or the viability of its affected foreign operations, which could have a material and adverse effect on the Scheme Company's future cash flows, earnings, results of operations and financial condition.

(d) **Interest rate risk management**

The Group is exposed to interest rate risk as members of the Group deposit funds at both short-term fixed and floating rates of interest. The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's borrowings at variable rate are currently denominated in US\$.

(e) **Liquidity risk management**

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

(f) **Indebtedness**

If the Scheme is implemented, the Scheme Company's Secured Debt position will be approximately US\$95,753,000 under the Finance Documents, including as amended by the Amending Financing Documents. While this is a reduction of the Scheme Company's total indebtedness from prior to implementation of the Scheme, this level of indebtedness still has important consequences for the Scheme Company and its Shareholders, including the following:

- (i) requiring the Scheme Company to dedicate a material portion of its cash flow from operations to meet principal and interest payments thereby reducing the availability of cash flow to fund working capital, capital expenditures and other general corporate purposes;
- (ii) increasing the Scheme Company's vulnerability to adverse general economic or industry conditions, including commodity price and exchange rate fluctuations; and
- (iii) subjecting the Scheme Company to a number of covenants, which reduce its flexibility in planning for, or reacting to, changes in the Scheme Company's businesses or industry.

While the Scheme Company believes that the above consequences will, in part, be alleviated by the proposed Scheme and the Amending Financing Documents, factors such as an increase in interest rates (which might affect the London Inter-bank Offered Rate ("LIBOR"))



reference rate used in the Amending Financing Documents), weak operational performance or a reduction in asset values could lead the Scheme Company to breaching covenants under the Amending Financing Documents or other Finance Documents and could affect the Scheme Company's ability to continue as a going concern.

**(g) Debt servicing and refinancing risk**

Under the Amending Financing Documents, Tranche A matures and will need to be fully repaid, renewed or refinanced on or before 31 December 2025.

The ability of the Scheme Company to repay or reschedule the debt obligations under the Amending Financing Documents will ultimately be contingent on the commodity pricing, exchange rates, achievement of forecast cost outcomes and the ability of the Scheme Company to source additional funds through the debt and equity markets.

In addition, SEK has debt obligations in the DRC to Banque commerciale du Congo ("**BCDC**"), Rawbank SA ("**Rawbank**") and certain unsecured trade creditors.

The facility provided by BCDC to SEK was converted to a US\$5 million cash line of credit due and payable on 31 December 2020 and a US\$10 million long term credit facility repayable in principal monthly instalments.

The overdraft facility provided by Rawbank expired in March 2019. SEK and the Scheme Company are continuing discussions with Rawbank in relation to repayment, a renewal or a refinancing.

SEK owes amounts to unsecured trade creditors, some of which provide services integral to the Kipoi Copper Project, outside of the terms of payment.

**(h) Single operating asset**

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

**(i) Operating costs and production**

Production costs incurred by the Group are subject to a variety of factors including:

- (i) fluctuations in input costs and usage such as diesel fuel and sulphuric acid, which are determined by global markets;
- (ii) changes in the ratio of grid and diesel power generation;
- (iii) changes in economic conditions which impact on margins required by contracting partners; and
- (iv) changes in assumptions such as ore reserves, ore grades and recoveries.

Significant movements in a combination of these elements could have a material adverse effect on operating costs of the Group.

**(j) Operating risks**

The Group's operations may be affected by various factors, including failure to locate and identify mineral deposits and the reserves and resources risks outlined below, difficulties in commissioning and operating plant and equipment, difficulties in engaging the necessary suppliers and labour to operate, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

The Group may be impacted by any incidents affecting the ability of SEK to access the necessary labour or equipment to operate the Kipoi Copper Project. It may be difficult to locate alternative suppliers or labour in the event of any disruptions which could have a material adverse impact on the Group's revenue and restrict SEK's ability to enter into new contracts or fulfil existing contracts.

(k) **Reliance on key contracts**

SEK relies on a number of key contracts for the provision of mining services in relation to the Kipoi Copper Project. There is a risk that a loss of one or more key contracts (including due to the insolvency of the contractor) may lead to an increase in the costs of production.

There is also a risk that SEK fails to comply with key terms of material contracts, which may then enliven termination rights in favour of the counterparty. The Scheme Company is aware of certain breaches of material contracts, including that SEK is approximately 6 months in arrears of royalty payments to Gecamines under the SEK Formation Agreement and is currently not making payments under its agreements with Megatron Federal RDC SARL. The Scheme Company is not aware of any formal demand for payment having been made by either contractor in relation to these breaches. However, there is a risk that these contracts may be terminated or payment may be demanded and SEK may need to replace the services provided under those arrangements, which may result in further costs and may impact operations in the event the necessary replacements cannot be secured promptly.

(l) **Estimates of reserves and resources**

Due to the nature of mineral reserves and resources no assurance can be given that any particular level of recovery of minerals will be realised from the reserves processed through the solvent extraction and electro-winning ("SXEW") plant at the Kipoi Copper Project, which may impact on the future financial and operational performance of the Group.

(m) **Inferred mineral resources are uncertain and their economic viability cannot be assured**

Inferred mineral resources may not be converted into mineral reserves as the ability to assess geological continuity is not sufficient to demonstrate economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to mineral resources with sufficient geological continuity to constitute proved and probable mineral reserves as a result of continued exploration.

(n) **Regulatory, consent or permitting risk**

The business of mineral exploration, project development, mining and processing is subject to various national and local laws and plans relating to: permitting and maintenance of title; environmental consents; taxation; employee relations; heritage/historic matters; health and safety; royalties; land acquisition; and other matters.

There is a risk that the necessary permits, consents, authorisations and agreements to implement planned exploration, project development, or mining may not be obtained under conditions or within time frames that make such plans economic, that applicable laws, regulations or the governing authorities will change or that such changes will result in additional material expenditures, time delays, or an inability to conduct operations including, for example, an inability to export the copper.

(o) **Capital risk management**

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

The Group operates through subsidiary companies in the DRC. None of the members of the Group are subject to externally imposed capital requirements.

(p) **Additional requirements for capital**

The Group's capital requirements depend on numerous factors. Notwithstanding implementation of the Scheme, the Group will still have a large amount of debt that it will need to service. Subject to the Group's ability to generate income from its operations, it may require further financing in the form of debt or equity. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Group is unable to obtain any further financing needed to fund its operations and remaining liabilities, it may be required to reduce the scope of its operations and may also impact its ability to continue as a going concern.

As set out in the BDO Report, the Scheme Company remains loss making in the short term and has an urgent cash requirement of US\$4.1 million from late February 2020, peaking during 2020 at US\$39.9 million in December 2020. The Scheme Company is aware of this funding requirement and are in discussions with financiers to secure additional funding.

(q) **Commodity price risk**

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

The Group has a policy of fixing the price for the quotational period for sales in order to limit its exposure to future commodity price movements on volumes of cathode sold. During 2019, the Scheme Company priced material on a contractual basis by reference to quotational periods.

(r) **Weather and climatic risks**

The Group's operations may be particularly susceptible to adverse weather and climatic conditions.

The Group's operations are primarily located in the DRC. This geographical location can be susceptible to periodic, adverse climatic conditions that may adversely impact the Group's operational, mining and exploration activities. These impacts include damage to relevant infrastructure on which the Group relies, adverse effects on the schedule of exploration, production, mining and drilling operations and the Group's ability to deliver its product to intermediaries and customers. Any such adverse effects may negatively impact the Group's revenues and associated costs.

The extent to which the Group's operations may be affected by adverse climatic conditions is uncertain, and is dependent on the extent of the weather conditions and other prevailing conditions at the time.

(s) **War, ethnic conflicts and terrorist attacks**

War, ethnic conflicts or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region. There could also be a resultant material adverse effect on the business, financial condition and financial performance of the Group.

(t) **Speculative nature of shareholding in the Scheme Company**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Scheme Company or by Shareholders. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Scheme Company and the value of Shares.

The Scheme Shares to be issued pursuant to the Scheme to the Scheme Creditors carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Scheme Creditors should consider that holding Shares in the Scheme Company is speculative and should consult their professional advisers before deciding whether to vote in favour of the Scheme.

## 13 Additional information

### 13.1 Material interests of the Directors

The Directors are:

- (a) Mr Michael Richard Griffiths (non-executive Director);
- (b) Ms Rachel Johnston (non-executive Director);
- (c) Ms Caroline Denise Keats (Managing Director / CEO; and
- (d) Dr Michael Richard Anderson (non-executive Chairman).

Except as disclosed below or elsewhere in this Explanatory Statement, as at the date of this Explanatory Statement, no Director has any interest, whether as a director, member or creditor of the Scheme Company or otherwise, that is material in relation to the Scheme, and the Scheme has no effect on the interests of any Director that is different to the effect on the like interests of other persons.

The Directors, and their interests in the Scheme Company, are set out in the below table. The Shares held by the Directors will be subject to the same dilution as the other individual Shareholders under the Scheme.

Director	Number of Shares	Percentage of Shares
Michael Griffiths	199,334	0.008%
Rachel Johnston	0	0%
Caroline Keats	0	0%
Michael Anderson	0	0%
<b>Total</b>	<b>199,334</b>	<b>0.008%</b>

In accordance with the Deed of Access, Indemnity and Insurance between the Scheme Company and each Director, the Scheme Company has indemnified the Directors to the maximum extent permitted by law, against all liability incurred as a result of being a Director. This would include liability incurred in connection with the Scheme.

Dr Anderson, in addition to being a Director, is also a non-executive director of QMetco and Taurus Funds Management Pty Ltd. As set out in the Section 6.3, under the Financing Documents QMetco has the right to appoint a director to the Scheme Company and in this regard has appointed Dr Anderson. Under the Financing Documents, Taurus also has the right to appoint a director to the Scheme Company and in this regard has appointed Ms Johnston.

### 13.2 Material interests of the Scheme Administrator

The Scheme Administrator will be entitled to remuneration for their services as explained in Section 7.18. The hourly rates which will apply for the Scheme Administrator's services are set out at Annexure G.

As noted in Section 6.3, KordaMentha have previously provided financial advice to the Company in respect of its financial position, and have provided invoices for in aggregate US\$75,000 (excluding GST) for those services.

### 13.3 ASIC Relief

ASIC has granted ASIC Relief in connection with this Explanatory Statement. Specifically, clause 8203(a) of Part 2 of the Corporations Regulations requires that this Explanatory Statement contain or have annexed to it a report on the affairs of the Scheme Company in accordance with ASIC Form 507, showing the financial position of the Scheme Company as at a day within one month of the date on which it intended to apply to the Court for an order under sections 411(1) and (1A) of the Corporations Act. ASIC granted the Scheme Company relief from this requirement so that the report on the affairs of the Scheme Company in accordance with ASIC Form 507 contained or annexed to this Explanatory Statement is only required to show the financial position of the Scheme Company as at 31 October 2019.

### 13.4 Rights and liabilities of Scheme Shares

The Scheme Shares proposed to be issued to Scheme Creditors under the Scheme will be of the same class and will, once issued, rank equally in all respects with existing Shares (including equal voting rights and equal rights to dividends, profits and capital).

The rights and liabilities attaching to the Scheme Shares are identical in all respects to the terms of the existing Shares.

The following is a summary of the principal rights of the holders of Shares. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders under the Constitution.

The Constitution may be inspected free of charge by appointment between 9.00am and 5.00pm on normal business days from the date of this Explanatory Statement up to the Implementation Date at the registered office of the Scheme Company (at Level 4, 1 Havelock Street, West Perth, WA 6005, Australia).

#### (a) Voting

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, every Shareholder present in person or by proxy, attorney or representative at a general meeting of the Scheme Company has one vote on a show of hands and one vote per Share held on a poll.

A Shareholder who holds a Share which is not fully paid is entitled, on a poll, to a fraction of the number of votes equal to the proportion which the amount paid on those Shares bears to the total issue price of those Shares.

Where there are 2 or more joint holders of a Share and more than one of them is present at a general meeting and tenders a vote in respect of the Share, the Scheme Company will only count the vote cast by the Shareholder whose name appears first in the Scheme Company's register of members.

#### (b) Meetings and notices

Each Shareholder is entitled to receive notice of and to attend and vote at general meetings of the Scheme Company and to receive all notices and other documents required to be sent to Shareholders under the Constitution and the Corporations Act.

The quorum for a meeting of members is at least 2 Shareholders.

#### (c) Dividends

Dividends may be declared only by the Board provided that section 254T of the Corporations Act and any relevant amendment or replacement of that section are complied with. Interest is not payable by the Scheme Company in respect of a dividend.

All dividends must be declared and paid on shares in proportion to the amounts paid (not credited) in proportion to the total amounts paid and payable (excluding amounts credited) in respect of the shares.

A dividend may be paid wholly or partly by the distribution of specific assets, including paid up shares in, or debentures of, another corporation.

(d) **Transfers**

Subject to the Constitution and the Corporations Act, the Shares are freely transferable.

A transfer of shares must be either in writing in a usual form or in another form approved by the Board.

(e) **Directors to issue Shares**

Subject to the Corporations Act and the Constitution and any special rights conferred on the holders of any Shares or class of Shares, the Board may issue or otherwise dispose of shares to those persons, including Shareholders, directors or employees of the Scheme Company, determined by the Board.

Shares may be issued with those preferred, deferred or other special rights or with those restrictions, whether with regard to dividends, voting, return of capital or otherwise as the Board determines.

(f) **Unmarketable parcels**

Subject to the Constitution and the Corporations Act, the Board may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

(g) **Directors - appointment and removal**

The Constitution states that the number of directors must not be less than 3 nor more than 7. The Scheme Company may, by resolution, increase or reduce the number of directors and may also determine in what rotation the increased or reduced number is to go out of office.

A person other than a director who retires by rotation or who ceases to be a director in accordance with clause 12 of the Constitution is not eligible to be appointed as a director at a general meeting unless notice of nomination of the person to be a director is given to the Company in accordance with the Constitution.

At a meeting at which a director retires, the Scheme Company may by resolution fill the vacated office by electing a person to that office, subject to a notice of nomination in respect of that person having been given to the Scheme Company in accordance with the Constitution.

At each annual general meeting of the Scheme Company the following directors must retire from office:

- (i) one third of the directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest one third; and
- (ii) any other director, except a managing director, who has been in office for 3 years or more since that director's election or last re-election as a director.

The directors to retire at an annual general meeting are those who have been longest in office since their last election. If 2 or more persons became directors on the same day, those to retire must be determined by lot unless they otherwise agree among themselves.

A director retiring at an annual general meeting who is not disqualified by law from being reappointed is eligible for re-election and may act as a director throughout the meeting at which that director retires.

A director may retire from office by giving notice in writing to the Scheme Company of that director's intention to retire.

The Board or the surviving director may at any time appoint a person to be a director, either to fill a casual vacancy or as an addition to the existing number of director. A director so appointed holds office only until the next annual general meeting after the appointment and is then eligible for re-election.

(h) **Powers of the Board**

The Board has the power to manage the business of the Scheme Company and may exercise all such powers of the Scheme Company which are not, by the Corporations Act, any other applicable law or the Constitution, required to be exercised by the Scheme Company in general meeting.

(i) **Winding-up**

Subject to the Constitution and the rights of holders of Shares with special rights in a winding-up, if the Scheme Company is wound up, Shareholders will be entitled to participate in any surplus assets of the Scheme Company in proportion to the percentage of the capital paid up on their Shares when the winding up begins.

(j) **Variation of rights**

Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the shares in any class may (subject to sections 246C and 246D of the Corporations Act) be varied or cancelled only with the written consent of the holders of 75% of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class. At present, the Scheme Company has on issue one class of shares only, namely Shares.

(k) **Member liability**

As the shares offered pursuant to the Scheme are fully paid ordinary shares in the Scheme Company, they are not subject to any calls for money by the Board and will therefore not become liable to forfeiture.

(l) **Capitalisation of profits**



The Scheme Company may capitalise profits, reserves or other amounts available for distribution to Shareholders. Subject to the Constitution and the terms of issue of shares, Shareholders are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(m) **Alteration of the Constitution**

The Constitution can only be amended by a special resolution passed by at least 75% of the total number of votes cast by Shareholders voting in person, by proxy, by attorney or in the case of corporate Shareholders, by corporate representative.

**13.5 Certified copy of financial statements**

Certified copies of the financial statements in respect of the Scheme Company to be lodged with ASIC as required by paragraph 8203(b) of Schedule 8 of the Corporations Regulations are set out at Annexure E.

**13.6 Report as to affairs of Scheme Company - ASIC Form 507**

The report and information in respect of the Scheme Company required by ASIC Form 507 (*Report on company activities and property*) and paragraph 8203(a) of Schedule 8 of the Corporations Regulations is set out at Annexure F.

**13.7 Scheme Creditors**

The relevant details of all Scheme Creditors as required by paragraphs 8201(c), (d), and (e) of Schedule 8 of the Corporations Regulations is set out at Annexure H.

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## 14 Interpretation and glossary

### 14.1 Interpretation

Headings and labels used for definitions are for convenience only and do not affect the interpretation of this Explanatory Statement. Unless the contrary intention appears, in this Explanatory Statement (other than the Annexures):

- (a) a reference to a Section or Annexure is to a Section in or Annexure to this Explanatory Statement;
- (b) the singular includes the plural and vice versa;
- (c) the meaning of general words is not limited by specific examples introduced by “including”, “for example”, “such as” or similar expressions;
- (d) a reference to “**person**” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association, an authority or any other entity or organisation;
- (e) a reference to a time of day is a reference to Perth, Western Australia, Australia time;
- (f) a reference to dollars or US\$ is a reference to the currency of the United States of America; and
- (g) a reference to A\$ is a reference to the currency of Australia.

### 14.2 Glossary

The following is a glossary of certain terms used in this Explanatory Statement. Defined terms not defined in the glossary of this Explanatory Statement have the meaning given to them in the Scheme.

<b>Term</b>	<b>Meaning</b>
<b>Agent</b>	The Law Debenture Trust Corporation P.L.C., in its capacity as agent under the Common Terms Agreement and other Financing Documents.
<b>Aggregate Senior Amount</b>	in respect of a Scheme Creditor, the aggregate amount of any principal and interest amounts outstanding or owing by the Scheme Company or any of the Other Obligors to that Scheme Creditor, whether actually or contingently, under the Senior Facility on the Business Day immediately prior to the commencement of Step 1 ( <i>Deeds Poll and aggregate amounts</i> ).
<b>Amending Financing Documents</b>	the documents to be entered in accordance with Step 4 ( <i>Amending Financing Documents</i> ) of the Scheme and substantially in the form at Schedule 10 to the Scheme.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASIC Relief</b>	an exemption or declaration granted by ASIC which gives relief from certain requirements of the Corporations Act or the Corporations Regulations.
<b>Assumed Debt</b>	the debt assumed by the Scheme Company pursuant to the Debt Assumption Deed.

<b>Term</b>	<b>Meaning</b>
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the market operated by it, as the context requires.
<b>BDO</b>	BDO Corporate Finance (WA) Pty Ltd (ABN 27 124 031 045).
<b>BDO Information</b>	the information in Section 9, the BDO Report and certain other information or statements in this Explanatory Statement that have been identified as being sourced from, or attributed to, BDO.
<b>BDO Report</b>	the independent expert's report dated 23 December 2019 and prepared by Sherif Andrawes, Adam Myers, Andrew Sallway and Ashton Lombardo of BDO, a copy of which is set out at Annexure D.
<b>Board</b>	the board of directors of the Scheme Company.
<b>Business Day</b>	a day on which banks are open for general banking business in Perth, Western Australia, Australia and Sydney, New South Wales, Australia (not being a Saturday, Sunday or public holiday in either place).
<b>Capital Works Program</b>	the Group's intended capital works program at the Kipoi Copper Project as described in Section 5.4.
<b>Chairperson</b>	Tim Klineberg who has been appointed to chair the Scheme Meeting, or if Tim Klineberg is unable or unwilling to attend, Michael Griffiths or Caroline Keats.
<b>Claim</b>	any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent or otherwise whether at law, in equity, under statute or otherwise.
<b>Calculation Date</b>	the date that is the second Business Day after the Effective Date.
<b>CFADS</b>	has the meaning given in the Common Terms Agreement.
<b>Common Terms Agreement</b>	the common terms agreement dated 16 December 2015 between SEK, the Scheme Company and others, as amended and/or amended and restated from time to time including on 20 January 2016.
<b>Constitution</b>	the Scheme Company's constitution.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth) and a reference to the Corporations Act or a provision of it includes as modified by applicable ASIC Relief.
<b>Corporations Regulations</b>	the <i>Corporations Regulations 2001</i> (Cth) and a reference to the Corporations Regulations or a provision of it includes as modified by applicable ASIC Relief.

<b>Term</b>	<b>Meaning</b>
<b>Costs</b>	costs, charges, fees and expenses.
<b>Court</b>	the Federal Court of Australia or such other court of competent jurisdiction.
<b>Court Orders</b>	the orders of the Court: <ul style="list-style-type: none"> <li>▪ approving the Scheme under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act); or</li> <li>▪ giving effect to the Scheme or any provision of it.</li> </ul>
<b>De-Listed</b>	the Scheme Company is removed from the official list of ASX.
<b>Deeds Poll</b>	has the meaning given in the Scheme.
<b>Debt Assumption Deed</b>	the deed substantially in the form of Schedule 11 to the Scheme.
<b>Directors</b>	the directors appointed to the Scheme Company as at the date of this Explanatory Statement.
<b>DRC</b>	Democratic Republic of Congo.
<b>DRC Government</b>	Government of the DRC.
<b>Effective</b>	the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under sections 411(4)(b) and 411(6) in relation to the Scheme.
<b>Effective Date</b>	the date on which the conditions precedent to the Scheme have been satisfied.
<b>End Date</b>	the date which is 6 months after the date that the Court Orders become Effective.
<b>Event of Default</b>	has the meaning given in the Common Terms Agreement.
<b>Explanatory Statement</b>	this document and its Annexures; that is, an information booklet approved by the Court and including the Scheme and an explanatory statement in accordance with the Corporations Act.
<b>FATA</b>	the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth).
<b>Financing Documents</b>	has the meaning given in the Common Terms Agreement.
<b>FIRB</b>	the Foreign Investment Review Board.

<b>Term</b>	<b>Meaning</b>
<b>FIRB Approval</b>	<p>in respect of a person (“<b>FIRB Applicant</b>”):</p> <ul style="list-style-type: none"> <li>▪ the Treasurer (or the Treasurer’s delegate) has provided a written no objection notification to the proposed issue or transfer (as applicable) of the relevant Scheme Shares either without conditions or with conditions acceptable to the FIRB Applicant (acting reasonably); or</li> <li>▪ following notice of the proposed issue or transfer (as applicable) of the Scheme Shares having been given by the FIRB Applicant to the Treasurer under the FATA, the Treasurer has ceased to be empowered to make any order under Part 3 of the FATA because the applicable time limit on making orders and decisions under the FATA has expired.</li> </ul>
<b>First Court Date</b>	the first date of the hearing of an application for the First Court Orders or, if the hearing of that application is adjourned, the first date to which the hearing is adjourned.
<b>First Court Hearing</b>	has the meaning given in Section 3.
<b>First Court Orders</b>	the orders of the Court convening the Scheme Meeting under section 411(1) of the Corporations Act.
<b>Further Exploration</b>	the Group’s intended further exploration activities described in Section 5.5.
<b>Gecamines</b>	has the meaning given in the Common Terms Agreement.
<b>Government Agency</b>	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC and the Takeovers Panel) and any stock exchange (including ASX).
<b>Group</b>	the Scheme Company and its subsidiaries as depicted in the Group structure chart set out at Annexure I.
<b>GST</b>	has the meaning given in the GST Act.
<b>GST Act</b>	the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<b>Guarantee</b>	the guarantee, share retention and subordination deed dated 18 January 2016 between SEK, the Scheme Company and others.

<b>Term</b>	<b>Meaning</b>
<b>Guarantors</b>	has the meaning given in the Common Terms Agreement.
<b>IBC</b>	has the meaning given in Section 6.3.
<b>IFC</b>	International Finance Corporation.
<b>Implementation Date</b>	<ul style="list-style-type: none"> <li>▪ the 5<sup>th</sup> Business Day after the Effective Date; or</li> <li>▪ if the Scheme Administrator forms the opinion that Steps 3 (<i>Debt assumption</i>) to 7 (<i>Released Obligor Individual releases</i>) cannot occur by the date above, such later date on which, in the opinion of the Scheme Administrator, such steps can occur,</li> </ul> <p>but, in any event, not earlier than the Business Day after the Calculation Date and not later than the End Date.</p>
<b>Implementation Period</b>	has the meaning given in Section 7.3.
<b>Intercompany Loan Agreement</b>	the document substantially in the form of Schedule 12 to the Scheme.
<b>Intercreditor and Security Sharing Agreement</b>	the intercreditor and security sharing agreement dated 20 January 2016 between the Scheme Creditors, the Security Trustee and others, as amended and/or amended and restated from time to time including on 14 August 2019.
<b>Kipoi Copper Project</b>	the project known as the Kipoi Copper Project, located approximately 75km northwest of Lubumbashi, the capital of Katanga Province in the DRC, comprising the exploration, development and operation of the mine in the Project Area and its associated infrastructure
<b>Loan Agreement</b>	has the meaning given to “Senior Loan Agreements” in the Common Terms Agreement.
<b>New Financing Documents</b>	<ul style="list-style-type: none"> <li>▪ each of the Amending Financing Documents;</li> <li>▪ the Debt Assumption Deed; and</li> <li>▪ the Intercompany Loan Agreement.</li> </ul>
<b>Obligors</b>	the Scheme Company and the Other Obligors.
<b>Other Obligors</b>	each of the persons listed column 1 of Schedule 2 to the Scheme.
<b>Other Obligors’ Deed Poll</b>	a deed poll substantially in the form of Schedule 5 to the Scheme.
<b>Potential Event of Default</b>	has the meaning given in the Common Terms Agreement.
<b>Project Area</b>	has the meaning given in the Common Terms Agreement.

<b>Term</b>	<b>Meaning</b>
<b>Proposed Restructure</b>	has the meaning given in Section 6.3.
<b>Proxy Form</b>	the form used by Scheme Creditors to appoint a proxy to vote on their behalf at the Scheme Meeting, substantially in the form set out at Annexure C.
<b>QMetco</b>	QMetco Limited (ACN 008 124 025).
<b>Regulatory Approval</b>	<p>other than under or in relation to FATA:</p> <ul style="list-style-type: none"> <li>▪ any approval, consent, authorisation, no objection, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with a Government Agency; or</li> <li>▪ in relation to anything that would be fully or partly prohibited or restricted by law if a Government Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.</li> </ul>
<b>Released Obligor Individual</b>	each person who is or was, at any time up to and including the Implementation Date, a director or officer of any Obligor (in their capacity as such) and who has executed, or at any time executes, a Released Obligor Individual Deed Poll and has delivered it to the Scheme Administrator.
<b>Released Obligor Individual's Deed Poll</b>	deed poll substantially in the form of Schedule 8 to the Scheme.
<b>Requisite Majority</b>	has the meaning given in Section 4.3.
<b>Scheme</b>	the scheme of arrangement under Part 5.1 of the Corporations Act between the Scheme Company and the Scheme Creditors, a copy of which is set out at Annexure A, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.
<b>Scheme Administrator</b>	Richard Tucker, or any other person who accepts the appointment to the role of scheme administrator of the Scheme, subject to section 411(7) of the Corporations Act provided, in each case, they have each executed a deed poll in substantially the same form as the Scheme Administrator Deed Poll.
<b>Scheme Administrator Deed Poll</b>	a deed poll substantially in the form of Schedule 4 to the Scheme.
<b>Scheme Company</b>	Tiger Resources Limited (ACN 077 110 304).

<b>Term</b>	<b>Meaning</b>
<b>Scheme Creditors</b>	Taurus, QMetco and IFC.
<b>Scheme Meeting</b>	the meeting of the Scheme Creditors ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Scheme, and includes any adjournment of that meeting.
<b>Scheme Shares</b>	the Shares to be issued by the Scheme Company pursuant to the Scheme.
<b>Second Court Date</b>	the date on which the Court Orders are granted, should that occur.
<b>Second Court Hearing</b>	the hearing of an application made to the Court for orders under section 411(4)(b), including any adjourned hearing.
<b>Secured Debt</b>	has the meaning given to “Secured Obligations” in the Common Terms Agreement.
<b>Security</b>	has the meaning given in the Common Terms Agreement.
<b>Security Trustee</b>	Law Debenture Trustees Limited, in its capacity as security trustee under the Common Terms Agreement and other Financing Documents.
<b>SEK</b>	Société d'Exploitation de Kipoi S.A.
<b>SEK Formation Agreement</b>	has the meaning given in the Common Terms Agreement.
<b>Senior Facility</b>	has the meaning given to “Priority Senior Loan” in the Intercreditor and Security Sharing Agreement.
<b>Senior Relevant Proportion</b>	in relation to a Scheme Creditor, the fraction (expressed as a percentage) that represents its pro-rata participation in the Senior Facility, as calculated where the numerator is the Aggregate Senior Amount in respect of that Scheme Creditor and the denominator is the Total Aggregate Senior Amount.
<b>Share</b>	a fully paid ordinary share in the capital of the Scheme Company.
<b>Share Register</b>	the register of members of the Scheme Company maintained by or on behalf of the Scheme Company in accordance with section 168(1) of the Corporations Act.
<b>Shareholder</b>	the registered holder of a Share.
<b>Shareholder Trustee</b>	has the meaning given in Section 7.8.
<b>Steps</b>	any of Steps 1 ( <i>Deeds Poll and aggregate amounts</i> ) to 7 ( <i>Released Obligor Individual releases</i> ) set out in the Scheme.



<b>Term</b>	<b>Meaning</b>
<b>Super Senior Facility</b>	has the meaning given to “Super Priority Senior Loan” in the Intercreditor and Security Sharing Agreement.
<b>Taurus</b>	Taurus Mining Finance Fund L.P.
<b>Total Aggregate Senior Amount</b>	the aggregate amount of the Aggregate Senior Amounts for all Scheme Creditors.
<b>Tranche A</b>	has the meaning given in Section 5.7(a)(iii).
<b>Tranche D</b>	has the meaning given in Section 5.7(a)(ii).
<b>Tranche D Letter</b>	the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 17 April 2019 between (among others) SEK, the Scheme Company (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), the Agent, the Security Trustee and others.
<b>Tranche E</b>	has the meaning given in Section 5.7(a)(i).
<b>Tranche E Letter</b>	the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 14 August 2019 between (among others) SEK, the Scheme Company (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), the Agent, the Security Trustee and others.
<b>Treasurer</b>	the Treasurer of the Commonwealth of Australia.
<b>Trustee Deed Poll</b>	a deed poll substantially in the form of Schedule 9 to the Scheme.

# Explanatory Statement

## Annexure A Scheme

# Scheme of Arrangement

Dated

Tiger Resources Limited (ACN 077 110 304) (“Scheme Company”)

The persons listed column 1 of Schedule 1 (“Scheme Creditors”)

**King & Wood Mallesons**

Level 61  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia  
**T** +61 2 9296 2000  
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# Scheme of Arrangement

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# Scheme of Arrangement

## Details

### Parties

<b>Scheme Company</b>	Name	<b>Tiger Resources Limited</b>
	ACN	077 110 304
	Formed in	Australia
	Address	Level 4 1 Havelock Street West Perth WA 6005 AUSTRALIA
	Email	ckeats@tigerez.com
	Attention	Caroline Keats
<b>Scheme Creditors</b>	<b>The persons listed column 1 of Schedule 1</b>	
<b>Governing law</b>	New South Wales, Australia	

<b>Recitals</b>	<b>A</b>	The directors of the Scheme Company have resolved that the Scheme Company should propose this Scheme.
	<b>B</b>	This Scheme is proposed in connection with: (a) Claims against the Scheme Company by the Scheme Creditors under the Financing Documents; (b) certain arrangements in relation to the New Financing Documents; and (c) the issue of New Shares to the Scheme Creditors.
	<b>C</b>	The Scheme Administrator, pursuant to the Scheme Administrator's Deed Poll, has consented to this Scheme, agreed to be bound by this Scheme as if they were a party to this Scheme and undertaken to perform all obligations and actions attributed to them under this Scheme.
	<b>D</b>	Each Other Obligor, pursuant to the Other Obligors' Deed Poll, has consented to this Scheme, agreed to be bound by this Scheme as if it were a party to this Scheme and undertaken to perform all obligations and actions attributed to it under this Scheme.

- E** The Agent and the Security Trustee will execute their respective Deeds Poll once the Court Orders have been made and the Steps have initiated in accordance with this Scheme.
  
- F** The Trustees will, if they are nominated by the Scheme Company in accordance with the terms of this Scheme, execute their respective Trustee Deed Poll once the Court Orders have been made.

# Scheme of Arrangement

## General terms

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### 1 Definitions and interpretation

#### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**Acting Beneficiary** means:

- (a) in respect of any trust of which Trustee 1 is trustee, the person nominated by the Scheme Company on or before the Calculation Date;
- (b) in respect of any trust of which Trustee 2 is trustee, the person nominated by the Scheme Company on or before the Calculation Date; and
- (c) in respect of any trust of which Trustee 3 is trustee, the person nominated by the Scheme Company on or before the Calculation Date.

**Acting Beneficiary Costs** means actual or contingent fees, remuneration, costs, charges, debts, liabilities and expenses (including taxation liabilities and Duties) incurred in connection with the performance of each Acting Beneficiary's duties, obligations and responsibilities under this Scheme and the relevant Trust Deed, including actual or contingent costs, charges, liabilities and expenses incurred in connection with any advisers.

**Agent** means The Law Debenture Trust Corporation P.L.C.

**Agent's Deed Poll** means a deed poll substantially in the form of Schedule 6.

**Aggregate Senior Amount** means, in respect of a Scheme Creditor, the aggregate amount of any principal and interest amounts outstanding or owing by the Scheme Company or any of the Other Obligors to that Scheme Creditor, whether actually or contingently, under the Senior Facility on the Business Day immediately prior to the commencement of Step 1.

**Amending Financing Documents** means:

- (a) the amendment and restatement deed to the loan agreement between the Borrower and TMFF dated 16 December 2015 (as amended and restated from time to time), being the document substantially in the form in Schedule 10;
- (b) the amendment and restatement deed to the loan agreement between the Borrower and IFC dated 16 December 2015 (as amended and restated from time to time), being the document substantially in the form in Schedule 10;
- (c) the amendment and restatement deed to the loan agreement between the Borrower and QMetco dated 31 August 2019, being the document substantially in the form in Schedule 10; and
- (d) the amending side letter, being the document substantially in the form in Schedule 10.



**ASIC** means the Australian Securities and Investments Commission.

**Assumed Debt** means the debt assumed by the Scheme Company pursuant to the Debt Assumption Deed.

**ASX** means ASX Limited (ACN 008 624 691) or the market operated by it, as the context requires.

**Borrower** means Societe D'exploitation De Kipoi S.A.

**Business Day** means a day on which banks are open for general banking business in Perth, Western Australia, Australia and Sydney, New South Wales, Australia (not being a Saturday, Sunday or public holiday in either place).

**Calculation Date** means the second Business Day after the Effective Date.

**Claim** means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent or otherwise whether at law, in equity, under statute or otherwise.

**Common Terms Agreement** means the common terms agreement dated 16 December 2015 between the Scheme Company, the Scheme Creditors, the Other Obligors, the Agent and the Security Trustee, as amended and restated from time to time including on 20 January 2016.

**Control** has the meaning given in section 50AA of the Corporations Act.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Federal Court of Australia (Sydney Registry) or another court of competent jurisdiction under the Corporations Act.

**Court Orders** means the orders of the Court:

- (a) approving this Scheme under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act); or
- (b) giving effect to the Scheme or any provision of it.

**Debt Assumption Deed** means the document substantially in the form in Schedule 11.

**Deed Poll** means any of the:

- (a) Scheme Administrator's Deed Poll;
- (b) Other Obligors' Deed Poll;
- (c) Agent's Deed Poll;
- (d) Security Trustee's Deed Poll;
- (e) Released Obligor Individual's Deed Poll,
- (f) Trustee Deed Poll,

as the context requires, and **Deeds Poll** means all of them.

**Demands** has the meaning given in clause 5.6(c).

**Details** means the section of this Scheme headed “Details”.

**Duty** means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them.

**DRC** means the Democratic Republic of the Congo.

**Effective** means, in relation to this Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the Court Orders.

**Effective Date** means the date on which each of the conditions precedent in clause 4.1 have been satisfied.

**End Date** means the date which is 6 months after the date that the Court Orders become Effective.

**FATA** means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

**Final Escrow Date** means [13 March 2020].

**Financing Documents** has the meaning given in the Common Terms Agreement.

**FIRB Approval** means in respect of a person (“**FIRB Applicant**”):

- (a) the Treasurer (or the Treasurer’s delegate) has provided a written no objection notification to the proposed issue or transfer (as applicable) of the relevant Scheme Shares either without conditions or with conditions acceptable to the FIRB Applicant (acting reasonably); or
- (b) following notice of the proposed issue or transfer (as applicable) of the Scheme Shares having been given by the FIRB Applicant to the Treasurer under the FATA, the Treasurer has ceased to be empowered to make any order under Part 3 of the FATA because the applicable time limit on making orders and decisions under the FATA has expired.

**First Court Date** means the date of the hearing for an application to convene the Scheme Meeting pursuant to section 411(1) of the Corporations Act or, if the hearing of that application is adjourned, the date to which the hearing is adjourned.

**Government Agency** means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC and the Takeovers Panel) and any stock exchange (including ASX).

**Group** means the Scheme Company and its Related Bodies Corporate.

**GSRs Deed** means the guarantee, share retention and subordination deed dated 18 January 2016 between the Scheme Company, the Scheme Creditors, the Other Obligors, the Agent and the Security Trustee.

**Guaranteed Obligations** has the meaning given in the GSRs Deed.

**IFC** means International Finance Corporation.

**Implementation Date** means:

- (a) the 5<sup>th</sup> Business Day after the Effective Date; or
- (b) if the Scheme Administrator forms the opinion that Steps 3 (*Debt assumption*) to 7 (*Released Obligor Individual releases*) cannot occur on the date in (a) above, such other date on which, in the opinion of the Scheme Administrator, such steps can occur,

but, in any event, not earlier than the Business Day after the Calculation Date and not later than the End Date.

**Implementation Period** means the period on and from the Effective Date up to the earlier of the completion of Step 7 (*Released Obligor Individual releases*) and the End Date.

**Intercompany Loan Agreement** means the document substantially in the form in Schedule 12.

**Intercreditor and Security Sharing Agreement** means the intercreditor and security sharing agreement dated 20 January 2016 between the Scheme Creditors, the Agent and the Security Trustee, as amended and restated from time to time including on 14 August 2019.

**Liabilities** has the meaning given in clause 5.6(a).

**Losses** has the meaning given in clause 5.6(b).

**New Financing Documents** means:

- (a) each of the Amending Financing Documents;
- (b) the Debt Assumption Deed; and
- (c) the Intercompany Loan Agreement.

**Obligors** means the Scheme Company and the Other Obligors.

**Other Obligors** means the persons listed column 1 of Schedule 2.

**Other Obligors' Deed Poll** means a deed poll substantially in the form of Schedule 5.

**QMetco** means QMetco Limited (ACN 008 124 025).

**Recipient** has the meaning given in clause 8.2.

**Recipient Claim Period** means the period of 12 months following the date of the Court Orders.

**Related Body Corporate** has the meaning it has in the Corporations Act.

**Relevant Scheme Creditor** has the meaning given in clause 8.1.

**Regulatory Approval** means other than under or in relation to FATA:

- (a) any approval, consent, authorisation, no objection, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with a Government Agency; or

- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Government Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

**Released Obligor Individual** means each person who is or was, at any time up to and including the Implementation Date, a director or officer of any Obligor (in their capacity as such) and who has executed, or at any time executes, a Released Obligor Individual's Deed Poll and has delivered it to the Scheme Administrator.

**Released Obligor Individual's Deed Poll** means a deed poll substantially in the form of Schedule 8.

**Relevant Document** means each of:

- (a) this Scheme;
- (b) the New Financing Documents; and
- (c) the Other Obligors' Deed Poll.

**Scheme** means this scheme of arrangement under Part 5.1 of the Corporations Act between the Scheme Company and each Scheme Creditor as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act.

**Scheme Administrator** means Richard Tucker of KordaMentha, or any other person(s) who are appointed as Scheme Administrator from time to time in accordance with this Scheme, subject to:

- (a) section 411(7) of the Corporations Act; and
- (b) them having each executed and delivered to the Scheme Company a Scheme Administrator's Deed Poll.

**Scheme Administrator's Deed Poll** means a deed poll substantially in the form of Schedule 4.

**Scheme Claims** means, in respect of each Scheme Creditor, all their Claims against the Scheme Company or the Other Obligors arising under or in connection with the Financing Documents.

**Scheme Explanatory Statement** means the statement provided by the Scheme Company in connection with this Scheme pursuant to section 412(1) of the Corporations Act.

**Scheme Meeting** means the meeting or meetings of the Scheme Creditors or class meetings (as the case may be) ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to this Scheme, and includes any adjournment of that meeting.

**Scheme Shares** means the Shares to be issued in accordance with Step 6 (*Scheme Share issue*) of a number to be calculated in accordance with the following formula:

$$A = \frac{B}{0.00067}$$

where:

- (a) “**A**” means the number of Shares to be issued in accordance with Step 6 (*Scheme Share issue*); and
- (b) “**B**” means the value of the Assumed Debt being released under Step 5 (*Assumed Debt*).

**Second Court Date** means the date on which the Court Orders are granted, should that occur.

**Security** has the meaning given in the Common Terms Agreement.

**Security Trustee** means Law Debenture Trustees Limited.

**Security Trustee’s Deed Poll** means a deed poll substantially in the form of Schedule 7.

**Senior Facility** has the meaning given to “Priority Senior Loan” in the Intercreditor and Security Sharing Agreement.

**Senior Relevant Proportion** means, in relation to a Scheme Creditor, the fraction (expressed as a percentage) that represents its pro-rata participation in the Senior Facility, as calculated where the numerator is the Aggregate Senior Amount in respect of that Scheme Creditor and the denominator is the Total Aggregate Senior Amount.

**Share** means a fully paid ordinary share in the capital of the Scheme Company.

**Share Register** means the register of members of the Scheme Company maintained by or on behalf of the Scheme Company in accordance with section 168(1) of the Corporations Act.

**Step** means any of Steps 1 (*Deeds Poll and Aggregate Senior Amounts*) to 7 (*Released Obligor Individual releases*) set out in clause 7.5 and **Steps** means all of them.

**TMFF** means Taurus Mining Finance Fund L.P.

**Total Aggregate Senior Amount** means the aggregate amount of the Aggregate Senior Amounts for all Scheme Creditors.

**Treasurer** means the Treasurer of the Commonwealth of Australia.

**Trust Deeds** means all or each of (as the context requires) of the following:

- (a) a trust deed which establishes “Jericho Trust 1” and of which Trustee 1 is the trustee;
- (b) the trust deed which establishes “Jericho Trust 2” and of which Trustee 2 is the trustee; and
- (c) the trust deed which establishes “Jericho Trust 3” and of which Trustee 3 is the trustee.

**Trustee** means Trustee 1, Trustee 2 or Trustee 3 (as the context requires).

**Trustee Costs** means actual or contingent fees, remuneration, costs, charges, debts, liabilities and expenses (including taxation liabilities and Duties) incurred in connection with the performance of each Trustee’s duties, obligations and responsibilities under this Scheme and the relevant Trust Deed, including actual or contingent costs, charges, liabilities and expenses incurred in connection with any advisers, and includes the Acting Beneficiary Costs.

**Trustee Deed Poll** means a deed poll substantially in the form of Schedule 9.

**Trustee Rights** means, in respect of each Trustee, its rights under this Scheme, at law and under the relevant Trust Deed, including its right of indemnity and right to payment of the “Trustee Remuneration” and “Trustee Costs” (as those terms are defined in the relevant Trust Deed).

**Trustee 1** means the person nominated by the Scheme Company on or before the Calculation Date to act as trustee to hold the Scheme Shares (inter alia) to be issued to TMFF pursuant to Step 6 (*Scheme Share issue*).

**Trustee 2** means the person nominated by the Scheme Company on or before the Calculation Date to act as trustee to hold the Scheme Shares (inter alia) to be issued to QMetco pursuant to Step 6 (*Scheme Share issue*).

**Trustee 3** means the person nominated by the Scheme Company on or before the Calculation Date to act as trustee to hold the Scheme Shares (inter alia) to be issued to IFC pursuant to Step 6 (*Scheme Share issue*).

**Unaccounted Proceeds** has the meaning given in clause 8.3(c)(iii).

**Unaccounted Proceeds Period** has the meaning given in clause 8.3(c)(iii).

**Unaccounted Recipient** means a Recipient that does not provide:

- (a) each confirmation as requested under clause 8.3(a)(i) (including a confirmation that its instructions to deal with its pro-rata entitlement of Scheme Shares are permitted at law); and
- (b) either:
  - (i) an executed share transfer certificate as requested under 8.3(a)(ii); or
  - (ii) an instruction to the relevant Trustee to sell the Scheme Shares to which the Recipient is entitled and deposit any proceeds realised into a nominated account in accordance with 8.3(a)(i)(B)(ac),

before the end of the Recipient Claim Period.

## 1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this Scheme:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a document includes any agreement, deed or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);
- (c) a reference to a document also includes any variation, replacement or novation of it;
- (d) the meaning of general words is not limited by specific examples introduced by “including”, “for example”, “such as” or similar expressions;
- (e) a reference to “**person**” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;

- (f) a reference to a particular person (such as a party to this Scheme or to any other document) includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to a time of day is a reference to Perth, Western Australia, Australia time;
- (h) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (i) a reference to "**law**" includes common law, principles of equity and legislation (including regulations);
- (j) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (k) a reference to "**regulations**" includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (l) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (m) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (n) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (o) if a party must do something under this Scheme on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day; and
- (p) if the day on which a party must do something under this Scheme is not a Business Day, the party must do it on the next Business Day.

### 1.3 Multiple parties

If a party to this Scheme is made up of more than one person, or a term is used in this Scheme to refer to more than one party, then unless otherwise specified in this Scheme:

- (a) an obligation on 2 or more persons binds them jointly and each of them individually but an agreement, representation or warranty by the Scheme Creditors binds the Scheme Creditors individually only; and
- (b) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking relates to each of them individually only.

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## 2 Further assurances

Upon written request by the Scheme Administrator, each of the Scheme Company, the Scheme Creditors, the Agent, the Security Trustee and the Other Obligors must take any step that the Scheme Administrator considers is necessary or desirable to give full effect to this Scheme and the transactions contemplated by this Scheme, including the execution by that party of the New Financing Documents to which it is a party or any other document specified by the Scheme Administrators.

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## **3 Third parties**

### **3.1 Capacity of Agent and Security Trustee**

Any action taken (including the giving of any release) in connection with this Scheme by:

- (a) the Agent, or on its behalf, is done in its capacity as agent under the Common Terms Agreement, and not in the Agent's personal capacity; and
- (b) the Security Trustee, or on its behalf, is done in its capacity as trustee under the Intercreditor and Security Sharing Agreement and not in the Security Trustee's personal capacity.

### **3.2 Deeds Poll**

- (a) This Scheme attributes actions to persons other than the Scheme Company and the Scheme Creditors, being the Scheme Administrator, the Other Obligors, each Released Obligor Individual, the Agent, the Security Trustee and the Trustees.
- (b) The Scheme Administrator has agreed or will agree, by executing the Scheme Administrator's Deed Poll, to perform the actions attributed to it under this Scheme, and is taken to be a party to this Scheme on and subject to the provisions of the Scheme Administrator's Deed Poll.
- (c) Each Other Obligor has agreed or will agree, by executing the Other Obligors' Deed Poll, to perform the actions attributed to it under this Scheme, and is taken to be a party to this Scheme on and subject to the provisions of the Other Obligors' Deed Poll.
- (d) Each Released Obligor Individual has agreed or will agree, by executing the Released Obligor Individual's Deed Poll, to perform the actions attributed to it under this Scheme, and is taken to be a party to this Scheme on and subject to the provisions of the Released Obligor Individual's Deed Poll.
- (e) Each Trustee has agreed or will agree, by executing the Trustee Deed Poll, to perform the actions attributed to it under this Scheme, and is taken to be a party to this Scheme on and subject to the provisions of the Trustee Deed Poll.
- (f) The Agent has agreed or will agree, by executing the Agent's Deed Poll after receiving all instructions, consents and directions that it requires pursuant to clause 7.5(a)(iii), to perform the actions attributed to it under this Scheme, and is taken to be a party to this Scheme on and subject to the provisions of the Agent's Deed Poll.
- (g) The Security Trustee has agreed or will agree, by executing the Security Trustee's Deed Poll after receiving all instructions, consents and directions that it requires pursuant to clause 7.5(a)(iii), to perform the actions attributed to it under this Scheme, and is taken to be a party to this Scheme on and subject to the provisions of the Security Trustee's Deed Poll.



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## 4 Conditions precedent

### 4.1 Conditions

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) **(FATA)** as at 8.00am on the Second Court Date, any Scheme Creditor whose participation in the Scheme is subject to FATA (each a “**FATA Applicant**”) has obtained FIRB Approval or if not, the Scheme Company has taken all steps necessary to ensure that the arrangements in clause 8 can apply on the Implementation Date.
- (b) **(Regulatory Approvals)** as at 8.00am on the Second Court Date, each other Regulatory Approval necessary or (in the opinion of the Scheme Company) desirable to implement and complete the Scheme and each Step has been provided on an unconditional basis, or with conditions satisfactory to the Scheme Creditors acting reasonably, and shall remain in full force and effect and shall not have been withdrawn, suspended or revoked, including approval from the DRC Government to an indirect change of control of the Borrower.
- (c) **(Corporate Approvals)** as at 8.00am on the Second Court Date, each Obligor has received all corporate approvals necessary or (in the opinion of the relevant Obligor) desirable to implement and complete the Scheme and each Step;
- (d) **(Deeds Poll)** as at 8.00am on the Second Court Date:
  - (i) the Scheme Administrator has executed and delivered to the Scheme Company the Scheme Administrator’s Deed Poll; and
  - (ii) each of the Other Obligors have executed and delivered to the Scheme Company the Other Obligors’ Deed Poll to be held in escrow by the Scheme Company and to be released in accordance with clause 7.5(a)(ii);
- (e) **(Scheme Creditor approval)** Scheme Creditors present and voting in person or by proxy at the Scheme Meeting approve the Scheme proposal by the majorities required under section 411(4)(a)(i) of the Corporations Act;
- (f) **(ASX delisting)** the Scheme Company is removed from the official list of ASX;
- (g) **(Court approval)** the Court makes the Court Orders, including with such alterations or conditions required by the Court under section 411(6) of the Corporations Act and the alterations or conditions (if any) do not change the substance of this Scheme, including the Steps, in any material respect;
- (h) **(other conditions)** any other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme (which conditions do not change the substance of this Scheme, including the Steps, in any material respect) have been satisfied;
- (i) **(recognition in England)** an order recognising the Scheme is made by the High Court of England pursuant to Article 17(2)(b) of Schedule 1 to *The Cross-Border Insolvency Regulations 2006* (England and Wales); and

- (j) **(Effective)** the Court Orders become Effective.

## **4.2 Certificate**

- (a) On the Second Court Date, the Scheme Company must provide a certificate to the Court (or such other evidence as the Court may request) confirming, in respect of matters within its knowledge, whether or not the conditions precedent set out in clause 4.1 (other than the conditions precedent in clauses 4.1(g), 4.1(h) and 4.1(j)) have been satisfied as at 8.00am (Sydney time) on the Second Court Date.
- (b) The certificate (or other evidence) given by the Scheme Company in accordance with clause 4.2(a) constitutes conclusive evidence, as between the parties, of whether the conditions precedent set out in clause 4.1 (other than the conditions precedent in clauses 4.1(g), 4.1(h) and 4.1(j)) have been satisfied as at 8.00am (Sydney time) on the Second Court Date.

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# **5 Scheme Administrator**

## **5.1 Qualification of the Scheme Administrator**

A person may only be appointed as a Scheme Administrator if the person:

- (a) is qualified pursuant to section 411(7) of the Corporations Act;
- (b) consents to act as the Scheme Administrator; and
- (c) has executed and delivered to the Scheme Company a Scheme Administrator's Deed Poll.

## **5.2 Appointment of the Scheme Administrator**

- (a) On and from the Effective Date, and subject to clause 5.9, the Scheme Company and each of the Scheme Creditors appoint Richard Tucker of KordaMentha as Scheme Administrator of the Scheme.
- (b) The Scheme Administrator accepts the appointment.
- (c) Within 14 days after being appointed to administer the Scheme, the Scheme Administrator will lodge with ASIC a notice substantially in the form of ASIC form 505 (*Notification of appointment or cessation of an external administrator*) (or its equivalent).
- (d) The Scheme Administrator will be appointed with, and will have at all times, all of the powers, obligations, functions and duties of the Scheme Administrator.

## **5.3 Authority of the Scheme Administrator in connection with the Scheme**

- (a) On and from the Effective Date, and subject to clause 5.9, the Scheme Company, each Scheme Creditor, the Agent, Security Trustee, each Other Obligor and each Trustee irrevocably authorises the Scheme Administrator to take all steps and do all other things necessary or desirable to give effect to the Scheme.
- (b) Without limiting clause 5.3(a), and in the alternative, on and from the Effective Date, the Scheme Administrator is constituted the attorney of

the Scheme Company, each Scheme Creditor, each Other Obligor and each Trustee to do the acts, matters and things (including execute any document, including the New Financing Documents to which it is a party) described in clause 5.3(a).

- (c) In addition to the authority provided in clauses 5.3(a) and 5.3(b), the Scheme Administrator is empowered to do anything necessary or desirable to stamp or register this Scheme (including to give effect to the powers of attorney granted to the Scheme Administrator set out in this clause), the Court Orders or any of the New Financing Documents.
- (d) The authority given by this clause 5.3 is irrevocable and as if it were made under seal and by deed.
- (e) Each Scheme Creditor, the Scheme Company, each Other Obligor, each Trustee, the Agent and Security Trustee ratifies and confirms each act that the Scheme Administrator lawfully performs or undertakes on their behalf under this clause 5.3.

#### **5.4 Exercise of powers**

- (a) The Scheme Administrator may:
  - (i) employ their partners and staff to assist them in the performance or exercise of their duties, obligations, responsibilities and powers under this Scheme;
  - (ii) appoint agents to do anything that the Scheme Administrator may do under this Scheme; and
  - (iii) appoint a solicitor, accountant, barrister or other professionally qualified person or persons to assist or advise the Scheme Administrator.
- (b) Except as expressly provided, in exercising or performing any of their duties, obligations, responsibilities or powers under the Scheme, the Scheme Administrator is taken:
  - (i) to act as agent for the Scheme Company; and
  - (ii) not to act as, nor to have any of the duties of, a trustee.

#### **5.5 Responsibility**

- (a) In carrying out their functions and exercising their powers under this Scheme, the Scheme Administrator will act bona fide and with due care and diligence.
- (b) The Scheme Administrator will carry out their functions and exercise their powers in the interests of the Scheme Creditors as a whole, and will use their power under this Scheme for the purpose of ensuring that this Scheme is implemented in accordance with its terms.
- (c) Subject to section 1321 of the Corporations Act and so far as the law permits, a Scheme Creditor will not be entitled to challenge the validity of any act done by, or omitted to be done by, or the exercise of any power by, the Scheme Administrator.

## 5.6 Liability

Subject to the Corporations Act, in the performance or exercise of the Scheme Administrator's powers, obligations, functions and duties under this Scheme, the Scheme Administrator will not be personally liable for:

- (a) any debts, liabilities, obligations or claims of any kind whatsoever incurred by or on behalf of the Scheme Company, including any moneys borrowed and interest thereon, any contracts adopted or otherwise agreed and any duty or any tax liable to be remitted or otherwise paid ("**Liabilities**");
- (b) any loss or damage of any kind whatsoever caused by or as a result of any payment to a Scheme Creditor, to which that Scheme Creditor is not entitled only by reason of change in law ("**Losses**"); or
- (c) any actions, suits, proceedings, accounts, claims or demands arising out of this Scheme or in relation to a Scheme Claim which may be commenced, incurred by or made by any person and all costs, charges and expenses incurred in respect thereof ("**Demands**"),

whether before, during or after the Effective Date, unless attributable to fraud, gross negligence or breach of trust.

## 5.7 Indemnity

- (a) The Scheme Company will indemnify and keep indemnified the Scheme Administrator for:
  - (i) their remuneration, costs, fees and expenses (including legal costs) payable pursuant to clause 5.8;
  - (ii) all Liabilities, Losses and Demands; and
  - (iii) all personal liability that the Scheme Administrator may incur in respect of their role as Scheme Administrator,

unless attributable to fraud, gross negligence, wilful misconduct or breach of trust.

- (b) The indemnity under clause 5.7(a) takes effect on and from the Effective Date and be without limitation as to time and shall ensure for the benefit of the Scheme Administrator's respective legal personal representatives notwithstanding the removal of the Scheme Administrator and the appointment of replacement Scheme Administrator or the termination of the Scheme for any reason whatsoever.
- (c) The indemnity under clause 5.7(a) will not:
  - (i) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Scheme Administrator and extends to all actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Scheme Administrator, the approval and performance of this Scheme or otherwise; or
  - (ii) affect or prejudice all or any rights that the Scheme Administrator may have against any other person to be indemnified against the costs, charges, expenses and liabilities incurred by the Scheme Administrator of or incidental to the exercise or performance of any of the powers or authorities

conferred on the Scheme Administrator by the Scheme or otherwise.

- (d) References in this clause 5.7 to “Scheme Administrator” include any person or body corporate authorised to act on their behalf under this Scheme.
- (e) This indemnity survives implementation or termination of this Scheme.

## **5.8 Remuneration**

- (a) The remuneration of the Scheme Administrator, their partners and staff will be calculated on a time basis at the hourly rates set out in Annexure G of the Scheme Explanatory Statement or such other amount approved in writing by the Scheme Company.
- (b) Subject to the Corporations Act, the Scheme Administrator will be entitled immediately prior to their resignation pursuant to clause 5.10, or on a monthly basis, to render an invoice for their remuneration, together with their costs, charges and expenses, including all legal costs (on an indemnity basis) such as the legal costs associated with the negotiation, preparation and performance of this Scheme, to the Scheme Company.
- (c) An invoice rendered by the Scheme Administrator pursuant to clause 5.8(b) is payable by the Scheme Company.

## **5.9 Directors of the Scheme Company remain in Control**

Subject to the terms of this Scheme:

- (a) the directors of the Scheme Company:
  - (i) remain in Control of the Scheme Company with respect to the conduct of its business; and
  - (ii) remain in Control of all of the assets of the Scheme Company; and
- (b) the Scheme Administrator does not have, and cannot exercise, any power in connection with the matters reserved to the directors of the Scheme Company referred to in clause 5.9(a).

## **5.10 Cessation**

- (a) If the Scheme Administrator ceases to be the Scheme Administrator (except by reason of resignation under clause 5.11), a person may be appointed in their place only in accordance with section 411(7) of the Corporations Act and provided that they have executed and delivered to the Scheme Company a Scheme Administrator’s Deed Poll.
- (b) The Scheme Administrator ceases to be the Scheme Administrator if they:
  - (i) cease to be qualified pursuant to section 411(7) of the Corporations Act;
  - (ii) resign from office by not less than one months’ notice in writing to each Scheme Creditor and the Scheme Company;
  - (iii) is removed from office by an order of the Court;

- (iv) cease, for any reason, to be a partner of KordaMentha, or takes or is placed on leave from their position for a period immediately prior to retirement from the partnership of KordaMentha;
- (v) become incapacitated through injury or illness which renders the Scheme Administrator incapacitated to such an extent that they are unfit or unlikely to be able to carry out their duties under this Scheme;
- (vi) become of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (vii) become bankrupt; or
- (viii) die.

### **5.11 Resignation of Scheme Administrator**

Following the delivery of the register pursuant to clause 7.3(b), the Scheme Administrator will resign as, and be taken to have resigned as, Scheme Administrator and must as soon as reasonably practicable:

- (a) confirm to the Scheme Company, Scheme Creditors, Agent and Security Trustee that the Scheme has been fully implemented; and
- (b) lodge with ASIC a notice substantially in the form of ASIC form 505 (or its equivalent).

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## **6 Agent and Security Trustee**

- (a) On and from the Effective Date, notwithstanding any term of any relevant document, the Scheme Creditors hereby:
  - (i) provide the Agent and Security Trustee with all instructions, authorisations and consents required, or that are necessary or desirable, to:
    - (A) perform their obligations, or to implement the Steps, under this Scheme;
    - (B) enter into the New Financing Documents (as applicable) in accordance with this Scheme; and
    - (C) perform their obligations in connection with the New Financing Documents (as applicable);
  - (ii) direct the Agent and Security Trustee to execute and do, and to instruct each other party to which it is entitled to instruct to execute and do, or otherwise procure to be executed and done, all such documents (including the New Financing Documents (as applicable)), acts or things as may be necessary or desirable to be executed or done by them for the purposes of giving effect to the terms of this Scheme; and
  - (iii) provide the Agent and Security Trustee with all other instructions, authorisations and consents that are required, necessary or convenient, to enable the Agent and Security Trustee to do anything that this Scheme requires or otherwise provides for the Agent or Security Trustee to do.

- (b) Each Scheme Creditor and each Obligor will, if required, do such acts as may be required of it by the Scheme Administrator to give the instructions, consents and notifications referred to above and failing which the Scheme Administrator will do so on their behalf pursuant to clause 5.3.

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## **7 Implementation Steps**

### **7.1 Definitions, interpretation and undertaking not to make Claims**

- (a) The parties agree that:
  - (i) subject to clause 7.1(c), all releases and discharges in this clause 7 are irrevocable at and from the time they are expressed to take effect;
  - (ii) a reference to an amount owing in this clause 7 is a reference to that amount whether actually or contingently owing; and
  - (iii) notwithstanding anything in clause 7.5, anything (including an issue, allotment, release or discharge) occurring under a Step is binding and effective even if there is no consideration for it.
- (b) Subject to clause 7.1(c), each party releasing a Claim or releasing any other party from an obligation owed to it by that party under this clause 7 absolutely and irrevocably undertakes to that party, at and from the time each such release is expressed to take effect and subject to all conditions to that released Claim or released obligation (if any) having been satisfied in accordance with their terms, that it will not make any Claim in respect of the released Claim or obligation to the extent that the Claim or obligation has been released in accordance with this Scheme and this Scheme may be pleaded as a bar to any such Claim in any jurisdiction whatsoever.
- (c) Where, in the opinion of the Scheme Administrator, as a result of a release, discharge, allotment, issue or other event referred to or contemplated by a Step failing to occur or to take effect, it is not possible to give effect to the intent and purpose of this Scheme in all material respects:
  - (i) no other release, discharge, allotment, issue or other event referred to or contemplated by the Steps has effect (including as a result of nonsatisfaction of a condition to a released Claim or released obligation, if any), and each such release, discharge, allotment, issue or other event is deemed not to have effect; and
  - (ii) the Scheme Company, Scheme Creditors and the Other Obligors must do all things reasonably necessary to put each other party in the position it would have been in if none of the Steps had occurred.

### **7.2 End Date**

If all of the Steps have not been completed on or before 11.59pm on the End Date, then with effect from that time, this Scheme will not be capable of implementation and this Scheme will lapse, terminate and be of no further force or effect (other than clause 7.1(c)(ii)).

### 7.3 Scheme Administrator's register and certification

- (a) The Scheme Administrator must keep a register noting the time of completion of the Steps in the form of Schedule 3, and sign it where indicated on completion of each Step. Each of the register and a copy of the register certified by the Scheme Administrator will be conclusive evidence that the Step was completed at the time noted in the register.
- (b) As soon as practicable after completion of the Steps, the Scheme Administrator will give a copy of the register, certified by the Scheme Administrator, to each of the Scheme Company, the Scheme Creditors, the Agent and the Security Trustee.

### 7.4 Timing of Steps

- (a) As early as practicable on the Effective Date the Scheme Administrator must notify the Scheme Company, the Scheme Creditors, the Other Obligors, the Agent and the Security Trustee of:
  - (i) the fact that the Court Orders have become Effective; and
  - (ii) the date which it anticipates that Steps 3 (*Debt assumption*) to 7 (*Released Obligor Individual releases*) inclusive will likely be able to be completed (which is anticipated to be the Implementation Date).
- (b) Steps 1 (*Deeds Poll and aggregate amounts*) and 2 (*Calculations*) are to occur on the dates as set out in clause 7.5 in accordance with their terms.
- (c) Steps 3 (*Debt Assumption*) to 7 (*Released Obligor Individual releases*) inclusive are to occur on the Implementation Date as set out in clause 7.5 in accordance with their terms so long as the Steps referred to clause 7.4(b) have been completed.
- (d) If there is a change to the date notified by the Scheme Administrator pursuant to clause 7.4(a)(ii) as being the Implementation Date the Scheme Administrator must, as soon as practicable after the change, notify the Scheme Company, the Scheme Creditors, the Other Obligors, the Agent and the Security Trustee of the details of that change (including the reasons for it).

### 7.5 Steps

#### (a) Step 1 (*Deeds Poll and aggregate amounts*)

On the Effective Date, prior to any other Step commencing:

- (i) (**notifications**) first, the Scheme Administrator, on behalf of the Scheme Creditors and Obligors pursuant to the appointment in clause 5.3(b), must notify each Scheme Creditor, each Obligor, the Agent and the Security Trustee that the Court Orders have been made and have become Effective, together with any other notifications required to be provided by any of those parties in connection with this Scheme or any of the Financing Documents;
- (ii) (**Other Obligors' Deed Poll**) second, the Scheme Company will release from escrow the Other Obligors' Deed Poll held by it pursuant to clause 4.1(d);



- (iii) **(Agent and Security Trustee instructions)** third, the Scheme Administrator, on behalf of each Scheme Creditor and Obligor pursuant to the appointment in clause 5.3(b), gives the Agent and the Security Trustee all instructions, consents and directions that each of them requires from the Scheme Creditors and Obligors to perform each of their obligations under this Scheme, including to execute and deliver to the Scheme Administrator executed counterparts of the Deeds Poll and New Financing Documents to which they are a party and to perform each of their obligations under those instruments;
- (iv) **(Agent's Deed Poll and Security Trustee's Deed Poll)** fourth, in accordance with the instructions set out in clauses 6 and 7.5(a)(i), the Agent and Security Trustee will execute and deliver to the Scheme Administrator the Deed Poll that is made by it; and
- (v) **(Aggregate Senior Amount and Amount)** fifth, the Agent must provide to the Scheme Administrator and the Scheme Company a table which shows, according to the Agent's records:
  - (A) the Aggregate Senior Amount in respect of each Scheme Creditor; and
  - (B) the Total Aggregate Senior Amount.

(b) **Step 2 (Calculations)**

On the Calculation Date, the Scheme Administrator must:

- (i) based on the information referred to in clause 7.5(a)(v), calculate:
  - (A) each Scheme Creditors' Senior Relevant Proportion; and
  - (B) in respect of each Scheme Creditor, the number of Scheme Shares to be issued to that Scheme Creditor in accordance with Step 6 (*Scheme Share issue*); and
- (ii) provide details of the calculations referred to in clause 7.5(b)(i) to the Scheme Company and each Scheme Creditor and, subject to clause 7.4(d) and in the absence of manifest error, all of the calculations in clause 7.5(b)(i) shall be final and binding on the parties.

(c) **Step 3 (Debt assumption)**

As early as practicable on the Implementation Date:

- (i) the Scheme Administrator (on behalf of the Scheme Creditors and each Obligor (as applicable) pursuant to the appointment in clause 5.3(b)), Agent and Security Trustee must execute the Debt Assumption Deed; and
- (ii) the Scheme Administrator, on behalf of the Scheme Company and the Borrower pursuant to the appointment in clause 5.3(b), must execute the Intercompany Loan Agreement.

(d) **Step 4 (Amending Financing Documents)**

Immediately after Step 3 (*Debt assumption*), the Scheme Administrator (on behalf of each Obligor and Scheme Creditor pursuant to the appointment in clause 5.3(b)), Agent and Security Trustee must execute and deliver counterparts of each Amending Financing Document to which they are expressed to be a party, at which point each Amending Financing Document will operate in accordance with its own terms.

(e) **Step 5 (*Release of Assumed Debt*)**

Immediately after Step 4 (*Amending Financing Documents*), each of the Scheme Creditors, the Agent and Security Trustee:

- (i) releases the Scheme Company from its obligation to pay the Assumed Debt;
- (ii) waives all rights against the Scheme Company to the extent such rights arise under the Debt Assumption Deed and relate to the Assumed Debt; and
- (iii) consents to the releases and waivers in clauses 7.5(e)(i) and 7.5(e)(ii) and waives all rights that it may have to require that any person or party to comply with any waiver or amendment mechanics under the Debt Assumption Deed or any other provisions of the Financing Documents to the extent necessary to give effect to clauses 7.5(e)(i) and 7.5(e)(ii).

(f) **Step 6 (*Scheme Share issue*)**

Subject to clause 8.1, immediately after Step 5 (*Release of Assumed Debt*):

- (i) in consideration for the release of the Assumed Debt in Step 5 (*Release of Assumed Debt*), the Scheme Company allots and issues the Scheme Shares to each Scheme Creditor (or their nominee, whose name and address is notified to the Scheme Company by any Scheme Creditor by no later than the Calculation Date) of a number which is to be calculated as follows in respect of each Scheme Creditor:

$$A = B \times C$$

where:

- (A) “A” means the number of Scheme Shares to be issued to that Scheme Creditor;
  - (B) “B” means that Scheme Creditor’s Senior Relevant Proportion; and
  - (C) “C” means the total number of Scheme Shares.
- (ii) The Scheme Administrator must, on behalf of the Scheme Company pursuant to the appointment in clause 5.3(b), enter the name and address of each Scheme Creditor (or its nominee, whose name and address is notified to the Scheme Company in accordance with clause 7.5(f)(i)) to whom Scheme Shares are issued under this Step 6 (*Scheme Share issue*) into the Share Register together with the number of Scheme Shares issued to that Scheme Creditor (or its nominee, as the case may be).

- (iii) Where a Scheme Creditor (or its nominee) would receive a fractional number of Scheme Shares as a result of the operation of this Step 4 (*Scheme Share issue*), then the number of Scheme Shares issued to that person under this Step 6 (*Scheme Share issue*) will be rounded down to the nearest whole number.
- (iv) All Scheme Shares issued under this Step 6 (*Scheme Share issue*) rank pari passu amongst themselves and all other Shares and are free from any encumbrances.
- (v) Each Scheme Creditor (or its nominee) to whom Scheme Shares are issued under this Step 6 (*Scheme Share issue*) is taken to have applied for such Shares and to have agreed to be bound by the Scheme Company's constitution.

(g) **Step 7 (*Released Obligor Individual releases*)**

Immediately after Step 6 (*Scheme Share issue*):

- (i) each Scheme Creditor releases each Released Obligor Individual from all Claims relating to any matter that arose or occurred in respect of, or in connection with:
  - (A) the Scheme or any transactions effected under it; and
  - (B) to the extent permitted by law, any disclosure or misleading or deceptive conduct in relation to the Scheme, including in the Scheme Explanatory Statement; and
- (ii) each Released Obligor Individual releases each Scheme Creditor from all Claims relating to any matter that arose or occurred in respect of, or in connection with the Scheme or any transactions effected under it,

except in each case, and in respect of each Claim, to the extent that the released party has engaged in fraud or wilful misconduct or been reckless, grossly negligent or dishonest in respect of the matters to which that Claim relates.

## 7.6 No inconsistent acts

The parties agree to treat themselves as bound by this Scheme for all purposes and not to act otherwise than in accordance with this Scheme.

## 7.7 Nominee

A Scheme Creditor may only nominate a person to act as its nominee for the purposes of Step 6 (*Scheme Share issue*) or clause ("**Nominee**") if:

- (a) the address for the Nominee notified to the Scheme Company in accordance with clause 7.5(f)(i) is an address in Australia;
- (b) the Nominee is a sophisticated investor within the ambit of section 708(8) of the Corporations Act or a professional investor within the ambit of section 708(11) of the Corporations Act; and
- (c) the Nominee either:
  - (i) does not require FIRB Approval; or

- (ii) does require FIRB Approval and the Nominee has obtained FIRB Approval prior to the Calculation Date.

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## 8 Trustees and Scheme Shares

### 8.1 Application of this clause 8

- (a) This clause 8 only applies in respect of a Scheme Creditor if the Scheme Creditor:
  - (i) requires FIRB Approval; and
  - (ii) has not notified the Scheme Company that it has obtained FIRB Approval prior to the Calculation Date.
- (b) If this clause 8 applies in respect of a Scheme Creditor ("**Relevant Scheme Creditor**"):
  - (i) the Relevant Scheme Creditor's Scheme Shares to be allotted and issued in accordance with Step 6 (*Scheme Share issue*) will be issued and allotted to the relevant Trustee;
  - (ii) the Scheme Administrator must, on behalf of the Scheme Company pursuant to the appointment in clause 5.3(b), enter the name and address of the relevant Trustee into the Share Register together with the number of Scheme Shares issued to the relevant trustee; and
  - (iii) each Trustee to whom Scheme Shares are issued under Step 6 (*Scheme Share issue*) is taken to have applied for such Shares and to have agreed to be bound by the Scheme Company's constitution.

### 8.2 Trustee arrangement

- (a) Subject to clause 8.5, each Trustee that has executed a Trustee Deed Poll is bound by this Scheme as trustee for and on behalf of:
  - (i) in the case of Trustee 1, TMFF;
  - (ii) in the case of Trustee 2, QMetco;
  - (iii) in the case of Trustee 3, IFC,(each a "**Recipient**").
- (b) Each Recipient will be entitled to its respective share of the Scheme Shares as calculated in accordance with Step 6 (*Scheme Share issue*).

### 8.3 Entitlement to Scheme Shares

- (a) Each Trustee will ask each Recipient for which it acts as trustee:
  - (i) to confirm:
    - (A) that, if and to the extent the Recipient (or its nominee) is receiving Scheme Shares per the Recipient's instructions in clause 8.3(i)(B)(aa) or (B)(ab), the Recipient (or its nominee, as relevant) is:

- (aa) a person outside Australia to whom the Scheme Shares may lawfully be transferred without, or without additional, lodgement, registration or other formality; and
  - (ab) a sophisticated investor within the ambit of section 708(8) of the Corporations Act or a professional investor within the ambit of section 708(11) of the Corporations Act;
- (B) that Recipient's instructions in respect of its entitlement to the Scheme Shares on the Implementation Date (and for the purposes of clause 8.3(c)) being an instruction to, subject to the Trustee Rights:
  - (aa) transfer some or all of the relevant Scheme Shares to the Recipient;
  - (ab) transfer some or all of the relevant Scheme Shares to a nominee; and/or
  - (ac) sell some or all of the relevant Scheme Shares to a third party or third parties and deposit any proceeds realised (less the costs, fees, taxes and expenses associated with the same) into a nominated account; and
- (C) that any such instructions are permitted at law (including, in the case of a nominee, under FATA); and
- (ii) execute a share transfer form that gives effect to the transfer referred to in clause 8.3(i)(B)(aa) or (i)(B)(ab) (as relevant),
 

to which request, the relevant Recipient must respond as soon as reasonably practicable and in any case, prior to the Final Escrow Date.
- (b) The Scheme Administrator may exercise any of the powers conferred on the Trustees by this clause 8.3, which exercise will be treated for all purposes as if those powers had been exercised by the relevant Trustee.
- (c) Subject to the Trustee Rights, each Trustee will (in respect of each Recipient for which it acts as trustee):
  - (i) (if the relevant Recipient has provided each confirmation requested under clause 8.3(a)(i) and the duly executed share transfer form requested under clause 8.3(a)(ii)) transfer to the Recipient (or as the Recipient directs in response to the relevant request under clause 8.3(a)(i)(B)) the Scheme Shares to which the Recipient is entitled; or
  - (ii) (if the relevant Recipient has provided each confirmation requested under clause 8.3(a)(i) and instructed the Trustee to sell the Scheme Shares to which the Recipient is entitled and deposit any proceeds realised in a nominated account in accordance with clause 8.3(a)(i)(B)(ac)) sell the Scheme Shares to which the Recipient is entitled and deposit any proceeds realised (less the costs, fees, taxes and expenses in connection with the sale) in that nominated account; or

- (iii) (if the relevant Recipient is an Unaccounted Recipient) as soon as practicable following expiry of the Recipient Claim Period, sell the Scheme Shares to which the Unaccounted Recipient is entitled and hold the proceeds of the sale of those Scheme Shares (less the costs, fees, taxes and expenses in connection with the sale) (“**Unaccounted Proceeds**”) as trustee for and on behalf of the Unaccounted Recipient until the 6 year anniversary of the Calculation Date (“**Unaccounted Proceeds Period**”).
- (d) Subject to the Trustee Rights, if after the Recipient Claim Period ends but before the Unaccounted Proceeds Period ends:
  - (i) an Unaccounted Recipient provides to the relevant Trustee such evidence of its entitlement to the Scheme Shares as the Trustee may require; and
  - (ii) such entitlement is agreed to by that Trustee and the Unaccounted Recipient during the Unaccounted Proceeds Period,

then the relevant Trustee will (in respect of the aggregate Unaccounted Proceeds it holds) remit to that Unaccounted Recipient, the Unaccounted Proceeds held by the Trustee on trust for that Unaccounted Recipient under clause 8.3(c)(iii), less any fees, costs, taxes and expenses associated with such remission.
- (e) Subject to the Trustee Rights, after the expiry of the Unaccounted Proceeds Period, each Trustee (in respect of the total Unaccounted Proceeds it still holds) will remit any Unaccounted Proceeds pursuant to, and in accordance with, the *Unclaimed Money Act 1990 (WA)*.

#### 8.4 Trustee rights and obligations

- (a) Subject to the Trustee Rights, the Scheme Shares cannot be transferred or sold by a Trustee other than in accordance with clause 8.3(c), except in accordance with the order or direction of a Court.
- (b) A Trustee will not exercise any right attaching to any Scheme Share held by it (including the right to vote), other than to the extent necessary to comply with this Scheme or an order or direction of a Court.
- (c) Other than in the case of fraud, each Trustee is not liable for any acts, matters or omissions relating to things done or not done in its capacity as trustee, including any liability relating to any amounts payable to a Recipient as a result of the sale of any Scheme Shares by the Trustee.
- (d) Any calculation or determination by a Trustee under this Scheme of a rate, proportion or amount under this Scheme is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

#### 8.5 No beneficial interest

- (a) Notwithstanding any other clause in this Scheme, each Trustee will hold the Scheme Shares to which a Recipient would be entitled but for this clause (“**Entitlement Shares**”) on trust for the Acting Beneficiary unless or until the earlier of:
  - (i) the Recipient has provided the relevant Trustee or the Administrators with written confirmation (“**Confirmation**”) that the Recipient has:

- (A) obtained FIRB Approval in relation to the Entitlement Shares; or
  - (B) determined that it does not require FIRB Approval in relation to the Entitlement Shares; or
- (ii) 12 months has passed since the date of the Court Orders and the Trustee has sold the relevant Entitlement Shares pursuant to clause 8.5(b).
- (b) In the event that the Confirmation is not received within 12 months of the date of the Court Orders, the Trustee will sell the relevant Entitlement Shares.
- (c) In the event that the Trustee has sold the relevant Entitlement Shares as contemplated by clause 8.5(b), the resulting proceeds will be treated as if they were Unaccounted Proceeds and (subject to the Trustee Rights) be applied by the relevant Trustee in accordance with clauses 8.3(c)(iii), 8.3(d) and 8.3(e).
- (d) The Trustees bear no responsibility for, or liability in relation to, the determination of whether any Recipient requires any approval under FATA in relation to its Entitlement Shares.

## **8.6 Duty in respect of the Transfer Shares**

All Duty which may be payable on or in connection with this Scheme and any instrument executed under or in connection with, or any transaction evidenced or contemplated by, this Scheme, is payable by the relevant Scheme Creditor.

## **8.7 Survival**

Subject to each of the Steps being completed, this clause 8 shall survive termination of this Scheme.

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# **9 Implementation Period**

## **9.1 Terms of the Financing Documents**

During the Implementation Period the terms of the Financing Documents in respect of each Scheme Creditor will not be varied by the Scheme, except as expressly provided for in the Scheme.

## **9.2 Stay of actions**

During the Implementation Period, each of the Agent, Security Trustee and Scheme Creditors must not, except for the purpose of enforcing the terms of the Scheme or as otherwise permitted by the Scheme:

- (a) take or concur in the taking of any step to declare any amount to be due and payable or payable on demand under or in connection with the Financing Documents;
- (b) take or concur in the taking of any step to enforce any Security;
- (c) take or concur in the taking of any step to make demand under any guarantee or guarantee and indemnity given by any person in connection with the Financing Documents;

- (d) take or concur in the taking of any step to wind up the Scheme Company or any Other Obligor;
- (e) institute, prosecute or take any other step in any legal proceedings (including any step by way of legal or equitable execution) in connection with any Scheme Claim;
- (f) commence or take any further step in any arbitration against the Scheme Company or any Other Obligor; or
- (g) exercise any rights against the Scheme Company or any Related Body Corporate of the Scheme Company or any Other Obligor which they may have on the occurrence of a breach, default, event of default or potential event of default (in each case, howsoever described) under any Financing Document.

### **9.3 No transfer**

Each Scheme Creditor agrees that, during the Implementation Period, it will not dispose of or transfer any right under any Financing Document and instructs the Agent not to register any such disposal or transfer.

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## **10 Consent, waiver and release**

The Agent, Security Trustee, each Scheme Creditor and each Obligor whose consent or agreement is necessary under any Financing Document to give effect to this Scheme:

- (a) irrevocably consents and agrees to each Obligor:
  - (i) entering into, or otherwise becoming bound by, each Relevant Document;
  - (ii) performing its respective obligations and transactions under, or as contemplated by, those Relevant Documents (including Court applications for the purposes of this Scheme); and
  - (iii) carrying out any step for the purposes of, or otherwise acting consistently with, those Relevant Documents;
- (b) agrees that no breach, non-compliance, default, event of default or potential event of default or termination event (in each case, howsoever described) under any Financing Document:
  - (i) has occurred (and agrees that it is taken to have not occurred), as a result of;
  - (ii) has been caused by (and agrees that it is taken to have not been caused by);
  - (iii) is continuing (and agrees that it is taken not to be continuing), as a result of; or
  - (iv) will or can occur, as a result of or be caused by,

any Obligor entering into or performing any Relevant Document or the obligations or transactions under, or contemplated by, any Relevant Document (including any Court applications for the purposes of this Scheme) or carrying out any step for the purposes of, or otherwise acting consistently with the Relevant Documents, and if any such event is



deemed to have occurred then it is expressly waived notwithstanding any requirements relating to waiver in the Financing Documents;

- (c) without limiting any other clause in this Scheme, agrees that if any change of control, howsoever described (“**Change of Control Event**”) has occurred under any of the Financing Documents at any time, up to and including the Implementation Date, any rights arising out of or in connection with the Change of Control Event are waived notwithstanding any requirements relating to waiver in the Financing Documents;
- (d) agrees and consents to any releases which are given, or disposals of rights or other property which are made or occur, by any Obligor under, or which are otherwise contemplated by, the Relevant Documents; and
- (e) agrees that the Agent and Security Trustee have committed no breach, non-compliance or default under the relevant Financing Documents by executing the New Financing Documents (to which they are a party), and if any such event is deemed to have occurred then it is expressly waived notwithstanding any requirements relating to waiver in the Financing Documents.

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## **11 General**

### **11.1 Binding effect of Scheme**

The Scheme binds each Scheme Creditor (including those who did not attend the Scheme Meeting, did not vote at that meeting or voted against the Scheme at that meeting) and, to the extent of any inconsistency, overrides any Financing Document.

### **11.2 Modification of the Scheme**

The Scheme Company may, at any hearing to approve or sanction the Scheme, consent on behalf of all affected parties to the modification of the Scheme or any terms or conditions which the Court may think fit to approve or impose.

### **11.3 Notice to Scheme Company and Scheme Administrators**

Unless notice is otherwise given to Scheme Creditors by the Scheme Administrator, notices and other communications or documents to be given to the Scheme Administrator or the Scheme Company under or in relation to the Scheme:

- (a) must be given in writing and addressed to the following:

The Scheme Administrator  
Tiger Resources Limited  
Attention: Richard Tucker

- (b) may be given in writing by:

- (i) hand delivery or pre-paid post to:

40 St Georges Terrace  
Perth WA 6000

- (ii) email to:

[rtucker@kordamentha.com](mailto:rtucker@kordamentha.com)

## **11.4 Notice to Scheme Creditors**

Notices and other written communications or documents to be given to Scheme Creditors under or in relation to the Scheme:

- (a) must be given in writing; and
- (b) may be given by:
  - (i) hand delivery or pre-paid post to the address for notices provided in Schedule 1, any Financing Document to which that Scheme Creditor is a party, or which is notified in writing to the Scheme Administrator; or
  - (ii) email to any email address provided in Schedule 1, any Financing Document to which that Scheme Creditor is a party, or which is notified in writing to the Scheme Administrator.

## **11.5 Date of notice**

Notice to a Scheme Creditor will be deemed to have been given:

- (a) by pre-paid post, 6 Business Days after posting (or 10 days after posting if sent from one country to another);
- (b) by hand delivery, on the day of delivery if delivered on a Business Day between the hours of 9.00am and 5.00pm at the place of delivery or if not between those hours, the next Business Day; or
- (c) by email, on the date the email was sent, if sent between the hours of 9.00am and 7.00pm at the place of delivery, or if not between those hours, the next Business Day.

## **11.6 Rules of construction**

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Scheme or any part of it.

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# **12 Governing law**

## **12.1 Governing law and jurisdiction**

The law in force in the place specified in the Details governs this Scheme. The parties submit to the non-exclusive jurisdiction of the courts of that place.

## **12.2 Serving documents**

Without preventing any other method of service, any document in an action in connection with this Scheme may be served on a party by being delivered or left at that party's address set out in this Scheme.

# Scheme of Arrangement

## Schedule 1 Scheme Creditors

No.	Scheme Creditor	Entity details	Notice details
1	Taurus Mining Finance Fund L.P.	A Cayman Islands exempted limited partnership registered in the Cayman Islands on 11 April 2014	<p><i>Address:</i> c/o Taurus Funds Management Pty Limited Suite 4101, Level 41, Gateway 1 Macquarie Place Sydney NSW 2000 AUSTRALIA</p> <p><i>Attention:</i> Drew Totterdell / James Black</p> <p><i>Email:</i> <a href="mailto:dtotterdell@taurusfunds.com.au">dtotterdell@taurusfunds.com.au</a> / <a href="mailto:jblack@taurusfunds.com.au">jblack@taurusfunds.com.au</a></p>
2	QMetco Limited	An Australian public company limited by shares, with ACN 008 124 025	<p><i>Address:</i> Level 12, 300 Queen Street Brisbane QLD 4000 AUSTRALIA</p> <p><i>Attention:</i> Rory More O’Ferrall</p> <p><i>Email:</i> <a href="mailto:rory.moreoferrall@qmetco.com.au">rory.moreoferrall@qmetco.com.au</a></p>
3	International Finance Corporation	An international organisation established by Articles of Agreement among its member countries including the Democratic Republic of Congo	<p><i>Address:</i> 2121 Pennsylvania Avenue, N.W. Washington D.C. 204333 UNITED STATES OF AMERICA</p> <p><i>Attention:</i> Director, Global Infrastructure and Natural Resources Department</p>

# Scheme of Arrangement

## Schedule 2 Other Obligors

No.	Other Obligor	Entity details	Notice details
1	Societe D'exploitation De Kipoi S.A.	A company organised and existing under the laws of the DRC, registered at the RCCM with the number 14-B-1486, with tax number A-0811655-D, national identification number 6-122-N58148L	<i>Address:</i> 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC
2	Balcon Holdings Limited	A company organised and existing under the laws of the British Virgin Islands having company number 1690916	<i>Address:</i> Craigmuir Chambers, Road Town, Tortola, British Virgin Islands
3	Balcon Investments and Logistics (Pty) Ltd	A company organised and existing under the laws of South Africa having company number 2014/154699/07	<i>Address:</i> 16 Cecil Avenue, Melrose Arch, Johannesburg, Gauteng 2076, South Africa
4	Congo Minerals Sarl	A company organised and existing under the laws of the DRC, registered at the RCCM with the number 13-B-0862, with tax number A-0901 099-F, national identification number 6-128-N39812M	<i>Address:</i> 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC

# Scheme of Arrangement

No.	Other Obligor	Entity details	Notice details
5	Havelock Finance Limited	A company organised and existing under the laws of the British Virgin Islands having company number 1838508	<i>Address:</i> Craigmuir Chambers, Road Town, Tortola, British Virgin Islands
6	Sase Mining Sarl	A company organised and existing under the laws of the DRC, registered at the RCCM with the number 13-B-11 00, with tax number A-1236645-M, national identification number 6-128-N52954X	<i>Address:</i> 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC
7	Tiger Congo Sarl	A company organised and existing under the laws of the DRC, registered at the RCCM with the number 13-B-0863, with tax number A-0901953-J, national identification number 01-128-N46326L	<i>Address:</i> 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC
8	Tiger Resources Finance Limited	A company organised and existing under the laws of the British Virgin Islands having company number 1581278	<i>Address:</i> Craigmuir Chambers, Road Town, Tortola, British Virgin Islands
9	Crux Energy Proprietary Limited	A private company incorporated and existing under the laws of the Republic of South Africa with registration number 2018/271684/07	<i>Address:</i> 8 Robin Drive, Fourways, Sandton, Gauteng, Republic of South Africa 2191

# Scheme of Arrangement

## Schedule 3 Steps register

Step	Date and time of completion of Step	Signature
1		
2		
3		
4		
5		
6		
7		
8		

<b>Date of completion of all Steps:</b>	
<b>Signed by the Scheme Administrator:</b>	

# Scheme of Arrangement

## Schedule 4 Scheme Administrator's Deed Poll

THIS DEED POLL is made on

By [NAME OF EXECUTING SCHEME ADMINISTRATOR] of [address] (the "Executing Scheme Administrator") in favour of the Scheme Company and each Scheme Creditor.

### RECITALS

- A** The Scheme Company is party to the Financing Documents, under which among other things, the Scheme Company and the Other Obligors are jointly and severally liable for secured debt commitments advanced by the Scheme Creditors.
- B** The Scheme Company has proposed a compromise or arrangement to the Scheme Creditors, the terms of which are provided in accordance with the Scheme.
- C** The Scheme Administrator has agreed to administer the Scheme for the purposes of section 411(7) of the Corporations Act, and has entered into this document to give effect to that arrangement.

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## 1 Definitions and interpretation

### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between the Scheme Company and each Scheme Creditor, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act.

**Scheme Company** means Tiger Resources Limited (ACN 077 110 304).

**Scheme Creditors** means the persons listed in the Schedule.

All other words and phrases used in this document have the same meaning as given to them in the Scheme.

### 1.2 General interpretation

Clause 1.2 of the Scheme applies to this document.

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## 2 Deed Poll Effective Time

This document becomes effective at the time that the Court Orders become Effective ("**Deed Poll Effective Time**").

# Scheme of Arrangement

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## 3 Consent to act

The Executing Scheme Administrator consents to act as a Scheme Administrator in accordance with the terms and conditions of the Scheme.

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## 4 Covenant

From the Deed Poll Effective Time, the Executing Scheme Administrator, for the benefit of the Scheme Company and each Scheme Creditor (even though the Scheme Company and each Scheme Creditor are not parties to this document):

- (a) covenants that they will be bound by the terms of the Scheme as if they are a party to the Scheme; and
  - (b) undertakes
    - (i) to accept all appointments, authorisations and directions, to perform all obligations and undertake all actions attributed to the Scheme Administrator in accordance with the Scheme;
    - (ii) to do all things necessary and execute all further documents necessary to give full effect to the Scheme and all transactions contemplated by it; and
    - (iii) not to act inconsistently with any provision of the Scheme.
- 

## 5 Representations and warranties

The Executing Scheme Administrator:

- (a) represents and warrants that they are not disqualified from acting as a Scheme Administrator of the Scheme by reason of section 411(7) of the Corporations Act; and
  - (b) undertakes to notify the Scheme Company and each Scheme Creditor immediately if the representation and warranty in clause 4(a) ceases to be correct.
- 

## 6 Acknowledgment

The Executing Scheme Administrator agrees that:

- (a) the benefit of this document can be enforced directly by the Scheme Company or a Scheme Creditor against the Executing Scheme Administrator; and
  - (b) the Executing Scheme Administrator will cease to hold office if any of the events stated in clause 5.10 of the Scheme occur.
- 

## 7 Limitation of liability

In the performance or exercise of the Executing Scheme Administrator's powers, obligations and duties as a Scheme Administrator, their liability is limited in accordance with the Scheme.



# Scheme of Arrangement

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## 8 Continuing obligations

This document is irrevocable and remains in full force and effect from the Deed Poll Effective Time until the Executing Scheme Administrator has fully performed their obligations under this document.

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## 9 Notices

Any notice to be given to the Executing Scheme Administrator under or in relation to this document:

- (a) must be given in writing and addressed to the following:

The Scheme Administrator  
Tiger Resources Limited  
Attention: Richard Tucker

- (b) may be given in writing by:

- (i) hand delivery or pre-paid post to:

Level 10, 40 St Georges Terrace  
Perth WA 6000

- (ii) email to:

rtucker@kordamentha.com

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## 10 General

### 10.1 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (b) the variation is agreed to by the Scheme Company in writing; and  
(c) the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event the Executing Scheme Administrator must enter into a further deed poll in favour of the Scheme Company and each Scheme Creditor giving effect to the variation, alteration or amendment.

### 10.2 Partial exercising of rights

Unless this document expressly states otherwise, if the Executing Scheme Administrator does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

### 10.3 Assignment or other dealings

The rights and obligations of the Executing Scheme Administrator, the Scheme Company and each Scheme Creditor under this document are personal and must not be assigned or otherwise dealt with at law or in equity.

# Scheme of Arrangement

## 10.4 Waiver of rights

A right may only be waived in writing, signed by the person giving the waiver, and:

- (a) no other conduct of a person (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right or as an estoppel precluding enforcement of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

## 10.5 Operation of this document

- (a) Subject to clause 10.5(b), this document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.
- (c) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

## 10.6 Exclusion of contrary legislation

Any legislation that adversely affects an obligation of a person or the exercise of a right or remedy by a person, under or relating to this document is excluded to the full extent permitted by law.

## 10.7 Giving effect to documents

The Executing Scheme Administrator must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), to give full effect to this document.

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## 11 Governing law

This document is governed by the laws of New South Wales, Australia. The Executing Scheme Administrator submits to the non-exclusive jurisdiction of the courts exercising jurisdiction there in connection with matters concerning this document.

# Scheme of Arrangement

## Schedule

No.	Scheme Creditor	Company details	Notice details
1	Taurus Mining Finance Fund L.P.	A Cayman Islands exempted limited partnership registered in the Cayman Islands on 11 April 2014	<p><i>Address:</i> c/o Taurus Funds Management Pty Limited Suite 4101, Level 41, Gateway 1 Macquarie Place Sydney NSW 2000 AUSTRALIA</p> <p><i>Attention:</i> James Black / Martin Boland</p> <p><i>Email:</i> jblack@taurusfunds.com.au / mboland@taurusfunds.com.au</p>
2	QMetco Limited	An Australian public company limited by shares, with ACN 008 124 025	<p><i>Address:</i> Level 12, 300 Queen Street Brisbane QLD 4000 AUSTRALIA</p> <p><i>Attention:</i> Rory More O'Ferrall</p> <p><i>Email:</i> rory.moreoferrall@qmetco.com.au</p>
3	International Finance Corporation	An international organisation established by Articles of Agreement among its member countries including the Democratic Republic of Congo	<p><i>Address:</i> 2121 Pennsylvania Avenue, N.W. Washington D.C. 204333 UNITED STATES OF AMERICA</p> <p><i>Attention:</i> Director, Global Infrastructure and Natural Resources Department</p>

# Scheme of Arrangement

EXECUTED as a deed poll

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in the presence )  
of: )  
 )  
 )  
..... )  
Signature of witness )  
 )  
..... )  
Name of witness (block letters) )  
 )

.....  
Signature of RICHARD TUCKER

# Scheme of Arrangement

## Schedule 5 Other Obligors' Deed Poll

THIS DEED POLL is made on

By EACH PARTY LISTED IN THE SCHEDULE ("Other Obligors") in favour of the Scheme Company and each Scheme Creditor.

### RECITALS

- A** The Scheme Company is party to the Financing Documents, under which among other things, the Scheme Company and the Other Obligors are jointly and severally liable for secured debt commitments advanced by the Scheme Creditors.
- B** The Scheme Company has proposed a compromise or arrangement to the Scheme Creditors, the terms of which are provided in accordance with the Scheme.
- C** Once implemented, the Scheme will give effect to a compromise of the commitments of the Scheme Company and the Other Obligors under the Financing Documents.
- D** Each of the Other Obligors consents to the Scheme and undertakes to be bound by it on the terms of this document.

---

## 1 Definitions and interpretation

### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between the Scheme Company and each Scheme Creditor, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act.

**Scheme Company** means Tiger Resources Limited (ACN 077 110 304).

**Scheme Creditors** means the persons listed in Schedule 1 to the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme.

### 1.2 General interpretation

Clause 1.2 of the Scheme applies to this document.

---

## 2 Deed Poll Effective Time

This document becomes effective and binding on the Obligors when released in accordance with clause 7.5(a)(ii) of the Scheme ("**Deed Poll Effective Time**").

---

### **3 Consent to Scheme and covenants**

From the Deed Poll Effective Time, each of the Other Obligors consents to the Scheme and irrevocably covenants in favour of the Scheme Company and each Scheme Creditor that it will:

- (a) be bound by the terms of the Scheme as if it were a party to the Scheme and undertakes to perform all obligations of the Other Obligors referred to in the Scheme; and
- (b) do everything necessary or desirable to be done by it, including executing any document, for the purposes of giving effect to the Scheme.

---

### **4 No prejudice if bound**

The covenants, releases, waivers, consents, agreements and acknowledgments under this document are in addition to any covenants, releases, waivers, consents, agreements and acknowledgments given by the Other Obligors under the Scheme.

---

### **5 Enforcement**

Each of the Other Obligors agree that the benefit of this document can be enforced directly by each of the Scheme Company and each Scheme Creditor from the Effective Date.

---

### **6 Notices**

- (a) Any notice to be given to the Other Obligors under or in relation to this document must be given in writing and may be given by:
  - (i) hand delivery;
  - (ii) pre-paid post;
  - (iii) email; or
  - (iv) such other method as may be determined by the applicable Other Obligor.
- (b) Notice to be given to the Other Obligors is to be given to it at:
  - (i) the applicable address noted in the table in the Schedule; or
  - (ii) such other address as an Other Obligor may notify in writing to the Scheme Company and each Scheme Creditor.
- (c) Notice to an Other Obligor will be given on the date the notice is received by the Other Obligor (and will not be deemed to have been given any sooner than that date).

---

## **7 General**

### **7.1 Waiver**

- (a) A waiver of any right arising from a breach of this document, including arising from any breach of obligations assigned to the Other Obligors by the Scheme, or of any right, power, authority, discretion or remedy arising upon default under this document must be in writing and signed by the persons granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
  - (i) a right arising from a breach of this document, including arising from any breach of obligations assigned to the Other Obligors by the Scheme; or
  - (ii) a right, power, authority, discretion or remedy created or arising upon default under this document, including arising from any breach of obligations assigned to the Other Obligors by the Scheme,does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) The Other Obligors are not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this document, including arising from any breach of obligations assigned to the Other Obligors by the Scheme, or on a default under this document, including arising from any breach of obligations assigned to the Other Obligors by the Scheme, as constituting a waiver of that right, power, authority, discretion or remedy.

### **7.2 Remedies cumulative**

The rights and remedies of each Other Obligor and each of the Scheme Company and each Scheme Creditor under this document are in addition to other rights and remedies given by law independently of this document.

### **7.3 Assignment**

The rights and obligations of each Other Obligor and each of the Scheme Company and each Scheme Creditor under this document are personal and must not be assigned or otherwise dealt with at law or in equity.

### **7.4 Further action**

Each of the Other Obligors must promptly do all things and execute and deliver all further documents necessary or expedient to give effect to this document and the transactions contemplated by it.

---

## **8 Governing law**

- (a) This document is governed by the laws of England.
- (b) Each of the Other Obligors submit to the non-exclusive jurisdiction of the courts exercising jurisdiction in the Commonwealth of Australia in connection with matters concerning this document and, notwithstanding any other provision of the Financing Documents, for the purposes of implementing the Scheme.





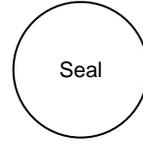
## Schedule

No.	Other Obligor	Entity details	Notice details
1	Societe D'exploitation De Kipoi S.A.	A company organised and existing under the laws of the DRC, registered at the RCCM with the number 14-B-1486, with tax number A-0811655-D, national identification number 6-122-N58148L	<i>Address:</i> 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC
2	Balcon Holdings Limited	A company organised and existing under the laws of the British Virgin Islands having company number 1690916	<i>Address:</i> Craigmuir Chambers, Road Town, Tortola, British Virgin Islands
3	Balcon Investments and Logistics (Pty) Ltd	A company organised and existing under the laws of South Africa having company number 2014/154699/07	<i>Address:</i> 16 Cecil Avenue, Melrose Arch, Johannesburg, Gauteng 2076, South Africa
4	Congo Minerals Sarl	A company organised and existing under the laws of the DRC, registered at the RCCM with the number 13-B-0862, with tax number A-0901 099-F, national identification number 6-128-N39812M	<i>Address:</i> 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC
5	Havelock Finance Limited	A company organised and existing under the laws of the British Virgin Islands having company number 1838508	<i>Address:</i> Craigmuir Chambers, Road Town, Tortola, British Virgin Islands

No.	Other Obligor	Entity details	Notice details
6	Sase Mining Sarl	A company organised and existing under the laws of the DRC, registered at the RCCM with the number 13-B-11 00, with tax number A-1236645-M, national identification number 6-128-N52954X	<i>Address:</i> 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC
7	Tiger Congo Sarl	A company organised and existing under the laws of the DRC, registered at the RCCM with the number 13-B-0863, with tax number A-0901953-J, national identification number 01-128-N46326L	<i>Address:</i> 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC
8	Tiger Resources Finance Limited	A company organised and existing under the laws of the British Virgin Islands having company number 1581278	<i>Address:</i> Craigmuir Chambers, Road Town, Tortola, British Virgin Islands
9	Crux Energy Proprietary Limited	A private company incorporated and existing under the laws of the Republic of South Africa with registration number 2018/271684/07	<i>Address:</i> 8 Robin Drive, Fourways, Sandton, Gauteng, Republic of South Africa 2191

**EXECUTED** as a deed poll

**SIGNED, SEALED AND DELIVERED**  
by **SOCIETE D'EXPLOITATION DE**  
**KIPOI S.A.** in the presence of:



.....  
Signature of witness

.....  
Signature of authorised signatory

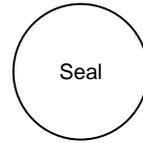
.....  
Name of witness

.....  
Name of authorised signatory



**EXECUTED** as a deed poll

**SIGNED, SEALED AND DELIVERED** )  
by **BALCON INVESTMENTS AND** )  
**LOGISTICS (PTY) LTD** in the presence )  
of: )



..... )  
Signature of witness )

.....  
Signature of authorised signatory

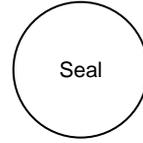
..... )  
Name of witness )

.....  
Name of authorised signatory



**EXECUTED** as a deed poll

**SIGNED, SEALED AND DELIVERED**  
by **HAVELOCK FINANCE LIMITED** in  
the presence of:



.....  
Signature of witness

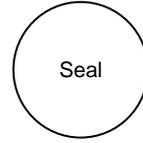
.....  
Signature of authorised signatory

.....  
Name of witness

.....  
Name of authorised signatory

**EXECUTED** as a deed poll

**SIGNED, SEALED AND DELIVERED**  
by **SASE MINING SARL** in the  
presence of:



.....  
Signature of witness

.....  
Signature of authorised signatory

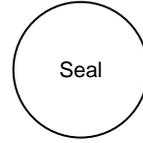
.....  
Name of witness

.....  
Name of authorised signatory



**EXECUTED** as a deed poll

**SIGNED, SEALED AND DELIVERED**  
by **TIGER CONGO SARL** in the  
presence of:



.....  
Signature of witness

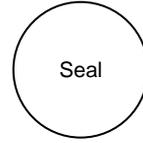
.....  
Signature of authorised signatory

.....  
Name of witness

.....  
Name of authorised signatory

**EXECUTED** as a deed poll

**SIGNED, SEALED AND DELIVERED**  
by **TIGER RESOURCES FINANCE**  
**LIMITED** in the presence of:



.....  
Signature of witness

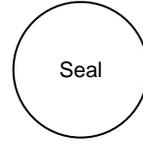
.....  
Signature of authorised signatory

.....  
Name of witness

.....  
Name of authorised signatory

**EXECUTED** as a deed poll

**SIGNED, SEALED AND DELIVERED**  
by **CRUX ENERGY PROPRIETARY**  
**LIMITED** in the presence of:



.....  
Signature of witness

.....  
Signature of authorised signatory

.....  
Name of witness

.....  
Name of authorised signatory

# Scheme of Arrangement

## Schedule 6 Agent's Deed Poll

THIS DEED POLL is made on

BY THE LAW DEBENTURE TRUST CORPORATION P.L.C. ("**Agent**") in favour of the Scheme Company and each Scheme Creditor.

### RECITALS

- A** The Scheme Company is party to the Financing Documents, under which among other things, the Scheme Company and the Other Obligors are jointly and severally liable for secured debt commitments advanced by the Scheme Creditors.
- B** The Scheme Company has proposed a compromise or arrangement to the Scheme Creditors, the terms of which are provided in accordance with the Scheme.
- C** Once implemented, the Scheme will give effect to a compromise of the commitments of the Scheme Company and the Other Obligors under the Financing Documents.
- D** The Agent consents to the Scheme and undertakes to be bound by it on the terms of this document.

---

## 1 Definitions and interpretation

### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between the Scheme Company and each Scheme Creditor, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act.

**Scheme Company** means Tiger Resources Limited (ACN 077 110 304).

**Scheme Creditors** means the persons listed in Schedule 1 to the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme.

### 1.2 General interpretation

Clause 1.2 of the Scheme applies to this document.

---

## 2 Deed Poll Effective Time

This document becomes effective at the time that the Agent receives notice of the Court Orders become Effective ("**Deed Poll Effective Time**").

---

### **3 Consent to Scheme and covenants**

From the Deed Poll Effective Date, the Agent consents to the Scheme and irrevocably covenants in favour of the Scheme Company and each Scheme Creditor that it will:

- (a) be bound by the terms of the Scheme as if it were a party to the Scheme and undertakes to perform all obligations of the Agent referred to in the Scheme; and
- (b) do everything necessary or desirable to be done by it, including executing any document, for the purposes of giving effect to the Scheme.

---

### **4 No prejudice if bound**

The covenants, releases, waivers, consents, agreements and acknowledgments under this document are in addition to any covenants, releases, waivers, consents, agreements and acknowledgements given by the Agent under the Scheme.

---

### **5 Enforcement**

The Agent agrees that the benefit of this document can be enforced directly by each of the Scheme Company and each Scheme Creditor from the Effective Date.

---

### **6 Notices**

- (a) Any notice to be given to the Agent under or in relation to this document must be given in writing and may be given by:
  - (i) hand delivery;
  - (ii) pre-paid post;
  - (iii) email; or
  - (iv) such other method as may be determined by the Agent.
- (b) Notice to be given to the Agent is to be given to it at:
  - (i) the applicable address noted in the table in the Schedule; or
  - (ii) such other address as the Agent may notify in writing to the Scheme Company and each Scheme Creditor.
- (c) Notice to the Agent will be given on the date the notice is received by the Agent (and will not be deemed to have been given any sooner than that date).

---

## **7 General**

### **7.1 Waiver**

- (a) A waiver of any right arising from a breach of this document, including arising from any breach of obligations assigned to the Agent by the Scheme, or of any right, power, authority, discretion or remedy arising upon default under this document must be in writing and signed by the persons granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
  - (i) a right arising from a breach of this document, including arising from any breach of obligations assigned to the Agent by the Scheme; or
  - (ii) a right, power, authority, discretion or remedy created or arising upon default under this document, including arising from any breach of obligations assigned to the Agent by the Scheme,does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) The Agent is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this document, including arising from any breach of obligations assigned to the Agent by the Scheme, or on a default under this document, including arising from any breach of obligations assigned to the Agent by the Scheme, as constituting a waiver of that right, power, authority, discretion or remedy.

### **7.2 Remedies cumulative**

The rights and remedies of the Agent and each of the Scheme Company and each Scheme Creditor under this document are in addition to other rights and remedies given by law independently of this document.

### **7.3 Assignment**

The rights and obligations of the Agent and each of the Scheme Company and each Scheme Creditor under this document are personal and must not be assigned or otherwise dealt with at law or in equity.

### **7.4 Further action**

The Agent will promptly do all things and execute and deliver all further documents necessary or expedient to give effect to this document and the transactions contemplated by it.

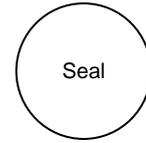
---

## **8 Governing law**

- (a) This document is governed by the laws of England.
- (b) The Agent submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in the Commonwealth of Australia in connection with matters concerning this document and, notwithstanding any other provision of the Financing Documents, for the purposes of implementing the Scheme.

**EXECUTED** as a deed poll

**SIGNED, SEALED AND DELIVERED** )  
by **THE LAW DEBENTURE TRUST** )  
**CORPORATION P.L.C.** in the )  
presence of: )



..... )  
Signature of witness )

.....  
Signature of authorised signatory

..... )  
Name of witness )

.....  
Name of authorised signatory

# Scheme of Arrangement

## Schedule 7 Security Trustee's Deed Poll

THIS DEED POLL is made on

By **LAW DEBENTURE TRUSTEES LIMITED** ("**Security Trustee**") in favour of the Scheme Company and each Scheme Creditor.

### RECITALS

- A** The Scheme Company is party to the Financing Documents, under which among other things, the Scheme Company and the Other Obligors are jointly and severally liable for secured debt commitments advanced by the Scheme Creditors.
- B** The Scheme Company has proposed a compromise or arrangement to the Scheme Creditors, the terms of which are provided in accordance with the Scheme.
- C** Once implemented, the Scheme will give effect to a compromise of the commitments of the Scheme Company and the Other Obligors under the Financing Documents.
- D** The Security Trustee consents to the Scheme and undertakes to be bound by it on the terms of this document.

---

## 1 Definitions and interpretation

### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between the Scheme Company and each Scheme Creditor, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act.

**Scheme Company** means Tiger Resources Limited (ACN 077 110 304).

**Scheme Creditors** means the persons listed in Schedule 1 to the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme.

### 1.2 General interpretation

Clause 1.2 of the Scheme applies to this document.

---

## 2 Deed Poll Effective Time

This document becomes effective at the time that the Security Trustee receives notice that the Court Orders are Effective ("**Deed Poll Effective Time**").



---

### **3 Consent to Scheme and covenants**

From the Deed Poll Effective Time, the Security Trustee consents to the Scheme and irrevocably covenants in favour of the Scheme Company and each Scheme Creditor that it will:

- (a) be bound by the terms of the Scheme as if it were a party to the Scheme and undertakes to perform all obligations of the Security Trustee referred to in the Scheme; and
- (b) do everything necessary or desirable to be done by it, including executing any document, for the purposes of giving effect to the Scheme.

---

### **4 No prejudice if bound**

The covenants, releases, waivers, consents, agreements and acknowledgments under this document are in addition to any covenants, releases, waivers, consents, agreements and acknowledgements given by the Security Trustee under the Scheme.

---

### **5 Enforcement**

The Security Trustee agrees that the benefit of this document can be enforced directly by each of the Scheme Company and each Scheme Creditor from the Effective Date.

---

### **6 Notices**

- (a) Any notice to be given to the Security Trustee under or in relation to this document must be given in writing and may be given by:
  - (i) hand delivery;
  - (ii) pre-paid post;
  - (iii) email; or
  - (iv) such other method as may be determined by the Security Trustee.
- (b) Notice to be given to the Security Trustee is to be given to it at:
  - (i) the applicable address noted in the table in the Schedule to this document; or
  - (ii) such other address as the Security Trustee may notify in writing to the Scheme Company and each Scheme Creditor.
- (c) Notice to the Security Trustee will be given on the date the notice is received by the Security Trustee (and will not be deemed to have been given any sooner than that date).

---

## **7 General**

### **7.1 Waiver**

- (a) A waiver of any right arising from a breach of this document, including arising from any breach of obligations assigned to the Security Trustee by the Scheme, or of any right, power, authority, discretion or remedy arising upon default under this document must be in writing and signed by the persons granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
  - (i) a right arising from a breach of this document, including arising from any breach of obligations assigned to the Security Trustee by the Scheme; or
  - (ii) a right, power, authority, discretion or remedy created or arising upon default under this document, including arising from any breach of obligations assigned to the Security Trustee by the Scheme,does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) The Security Trustee is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this document, including arising from any breach of obligations assigned to the Security Trustee by the Scheme, or on a default under this document, including arising from any breach of obligations assigned to the Security Trustee by the Scheme, as constituting a waiver of that right, power, authority, discretion or remedy.

### **7.2 Remedies cumulative**

The rights and remedies of the Security Trustee and each of the Scheme Company and each Scheme Creditor under this document are in addition to other rights and remedies given by law independently of this document.

### **7.3 Assignment**

The rights and obligations of the Security Trustee and each of the Scheme Company and each Scheme Creditor under this document are personal and must not be assigned or otherwise dealt with at law or in equity.

### **7.4 Further action**

The Security Trustee will promptly do all things and execute and deliver all further documents necessary or expedient to give effect to this document and the transactions contemplated by it.

---

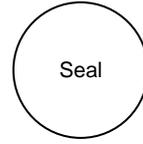
## **8 Governing law**

- (a) This document is governed by the laws of England.
- (b) The Security Trustee submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in the Commonwealth of Australia in connection with matters concerning this document and, notwithstanding any other provision of the Financing Documents, for the purposes of implementing the Scheme.



**EXECUTED** as a deed poll

**SIGNED, SEALED AND DELIVERED**  
by **LAW DEBENTURE TRUSTEES**  
**LIMITED** in the presence of:



.....  
Signature of witness

.....  
Signature of authorised signatory

.....  
Name of witness

.....  
Name of authorised signatory

# Scheme of Arrangement

## Schedule 8 Released Obligor Individual's Deed Poll

THIS DEED POLL is made on

BY [RELEASED OBLIGOR INDIVIDUAL] ("Released Obligor Individual") in favour of the Scheme Company and each Scheme Creditor.

### RECITALS

- A** The Scheme Company is party to the Financing Documents, under which among other things, the Scheme Company and the Other Obligors are jointly and severally liable for secured debt commitments advanced by the Scheme Creditors.
- B** The Scheme Company has proposed a compromise or arrangement to the Scheme Creditors, the terms of which are provided in accordance with the Scheme.
- C** Once implemented, the Scheme will give effect to a compromise of the commitments of the Scheme Company and the Other Obligors under the Financing Documents.
- D** The Released Obligor Individual consents to the Scheme and undertakes to be bound by it on the terms of this document.

---

## 1 Definitions and interpretation

### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between the Scheme Company and each Scheme Creditor, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act.

**Scheme Company** means Tiger Resources Limited (ACN 077 110 304).

**Scheme Creditors** means the persons listed in Schedule 1 to the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme.

### 1.2 General interpretation

Clause 1.2 of the Scheme applies to this document.

---

## 2 Deed Poll Effective Time

This document becomes effective at the earliest time (“**Deed Poll Effective Time**”) that the Released Obligor Individual which is party to this document:

- (a) receives notice that the Court Orders are Effective; and
- (b) has executed this document.

---

## 3 Consent to Scheme and covenants

From the Deed Poll Effective Time, the Released Obligor Individual consents to the Scheme and irrevocably covenants in favour of the Scheme Company and each Scheme Creditor that it will:

- (a) be bound by the terms of the Scheme as if it were a party to the Scheme and undertakes to perform all obligations of the Released Obligor Individual referred to in the Scheme; and
- (b) do everything necessary or desirable to be done by it, including executing any document, for the purposes of giving effect to the Scheme.

---

## 4 No prejudice if bound

The covenants, releases, waivers, consents, agreements and acknowledgments under this document are in addition to any covenants, releases, waivers, consents, agreements and acknowledgements given by the Released Obligor Individual under the Scheme.

---

## 5 Enforcement

The Released Obligor Individual agrees that the benefit of this document can be enforced directly by each of the Scheme Company and each Scheme Creditor from the Effective Date.

---

## 6 Notices

- (a) Any notice to be given to the Released Obligor Individual under or in relation to this document must be given in writing and may be given by:
  - (i) hand delivery;
  - (ii) pre-paid post;
  - (iii) email; or
  - (iv) such other method as may be determined by the Released Obligor Individual.
- (b) Notice to be given to the Released Obligor Individual is to be given to it at:
  - (i) the applicable address noted in the table in the Schedule to this document; or

- (ii) such other address as the Released Obligor may notify in writing to the Scheme Company and each Scheme Creditor.
- (c) Notice to the Released Obligor Individual will be given on the date the notice is received by the Released Obligor Individual (and will not be deemed to have been given any sooner than that date).

---

## **7 General**

### **7.1 Waiver**

- (a) A waiver of any right arising from a breach of this document, including arising from any breach of obligations assigned to the Released Obligor Individual by the Scheme, or of any right, power, authority, discretion or remedy arising upon default under this document must be in writing and signed by the persons granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
  - (i) a right arising from a breach of this document, including arising from any breach of obligations assigned to the Released Obligor Individual by the Scheme; or
  - (ii) a right, power, authority, discretion or remedy created or arising upon default under this document, including arising from any breach of obligations assigned to the Released Obligor Individual by the Scheme,does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) The Released Obligor Individual is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this document, including arising from any breach of obligations assigned to the Released Obligor Individual by the Scheme, or on a default under this document, including arising from any breach of obligations assigned to the Released Obligor Individual by the Scheme, as constituting a waiver of that right, power, authority, discretion or remedy.

### **7.2 Remedies cumulative**

The rights and remedies of the Released Obligor Individual and each of the Scheme Company and each Scheme Creditor under this document are in addition to other rights and remedies given by law independently of this document.

### **7.3 Assignment**

The rights and obligations of the Released Obligor Individual and each of the Scheme Company and each Scheme Creditor under this document are personal and must not be assigned or otherwise dealt with at law or in equity.

### **7.4 Further action**

The Released Obligor Individual will promptly do all things and execute and deliver all further documents necessary or expedient to give effect to this document and the transactions contemplated by it.

---

## **8 Governing law**

This document is governed by the laws of New South Wales, Australia. The Released Obligor Individual submits to the non-exclusive jurisdiction of the courts exercising jurisdiction there in connection with matters concerning this document.



**EXECUTED** as a deed poll

**SIGNED, SEALED AND DELIVERED** )  
by [Released Obligor Individual] in the )  
presence of: )  
 )  
 )  
..... )  
Signature of witness )  
 )  
..... )  
Name of witness (block letters) )  
 )

..... )  
Signature of [Released Obligor  
Individual]

# Scheme of Arrangement

## Schedule 9 Trustee Deed Poll

**THIS DEED POLL** is made on

**BY [TRUSTEE]** (“Trustee”) in favour of the Scheme Company and each Scheme Creditor.

### RECITALS

- A** The Scheme Company is party to the Financing Documents, under which among other things, the Scheme Company and the Other Obligors are jointly and severally liable for secured debt commitments advanced by the Scheme Creditors.
- B** The Scheme Company has proposed a compromise or arrangement to the Scheme Creditors, the terms of which are provided in accordance with the Scheme.
- C** Once implemented, the Scheme will give effect to a compromise of the commitments of the Scheme Company and the Other Obligors under the Financing Documents.
- D** The Released Obligor Individual consents to the Scheme and undertakes to be bound by it on the terms of this document.

---

## 1 Definitions and interpretation

### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between the Scheme Company and each Scheme Creditor, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act.

**Scheme Company** means Tiger Resources Limited (ACN 077 110 304).

**Scheme Creditors** means the persons listed in Schedule 1 to the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme.

### 1.2 General interpretation

Clause 1.2 of the Scheme applies to this document.

---

## 2 Deed Poll Effective Time

This document becomes effective at the earliest time (“**Deed Poll Effective Time**”) that the Trustee which is party to this document:

- (a) receives notice that the Court Orders are Effective; and
- (b) has executed this document.

---

### **3 Consent to Scheme and covenants**

From the Deed Poll Effective Time, the Trustee consents to the Scheme and irrevocably covenants in favour of the Scheme Company and each Scheme Creditor that it will:

- (a) be bound by the terms of the Scheme as if it were a party to the Scheme and undertakes to perform all obligations of the Released Obligor Individual referred to in the Scheme; and
- (b) do everything necessary or desirable to be done by it, including executing any document, for the purposes of giving effect to the Scheme.

---

### **4 No prejudice if bound**

The covenants, releases, waivers, consents, agreements and acknowledgments under this document are in addition to any covenants, releases, waivers, consents, agreements and acknowledgements given by the Trustee under the Scheme.

---

### **5 Enforcement**

The Trustee agrees that the benefit of this document can be enforced directly by each of the Scheme Company and each Scheme Creditor from the Effective Date.

---

### **6 Notices**

- (a) Any notice to be given to the Trustee under or in relation to this document must be given in writing and may be given by:
  - (i) hand delivery;
  - (ii) pre-paid post;
  - (iii) email; or
  - (iv) such other method as may be determined by the Trustee.
- (b) Notice to be given to the Trustee is to be given to it at:
  - (i) the applicable address noted in the table in the Schedule to this document; or
  - (ii) such other address as the Trustee may notify in writing to the Scheme Company and each Scheme Creditor.
- (c) Notice to the Trustee will be given on the date the notice is received by the Trustee (and will not be deemed to have been given any sooner than that date).

---

## **7 General**

### **7.1 Waiver**

- (a) A waiver of any right arising from a breach of this document, including arising from any breach of obligations assigned to the Trustee by the Scheme, or of any right, power, authority, discretion or remedy arising upon default under this document must be in writing and signed by the persons granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
  - (i) a right arising from a breach of this document, including arising from any breach of obligations assigned to the Trustee by the Scheme; or
  - (ii) a right, power, authority, discretion or remedy created or arising upon default under this document, including arising from any breach of obligations assigned to the Trustee by the Scheme,does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) The Trustee is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this document, including arising from any breach of obligations assigned to the Trustee by the Scheme, or on a default under this document, including arising from any breach of obligations assigned to the Trustee by the Scheme, as constituting a waiver of that right, power, authority, discretion or remedy.

### **7.2 Remedies cumulative**

The rights and remedies of the Trustee and each of the Scheme Company and each Scheme Creditor under this document are in addition to other rights and remedies given by law independently of this document.

### **7.3 Assignment**

The rights and obligations of the Trustee and each of the Scheme Company and each Scheme Creditor under this document are personal and must not be assigned or otherwise dealt with at law or in equity.

### **7.4 Further action**

The Trustee will promptly do all things and execute and deliver all further documents necessary or expedient to give effect to this document and the transactions contemplated by it.

---

## **8 Governing law**

This document is governed by the laws of New South Wales, Australia. The Trustee submits to the non-exclusive jurisdiction of the courts exercising jurisdiction there in connection with matters concerning this document.

**EXECUTED** as a deed poll

**SIGNED, SEALED AND DELIVERED** )  
by [Trustee] in the presence of: )  
 )  
 )  
..... )  
Signature of witness )  
 )  
..... )  
Name of witness (block letters) )  
 )  
 )

.....  
Signature of [Trustee]

## Schedule 10 Amending Financing Documents



HERBERT  
SMITH  
FREEHILLS

..... **2019**

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**  
as Borrower

and

**TAURUS MINING FINANCE FUND L.P.**  
as TMFF

---

**AMENDMENT AND RESTATEMENT  
AGREEMENT**

**Further amending and restating a Loan  
Agreement dated 16 December 2015, as  
amended and restated on 24 September 2017  
and on 17 April 2019**

---

Herbert Smith Freehills LLP

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**THIS AGREEMENT** is dated

2019 and made between:

- (1) **SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**, a company organized and existing under the laws of the Democratic Republic of the Congo, registered at the *Nouveau Registre du Commerce et du Crédit Mobilier* of Lubumbashi with the number 14-B-1486, with tax number A-0811655-D, national identification number 6-122-N58148L and with its registered office at Kipoi Operating Site, Kambove Territory, High Katanga Province, Democratic Republic of the Congo (the "**Borrower**"); and
- (2) **TAURUS MINING FINANCE FUND L.P.**, a Cayman Islands exempted limited partnership registered in the Cayman Islands on 11 April 2014 of CO Services, P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, Cayman Islands ("**TMFF**").

**BACKGROUND:**

- (A) The parties to this Agreement are party to a loan agreement dated 16 December 2015, as amended and restated under a document entitled "Amendment and Restatement Agreement" dated 24 September 2017 and under a document entitled "Amendment and Restatement Agreement" dated 17 April 2019, in each case, between the same parties (the "**Loan Agreement**").
- (B) Section 6.07 (*Amendments, Waivers and Consent*) of the Loan Agreement provides that any amendment to that document is to be in writing and signed by the parties to it.
- (C) The parties to this Agreement have agreed to amend and restate the Loan Agreement as set out in this Agreement.

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

Terms defined in the Loan Agreement shall, unless otherwise defined in this Agreement or a contrary intention appears, bear the same meaning when used in this Agreement and the following terms shall have the following meanings:

"**Amendment Letter**" means the letter agreement with the subject line "Common Terms Agreement – Amendment Letter" dated on or about the date of this Agreement between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, International Finance Corporation, Qmetco Limited, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

"**Common Terms Agreement**" means the common terms agreement dated 16 December 2015 between the Borrower (as Borrower), Tiger Resources Limited, Balcon Holdings Limited, Balcon Investments and Logistics (Pty) Ltd, Congo Minerals SARL, Havelock Finance Limited, Sase Mining SARL, Tiger Congo SARL and Tiger Resources Finance Limited (as Guarantors), each party listed in Schedule 1 to that agreement (as Senior General Lenders), International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee), as amended and restated under a document entitled "Amendment and Restatement Agreement" dated 20 January 2016 between the same parties and as further amended under a document entitled "Amendment Agreement" dated 1 July 2016 between, among others, the same parties, under the Revised Funding Letter, under the Side Letter, under the Tranche C Letter, under the Tranche D Letter, under the Tranche E Letter and under the Amendment Letter.

**“Effective Date”** means the date of this Agreement.

**“Financing Document”** has the meaning given to that term in the Common Terms Agreement.

**“GSRS Deed”** has the meaning given to that term in the Common Terms Agreement.

**“IFC Disbursement Letter”** means the letter agreement with the subject line “Common Terms Agreement – Provision of IFC Disbursement and grant of waivers” dated 14 December 2016 between Tiger Resources Limited (for itself and as agent for the Borrower and the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, Resource Capital Fund VI L.P., International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

**“Restated Loan Agreement”** means the Loan Agreement as amended and restated in accordance with this Agreement in the form set out in Schedule 1 (*Restated Loan Agreement*) to this Agreement.

**“Revised Funding Letter”** means the letter agreement with the subject line “Common Terms Agreement – Revised funding proposal” dated 24 October 2016 between Tiger Resources Limited (for itself and as agent for the Borrower and the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, Resource Capital Fund VI L.P., International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee), as supplemented by the Side Letter, the IFC Disbursement Letter and the Tranche C Letter.

**“Side Letter”** means the letter agreement with the subject line “Common Terms Agreement – Side agreement in lieu of amending documents” dated 28 November 2016 between Tiger Resources Limited (for itself and as agent for the Borrower and the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, Resource Capital Fund VI L.P., International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

**“Tranche C Letter”** means the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 24 September 2017 between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, Resource Capital Fund VI L.P., International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

**“Tranche D Letter”** means the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 17 April 2019 between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, Resource Capital Fund VI L.P., International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

**“Tranche E Letter”** means the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 14 August 2019 between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, Resource Capital Fund VI L.P., International Finance Corporation, Qmetco Limited, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

## 1.2 Interpretation

The provisions of Section 1.03 (*Interpretation*) of the Common Terms Agreement shall also apply to this Agreement but, unless specified otherwise, references to “Sections” and “Schedules” are to sections and schedules of this Agreement and references to “this Agreement” are to this Agreement.

## 1.3 Third party rights

The provisions of Section 5.10 (*Third-Party Rights*) of the Restated Loan Agreement shall apply to this Agreement.

## 2. AMENDMENT AND RESTATEMENT

2.1 The Loan Agreement shall be amended and restated in the form set out in Schedule 1 (*Restated Loan Agreement*) with effect from (and including) the Effective Date and so that the rights and obligations of the parties to this Agreement relating to their performance under the Loan Agreement from (and including) the Effective Date shall be governed by and construed in accordance with the terms of the Restated Loan Agreement.

2.2 The parties to this Agreement agree that with effect from (and including) the Effective Date:

- (a) they shall have the rights and take on the obligations ascribed to them under the Restated Loan Agreement; and
- (b) any reference in a Financing Document to the Loan Agreement or to any provision of the Loan Agreement will be construed as a reference to the Restated Loan Agreement or to the relevant provision thereof (as applicable).

## 3. GUARANTEE AND SECURITY

The Borrower, with effect from the Effective Date, confirms that any security or guarantee created or given by it under the Financing Documents (including under the GSRS Deed) will:

- (a) continue in full force and effect; and
- (b) extend to all liabilities and obligations of the Borrower arising under the Restated Loan Agreement.

## 4. REPRESENTATIONS AND WARRANTIES

The Borrower makes the representations and warranties set out in Section 3.01 (*Representations and Warranties*) of the Common Terms Agreement as at the Effective Date, by reference to the facts and circumstances then existing as if references to the Financing Documents included references to this Agreement.

## 5. CONTINUATION

5.1 This Agreement is supplemental to, and shall be construed as one with, the Loan Agreement.

5.2 This Agreement is a Financing Document and, except as otherwise provided in this Agreement, the Financing Documents remain in full force and effect.

6. **FURTHER ASSURANCE**

Each party to this Agreement agrees that it shall promptly, upon the request of the Agent (as defined in the Common Terms Agreement), execute and deliver any document and do any act or thing in order to confirm or establish the validity and enforceability of this Agreement.

7. **MISCELLANEOUS**

The provisions of Sections 5.01 (*Notices*), 5.05 (*Successors and Assignees*) and 5.08 (*Counterparts*) of the Restated Loan Agreement shall apply to this Agreement as though those sections were set out in this Agreement, but as if references in those clauses to the Restated Loan Agreement were references to this Agreement.

8. **GOVERNING LAW AND JURISDICTION**

8.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

8.2 The provisions of Section 8.05 (b) to (i) (*Applicable Law and Jurisdiction*) of the Common Terms Agreement (inclusive) shall apply to this Agreement as if set out in this Agreement in full, but as if each reference therein to:

- (a) "each Finance Party", "any Finance Party", "a Finance Party" or "the Finance Parties" was a reference to TMFF;
- (b) "this Agreement" or any "Transaction Document" was a reference to this Agreement; and
- (c) "a Transaction Party", "each Transaction Party" or "that Transaction Party" was a reference to the Borrower.

**SCHEDULE 1**  
**RESTATED LOAN AGREEMENT**

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# **Loan Agreement**

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**  
as Borrower

and

**TAURUS MINING FINANCE FUND L.P.**  
as TMFF

**Dated 16 December 2015, as amended and restated pursuant to the  
Amendment and Restatement Agreement  
(defined in Section 1.01 (*Definitions*) below)**

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# LOAN AGREEMENT

LOAN AGREEMENT dated 16 December 2015, as amended and restated pursuant to the Amendment and Restatement Agreement (this “Agreement”) among:

- (1) SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A., a company organized and existing under the laws of the DRC, registered at the *Nouveau Registre du Commerce et du Crédit Mobilier* of Lubumbashi with the number 14-B-1486, with tax number A-0811655-D, national identification number 6-122-N58148L and with its registered office at Kipoi Operating Site, Kambove Territory, High Katanga Province, DRC (the “Borrower”); and
- (2) TAURUS MINING FINANCE FUND L.P., a Cayman Islands exempted limited partnership registered in the Cayman Islands on 11 April 2014 of CO Services, P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, Cayman Islands (“TMFF”).

## RECITALS

The Borrower is undertaking the Project;

The Borrower has requested TMFF to provide the Loan to finance the Project and certain working capital requirements; and

TMFF is willing to provide the Loan upon the terms and conditions set forth in this Agreement.

## ARTICLE I

### Definitions and Interpretation

Section 1.01. *Definitions.* Wherever used in this Agreement, and except as otherwise defined herein, terms defined in the Common Terms Agreement (as defined below) shall have the meaning ascribed to them therein, and the following terms have the meanings opposite them:

“Amendment and Restatement Agreement”

the amendment and restatement agreement dated in or about [*insert date – to be aligned with Scheme Proposal*] between the Borrower and TMFF;



“Common Terms Agreement”

the agreement entitled “Common Terms Agreement” dated 16 December 2015 between the Borrower (as Borrower), Tiger Resources Limited, Balcon Holdings Limited, Balcon Investments and Logistics (Pty) Ltd, Congo Minerals SARL, Havelock Finance Limited, Sase Mining SARL, Tiger Congo SARL and Tiger Resources Finance Limited (as Guarantors), each party listed in Schedule 1 to that agreement (as Senior General Lenders), International Finance Corporation (as IFC), The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee), as amended and restated from time to time, most recently under a document entitled “Amendment and Restatement Agreement” dated 20 January 2016 between the same parties and as further amended under the Side Letter;

“Deed of Assumption”

the agreement entitled “Deed of Assumption of Debt” dated on or about the date of the Amendment and Restatement Agreement;

“Disbursement”

any disbursement of the Loan;

“Effective Date”

has the meaning given to that term in the Amendment and Restatement Agreement;

“Loan”

the loan made available by TMFF to the Borrower under this Agreement, comprising Tranche A and Tranche D;

“Principal Outstanding”

at any time:

- (a) where used in respect of a Tranche, the aggregate principal amount outstanding under that Tranche at that time; and
- (b) where used without reference to a Tranche, the aggregate principal amount outstanding under the Loan at that time;

<u>“Qmetco”</u>	QMetco Limited (ACN 008 124 025);
<u>“Side Letter”</u>	the letter agreement with the subject line “Common Terms Agreement – Side letter” dated [insert] between the Borrower (as Borrower), Tiger Resources Limited, Balcon Holdings Limited, Balcon Investments and Logistics (Pty) Ltd, Congo Minerals SARL, Havelock Finance Limited, Sase Mining SARL, Tiger Congo SARL and Tiger Resources Finance Limited (as Guarantors), TMFF, IFC and Qmetco (as Senior Lenders), The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee);
<u>“Termination Event”</u>	has the meaning given to the term “Tranche D Termination Event” in the Side Letter;
<u>“Tranche”</u>	as applicable:  (a) Tranche A; or  (b) Tranche D;
<u>“Tranche A”</u>	the loan specified in Section 2.01 ( <i>Tranche A</i> );
<u>“Tranche D”</u>	the loan specified in Section 3.01 ( <i>Tranche D</i> );
<u>“Tranche D Repayment Date”</u>	the earlier of:  (a) 31 December 2024; and  (b) the date on which TMFF demands repayment of the Tranche D Principal Outstanding following the occurrence of a Termination Event.

Section 1.02. Financial Calculations; Interpretation; Business Day Adjustment. (a) This Agreement is the TMFF Loan Agreement referred to in the Common Terms Agreement.

(b) Sections 1.02. (*Financial Calculations*), 1.03 (*Interpretation*) and 1.04 (*Business Day Adjustment*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “each Senior Lender”, “any Senior Lender” or “the Senior Lenders” were a reference to TMFF and each reference to “this Agreement”, “the Financing Documents” or “the Transaction Documents” were a reference to this Agreement).

(c) In the context of this Agreement, and except as otherwise provided in this Agreement, any reference to “the date of this Agreement” or any similar reference, is a reference to the date of execution of this Agreement.

Section 1.03. *Conflict with Common Terms Agreement*. In the event of any conflict between the terms of this Agreement and the terms of the Common Terms Agreement, the terms of this Agreement will prevail as between the parties to this Agreement.

## ARTICLE II

### Tranche A

Section 2.01. *Tranche A*. (a) Subject to the provisions of this Agreement and the Common Terms Agreement (including Section 2.02 (*Disbursement Procedure and Use of Proceeds*), Section 4.01 (*Conditions of First Disbursement*) and Section 4.02 (*Conditions of All Disbursements*) of the Common Terms Agreement), TMFF has made Tranche A available to the Borrower in an aggregate principal amount of [insert amount] Dollars (US\$[insert amount]), of which [insert] Dollars (US\$[insert]) has been released in accordance with the Deed of Assumption, which means that the Principal Outstanding as at the Effective Date is [insert] Dollars (US\$[insert]). [Note: (i) The amount of debt to be owing under this loan agreement will be TMFF’s pro rata share of US\$70m, divided pro rata between each Senior Lender. (ii) The amount released under the Deed of Novation will be whatever amount is necessary in order to ensure that the total amount remaining owing by SEK under Tranche A is equal to US\$70m, divided pro rata between each Senior Lender. (iii) The first amount left square-bracketed above will be the aggregate of paragraphs (i) and (ii).]

(b) There is no undisbursed portion of Tranche A as at the Effective Date.

Section 2.02. *Interest*. Subject to Section 2.04 (*Default Interest Rate*) of the Common Terms Agreement, the Borrower shall pay interest on Tranche A in accordance with this Section 2.02:

(a) The Principal Outstanding under Tranche A shall bear interest at the Interest Rate set out in Section 2.02(c).

(b) Interest on the Principal Outstanding under Tranche A shall accrue from day to day, be pro rated on the basis of a 360-day year for the actual number

of days elapsed and be payable in arrears on each Interest Payment Date; provided that with respect to any Disbursement of Tranche A made less than fifteen (15) days before an Interest Payment Date, interest on the Principal Outstanding under Tranche A represented by that Disbursement shall be payable commencing on the second Interest Payment Date following the date of that Disbursement.

- (c) The Interest Rate shall be 9.25% per annum.

Section 2.03. Repayment. (a) The Borrower shall repay the Principal Outstanding under Tranche A in accordance with Section 2.05 (*Repayment*) of the Common Terms Agreement.

(b) Any Principal Outstanding under Tranche A repaid under this Agreement may not be re-borrowed.

Section 2.04. Prepayment. (a) The Borrower may prepay the Principal Outstanding under Tranche A in accordance with Section 2.06 (*Prepayment*) of the Common Terms Agreement.

(b) Amounts of Principal Outstanding under Tranche A prepaid under this Section 2.04 and Section 2.06 (*Prepayment*) of the Common Terms Agreement shall be applied by TMFF to all the outstanding instalments of principal of Tranche A in inverse order of maturity.

Section 2.05. Fees and Other Payments. (a) The Borrower shall pay to TMFF a commitment fee in respect of Tranche A:

- (i) at the rate of two per cent. (2 %) per annum on that part of Tranche A that, from time to time, has not been disbursed or canceled, beginning to accrue on the date of this Agreement;
- (ii) pro rated on the basis of a 360-day year for the actual number of days elapsed; and
- (iii) payable quarterly, in arrears, on each Interest Payment Date, subject to the first such payment to be due on 30 April 2016.

(b) The Borrower shall also pay to TMFF in respect of Tranche A:

- (i) a front-end fee of US\$3,050,000, being two and a half per cent. (2.5%) of the amount of Tranche A on the date of this Agreement, to be paid on the earlier of: (A) the date immediately preceding the date of the first Disbursement of Tranche A; and (B) the date which is thirty (30) days after the date of this Agreement; and

- (ii) if the Borrower and TMFF agree to restructure all or part of Tranche A, the Borrower and TMFF shall negotiate in good faith an appropriate amount to compensate TMFF for the additional work of TMFF staff required in connection with such restructuring.

Section 2.06. Currency and Place of Payments. The Borrower shall make all payments of principal, interest, fees, and any other amount due to TMFF under this Agreement and the other Financing Documents in respect of Tranche A in accordance with Section 2.08 (*Currency and Place of Payments*) of the Common Terms Agreement.

Section 2.07. Suspension and Cancellation. (a) TMFF may suspend the right of the Borrower to Disbursements of Tranche A or cancel the undisbursed portion of Tranche A in whole or in part in accordance with Section 2.12 (*Suspension or Cancellation by Senior Lenders*) or Section 6.04 (*Review Event*) of the Common Terms Agreement.

(b) The Borrower may request that TMFF cancel the undisbursed portion of Tranche A in accordance with Section 2.13 (*Cancellation by the Borrower*) of the Common Terms Agreement.

### ARTICLE III

#### Tranche D

Section 3.01. Tranche D. Subject to the provisions of this Agreement, the Common Terms Agreement and the Side Letter, TMFF agrees to make Tranche D available to the Borrower in an aggregate principal amount of up to thirteen million, two hundred thousand Dollars (US\$13,200,000). There is no undisbursed portion of Tranche D as at the Effective Date.

Section 3.02. Interest. Subject to Section 2.04 (*Default Interest Rate*) of the Common Terms Agreement, the Borrower shall pay interest on Tranche D in accordance with this Section 3.02:

(a) Subject to Section 3.04 (*Prepayment*), the Principal Outstanding under Tranche D shall bear interest at the Interest Rate set out in Section 3.02(c).

(b) Interest on the Principal Outstanding under Tranche D shall accrue from day to day, be pro rated on the basis of a 360-day year for the actual number of days elapsed and be payable in arrears on each Interest Payment Date and the Tranche D Repayment Date.

(c) The Interest Rate shall be 8% per annum.

Section 3.03. Repayment. (a) The Borrower shall repay the Principal Outstanding under Tranche D on the Tranche D Repayment Date.

(b) Any Principal Outstanding under Tranche D repaid under this Agreement may not be re-borrowed.

Section 3.04. Prepayment. The Borrower may prepay the Principal Outstanding under Tranche D in accordance with Section 2.06 (*Prepayment*) of the Common Terms Agreement. .

Section 3.05. Fees. The Borrower shall pay to TMFF in respect of Tranche D a non-refundable front-end fee of three hundred and thirty thousand Dollars (US\$330,000), being two and a half per cent. (2.5%) of the available amount of Tranche D specified in Section 3.01 (*Tranche D*), to be paid on the date of the first Disbursement of Tranche D.

Section 3.06. Currency and Place of Payments. The Borrower shall make all payments of principal, interest, fees, and any other amount due to TMFF under this Agreement and the other Financing Documents in respect of Tranche D in accordance with Section 2.08 (*Currency and Place of Payments*) of the Common Terms Agreement.

Section 3.07. Suspension and Cancellation. (a) TMFF may suspend the right of the Borrower to Disbursements of Tranche D or cancel the undisbursed portion of Tranche D in whole or in part in accordance with Section 2.12 (*Suspension or Cancellation by Senior Lenders*) or Section 6.04 (*Review Event*) of the Common Terms Agreement.

(b) The Borrower may request that TMFF cancel the undisbursed portion of Tranche D in accordance with Section 2.13 (*Cancellation by the Borrower*) of the Common Terms Agreement.

## ARTICLE IV

### Common Terms

Section 4.01. Representations and Warranties. (a) The representations and warranties set out in Section 3.01 (*Representations and Warranties*) of the Common Terms Agreement shall be made and are deemed to be made herein, *mutatis mutandis*, for the benefit of TMFF as if set out in this Agreement in full.

(b) The Borrower acknowledges that TMFF enters into this Agreement and the other Financing Documents on the basis of, and in full reliance on, each of the representations and warranties referred to in Section 3.01 (*Representations and Warranties*) of the Common Terms Agreement.

Section 4.02. Conditions of First Disbursement. The obligation of TMFF to make the first Disbursement is subject to the fulfillment prior to and concurrently with the making of such Disbursement of the conditions set forth in Section 4.01 (*Conditions of First Disbursement*) of the Common Terms Agreement, Section 4.02 (*Conditions of All Disbursements*) of the Common Terms Agreement and Section 4.03 (*Conditions of All Disbursements*) of this Agreement.

Section 4.03. Conditions of All Disbursements. (a) The obligation of TMFF to make any Disbursement is subject to the fulfillment prior to and concurrently with the making of such Disbursement of the conditions set forth in Section 4.01 (*Conditions of First Disbursement*) and Section 4.02 (*Conditions of All Disbursements*) of the Common Terms Agreement.

Section 4.04. Covenants. So long as any amount of any Tranche remains available for disbursement or any amount is outstanding under any of the Financing Documents, the covenants set out in Article V (*Particular Covenants*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, for the benefit of TMFF as if set out in this Agreement in full.

Section 4.05. Events of Default. (a) The Events of Default set out in Section 6.02 (*Events of Default*) of the Common Terms Agreement shall each constitute an event of default under this Agreement.

(b) If any Event of Default occurs and is continuing (whether it is voluntary or involuntary, or results from operation of law or otherwise), TMFF may, (i) by notice to the Borrower (with a copy to the Agent), require the Borrower to repay the Principal Outstanding or such part of the Principal Outstanding as is specified in that notice. On receipt of any such notice, the Borrower shall immediately repay the Principal Outstanding (or that part of the Principal Outstanding specified in that notice) and pay all interest accrued on it and any other amounts then payable under this Agreement and the other Financing Documents. The Borrower waives any right it might have to further notice, presentment, demand or protest with respect to that demand for immediate payment; and (ii) take any Enforcement Action.

(c) If the Borrower is liquidated or declared bankrupt, the Principal Outstanding, all interest accrued on it and any other amounts payable under this Agreement and the other Financing Documents will become immediately due and payable without any presentment, demand, protest or notice of any kind, all of which the Borrower waives.

## ARTICLE VI

### Miscellaneous

Section 5.01. Notices. Any notice, request or other communication to be given or made under this Agreement shall be given in accordance with Section 8.02 (*Notices*) of the Common Terms Agreement.

Section 5.02. Term of Agreement. This Agreement shall continue in force until all monies payable under it have been fully paid in accordance with its provisions.

Section 5.03. Saving of Rights. Section 8.01 (*Saving of Rights*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “each Finance Party”, “any Finance Party” or “the Finance Parties” were a reference to TMFF and each reference to “this Agreement” or “the Financing Documents” were a reference to this Agreement).

Section 5.04. Enforcement. (a) This Agreement, and all non-contractual obligations arising out of or in connection with it, are governed by, and shall be construed in accordance with, the laws of England.

(b) Section 5.05 (*Applicable Law and Jurisdiction*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “each Finance Party”, “any Finance Party”, “a Finance Party” or “the Finance Parties” were a reference to TMFF and each reference to “this Agreement”, “the Financing Documents” or “the Transaction Documents” were a reference to this Agreement).

Section 5.05. Successors and Assignees. (a) This Agreement binds and benefits the respective successors and assignees of the parties. However, the Borrower may not assign or delegate any of its rights or obligations under this Agreement without the prior consent of TMFF.

(b) TMFF may sell, transfer, assign, novate or otherwise dispose of all or part of its rights or obligations under this Agreement in accordance with Section 8.07 (*Successors and Assignees*) of the Common Terms Agreement.

Section 5.06. Disclosure of Information. Section 8.06 (*Disclosure of Information*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “each Finance Party”, “any Finance Party”, “a Finance Party” or “the Finance Parties” were a reference to TMFF and each reference to “this Agreement”, “the Financing Documents” or “the Transaction Documents” were a reference to this Agreement).



Section 5.07. Amendments, Waivers and Consent. Any amendment or waiver of, or any consent given under, any provision of this Agreement shall be in writing and, in the case of an amendment, signed by the parties to this Agreement.

Section 5.08. Counterparts. This Agreement may be executed in several counterparts, each of which is an original, but all of which together constitute one and the same agreement.

Section 5.09. English Language. (a) All documents to be provided or communications to be given or made under this Agreement shall be in the English language.

(b) To the extent that the original version of any document to be provided, or communication to be given or made, to TMFF under this Agreement is in a language other than English, that document or communication shall be accompanied by an English translation certified by an Authorized Representative of the Borrower to be a true and correct translation of the original. TMFF may, if it so requires, obtain an English translation of any document or communication received in a language other than English at the cost and expense of the Borrower. TMFF may deem any such English translation to be the governing version between the Borrower and TMFF.

Section 5.10. Third Party Rights. A Person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement.

*{Signature page follows}*

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed in their respective names as of the date first above written.

[SIGNING PAGE INTENTIONALLY LEFT BLANK]

**SIGNATORIES TO THE AMENDMENT AND RESTATEMENT AGREEMENT**

IN WITNESS WHEREOF, this Agreement has been entered into on the date stated at the beginning of this Agreement and executed by each party to it as a deed and is intended to be and is delivered by them as a deed on the date specified above.

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **SOCIÉTÉ D'EXPLOITATION DE** )  
**KIPOI S.A.** authorised pursuant to the )  
Scheme of Arrangement approved by )  
the Federal Court of Australia in )  
proceeding no [●], in the presence of: )  
..... )  
Signature of witness )

.....  
Signature of RICHARD TUCKER

.....  
Name of witness (block letters)

**TAURUS MINING FINANCE FUND L.P.,**  
by its general partner **TAURUS MINING FINANCE FUND GP LTD**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **TAURUS MINING FINANCE FUND** )  
**L.P.** by its general partner **TAURUS** )  
**MINING FINANCE FUND GP LTD** )  
authorised pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )  
..... )  
Signature of witness )

.....  
Signature of RICHARD TUCKER

.....  
Name of witness (block letters)



HERBERT  
SMITH  
FREEHILLS

..... **2019**

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**

as Borrower

and

**INTERNATIONAL FINANCE CORPORATION**

as IFC

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**AMENDMENT AND RESTATEMENT  
AGREEMENT**

**Further amending and restating a Loan  
Agreement dated 16 December 2015, as  
amended and restated on 24 September 2017**

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Herbert Smith Freehills LLP

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**THIS AGREEMENT** is dated

2019 and made between:

- (1) **SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**, a company organized and existing under the laws of the Democratic Republic of the Congo, registered at the *Nouveau Registre du Commerce et du Crédit Mobilier* of Lubumbashi with the number 14-B-1486, with tax number A-0811655-D, national identification number 6-122-N58148L and with its registered office at Kipoi Operating Site, Kambove Territory, High Katanga Province, Democratic Republic of the Congo (the "**Borrower**"); and
- (2) **INTERNATIONAL FINANCE CORPORATION**, an international organization established by Articles of Agreement among its member countries including the Democratic Republic of the Congo ("**IFC**").

#### **BACKGROUND:**

- (A) The parties to this Agreement are party to a loan agreement dated 16 December 2015, as amended and restated under a document entitled "Amendment and Restatement Agreement" dated 24 September 2017 (the "**Loan Agreement**").
- (B) Section 4.07 (*Amendments, Waivers and Consent*) of the Loan Agreement provides that any amendment to that document is to be in writing and signed by the parties to it.
- (C) The parties to this Agreement have agreed to amend and restate the Loan Agreement as set out in this Agreement.

**IT IS AGREED** as follows:

#### **1. DEFINITIONS AND INTERPRETATION**

##### **1.1 Definitions**

Terms defined in the Loan Agreement shall, unless otherwise defined in this Agreement or a contrary intention appears, bear the same meaning when used in this Agreement and the following terms shall have the following meanings:

"**Amendment Letter**" means the letter agreement with the subject line "Common Terms Agreement – Amendment Letter" dated on or about the date of this Agreement between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, International Finance Corporation, Qmetco Limited, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

"**Common Terms Agreement**" means the common terms agreement dated 16 December 2015 between the Borrower (as Borrower), Tiger Resources Limited, Balcon Holdings Limited, Balcon Investments and Logistics (Pty) Ltd, Congo Minerals SARL, Havelock Finance Limited, Sase Mining SARL, Tiger Congo SARL and Tiger Resources Finance Limited (as Guarantors), each party listed in Schedule 1 to that agreement (as Senior General Lenders), International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee), as amended and restated under a document entitled "Amendment and Restatement Agreement" dated 20 January 2016 between the same parties and as further amended under a document entitled "Amendment Agreement" dated 1 July 2016 between, among others, the same parties, under the Revised Funding Letter, under the Side Letter, under the Tranche C Letter, under the Tranche D Letter, under the Tranche E Letter and under the Amendment Letter.

"**Effective Date**" means the date of this Agreement.

“**Financing Document**” has the meaning given to that term in the Common Terms Agreement.

“**GSRs Deed**” has the meaning given to that term in the Common Terms Agreement.

“**IFC Disbursement Letter**” means the letter agreement with the subject line “Common Terms Agreement – Provision of IFC Disbursement and grant of waivers” dated 14 December 2016 between Tiger Resources Limited (for itself and as agent for the Borrower and the other Guarantors under Section 1.09 of the Common Terms Agreement), Taurus Mining Finance Fund L.P., Resource Capital Fund VI L.P., IFC, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

“**Restated Loan Agreement**” means the Loan Agreement as amended and restated in accordance with this Agreement in the form set out in Schedule 1 (*Restated Loan Agreement*) to this Agreement.

“**Revised Funding Letter**” means the letter agreement with the subject line “Common Terms Agreement – Revised funding proposal” dated 24 October 2016 between Tiger Resources Limited (for itself and as agent for the Borrower and the other Guarantors under Section 1.09 of the Common Terms Agreement), Taurus Mining Finance Fund L.P., Resource Capital Fund VI L.P., IFC, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee), as supplemented by the Side Letter, the IFC Disbursement Letter and the Tranche C Letter.

“**Side Letter**” means the letter agreement with the subject line “Common Terms Agreement – Side agreement in lieu of amending documents” dated 28 November 2016 between Tiger Resources Limited (for itself and as agent for the Borrower and the other Guarantors under Section 1.09 of the Common Terms Agreement), Taurus Mining Finance Fund L.P., Resource Capital Fund VI L.P., IFC, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

“**Tranche C Letter**” means the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 24 September 2017 between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), Taurus Mining Finance Fund L.P., Resource Capital Fund VI L.P., IFC, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

“**Tranche D Letter**” means the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 17 April 2019 between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, Resource Capital Fund VI L.P., International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

“**Tranche E Letter**” means the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 14 August 2019 between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, Resource Capital Fund VI L.P., International Finance Corporation, Qmetco Limited, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

## 1.2 Interpretation

The provisions of Section 1.03 (*Interpretation*) of the Common Terms Agreement shall also apply to this Agreement but, unless specified otherwise, references to “Sections” and “Schedules” are to sections and schedules of this Agreement and references to “this Agreement” are to this Agreement.

1.3 **Third party rights**

The provisions of Section 4.10 (*Third-Party Rights*) of the Loan Agreement shall apply to this Agreement.

2. **AMENDMENT AND RESTATEMENT**

2.1 The Loan Agreement shall be amended and restated in the form set out in Schedule 1 (*Restated Loan Agreement*) with effect from (and including) the Effective Date and so that the rights and obligations of the parties to this Agreement relating to their performance under the Loan Agreement from (and including) the Effective Date shall be governed by and construed in accordance with the terms of the Restated Loan Agreement.

2.2 The parties to this Agreement agree that with effect from (and including) the Effective Date:

- (a) they shall have the rights and take on the obligations ascribed to them under the Restated Loan Agreement; and
- (b) any reference in a Financing Document to the Loan Agreement or to any provision of the Loan Agreement will be construed as a reference to the Restated Loan Agreement or to the relevant provision thereof (as applicable).

3. **GURANTEE AND SECURITY**

The Borrower, with effect from the Effective Date, confirms that any security or guarantee created or given by it under the Financing Documents (including under the GSRS Deed) will:

- (a) continue in full force and effect; and
- (b) extend to all liabilities and obligations of the Borrower arising under the Restated Loan Agreement.

4. **REPRESENTATIONS AND WARRANTIES**

The Borrower makes the representations and warranties set out in Section 3.01 (*Representations and Warranties*) of the Common Terms Agreement as at the Effective Date, by reference to the facts and circumstances then existing as if references to the Financing Documents included references to this Agreement.

5. **CONTINUATION**

5.1 This Agreement is supplemental to, and shall be construed as one with, the Loan Agreement.

5.2 This Agreement is a Financing Document and, except as otherwise provided in this Agreement, the Financing Documents remain in full force and effect.

6. **FURTHER ASSURANCE**

Each party to this Agreement agrees that it shall promptly, upon the request of the Agent (as defined in the Common Terms Agreement), execute and deliver any document and do any act or thing in order to confirm or establish the validity and enforceability of this Agreement.



7. **MISCELLANEOUS**

The provisions of Sections 4.01 (*Notices*), 4.05 (*Successors and Assignees*) and 4.08 (*Counterparts*) of the Loan Agreement shall apply to this Agreement as though those sections were set out in this Agreement, but as if references in those clauses to the Loan Agreement were references to this Agreement.

8. **GOVERNING LAW AND JURISDICTION**

8.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

8.2 The provisions of Section 8.05 (b) to (i) (*Applicable Law and Jurisdiction*) of the Common Terms Agreement (inclusive) shall apply to this Agreement as if set out in this Agreement in full, but as if each reference therein to:

- (a) "each Finance Party", "any Finance Party", "a Finance Party" or "the Finance Parties" was a reference to IFC;
- (b) "this Agreement" or any "Transaction Document" was a reference to this Agreement; and
- (c) "a Transaction Party", "each Transaction Party" or "that Transaction Party" was a reference to the Borrower.

**SCHEDULE 1**  
**RESTATED LOAN AGREEMENT**

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INVESTMENT NUMBER 36313

# Loan Agreement

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**  
as Borrower

and

**INTERNATIONAL FINANCE CORPORATION**  
as IFC

**Dated 16 December 2015, as amended and restated  
pursuant to the Amendment and Restatement Agreement  
(defined in Section 1.01 (*Definitions*) below)**

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# LOAN AGREEMENT

LOAN AGREEMENT dated 16 December 2015, as amended and restated pursuant to the Amendment and Restatement Agreement (this “Agreement”), among:

- (1) SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A., a company organized and existing under the laws of the DRC, registered at the *Nouveau Registre du Commerce et du Crédit Mobilier* of Lubumbashi with the number 14-B-1486, with tax number A-0811655-D, national identification number 6-122-N58148L and with its registered office at Kipoi Operating Site, Kambove Territory, High Katanga Province, DRC (the “Borrower”); and
- (2) INTERNATIONAL FINANCE CORPORATION, an international organization established by Articles of Agreement among its member countries including the Democratic Republic of the Congo (“IFC”).

## RECITALS

The Borrower is undertaking the Project;

The Borrower has requested IFC to provide the Loan to finance the Project and certain working capital requirements; and

IFC is willing to provide the Loan upon the terms and conditions set forth in this Agreement.

## ARTICLE I

### Definitions and Interpretation

Section 1.01. *Definitions.* Wherever used in this Agreement, and except as otherwise defined herein, terms defined in the Common Terms Agreement (as defined below) shall have the meaning ascribed to them therein, and the following terms have the meanings opposite them:

“Amendment and Restatement Agreement”

the amendment and restatement agreement dated in or about [insert date – to be aligned with Scheme Proposal] between the Borrower and IFC;

<u>“CAO”</u>	Compliance Advisor Ombudsman, the independent accountability mechanism for IFC that impartially responds to environmental and social concerns of affected communities and aims to enhance outcomes;
<u>“CAO's Role”</u>	<ul style="list-style-type: none"><li>(i) to respond to complaints by persons who have been or are likely to be directly affected by the social or environmental impacts of IFC projects; and</li><li>(ii) to oversee audits of IFC's social and environmental performance, particularly in relation to sensitive projects, and to ensure compliance with IFC's social and environmental policies, guidelines, procedures and systems;</li></ul>
<u>“Common Terms Agreement”</u>	the agreement entitled “Common Terms Agreement” dated 16 December 2015 between the Borrower (as Borrower), Tiger Resources Limited, Balcon Holdings Limited, Balcon Investments and Logistics (Pty) Ltd, Congo Minerals SARL, Havelock Finance Limited, Sase Mining SARL, Tiger Congo SARL and Tiger Resources Finance Limited (as Guarantors), each party listed in Schedule 1 to that agreement (as Senior General Lenders), IFC (as IFC), The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee), as amended and restated from time to time, most recently under a document entitled “Amendment and Restatement Agreement” dated 20 January 2016 between the same parties and as further amended under the Side Letter;
<u>“Deed of Assumption”</u>	the agreement entitled “Deed of Assumption of Debt” dated on or about the date of the Amendment and Restatement Agreement;
<u>“Disbursement”</u>	any disbursement of the Loan;
<u>“Effective Date”</u>	has the meaning given to that term in the Amendment and Restatement Agreement;

“ <u>IFC Spread</u> ”	in respect of Tranche A, 7.898% per annum;
“ <u>Interest Rate</u> ”	for any Interest Period in respect of Tranche A, the rate at which interest is payable on Tranche A during that Interest Period, determined in accordance with Section 2.02 ( <i>Interest</i> );
“ <u>Loan</u> ”	the loan made available by IFC to the Borrower under this Agreement, comprising solely of Tranche A;
“ <u>Principal Outstanding</u> ”	at any time, the aggregate principal amount outstanding under the Loan at that time;
“ <u>Qmetco</u> ”	QMetco Limited (ACN 008 124 025);
“ <u>Side Letter</u> ”	the letter agreement with the subject line “Common Terms Agreement – amendment letter” dated [insert] between the Borrower (as Borrower), Tiger Resources Limited, Balcon Holdings Limited, Balcon Investments and Logistics (Pty) Ltd, Congo Minerals SARL, Havelock Finance Limited, Sase Mining SARL, Tiger Congo SARL and Tiger Resources Finance Limited (as Guarantors), TMFF, IFC and Qmetco (as Senior Lenders), The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee);
“ <u>Tranche A</u> ”	the loan specified in Section 2.01 ( <i>Tranche A</i> );

Section 1.02. Financial Calculations; Interpretation; Business Day Adjustment. (a) This Agreement is the IFC Loan Agreement referred to in the Common Terms Agreement.

(b) Sections 1.02. (*Financial Calculations*), 1.03 (*Interpretation*) and 1.04 (*Business Day Adjustment*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “each Senior Lender”, “any Senior Lender” or “the Senior Lenders” were a reference to IFC and each reference to “this Agreement”, “the Financing Documents” or “the Transaction Documents” were a reference to this Agreement).

(c) In the context of this Agreement, and except as otherwise provided in this Agreement, any reference to “the date of this Agreement” or any similar reference, is a reference to the date of execution of this Agreement.

Section 1.03. *Conflict with Common Terms Agreement.* In the event of any conflict between the terms of this Agreement and the terms of the Common Terms Agreement, the terms of this Agreement will prevail as between the parties to this Agreement.

## ARTICLE II

### Tranche A

Section 2.01. *Tranche A.* (a) Subject to the provisions of this Agreement and the Common Terms Agreement (including Section 2.02 (*Disbursement Procedure and Use of Proceeds*), Section 4.01 (*Conditions of First Disbursement*) and Section 4.02 (*Conditions of All Disbursements*) of the Common Terms Agreement), IFC has made Tranche A available to the Borrower in an aggregate principal amount of [insert] Dollars (US\$[insert]), of which [insert] Dollars (US\$[insert]) has been released in accordance with the Deed of Assumption, which means that the Principal Outstanding as at the Effective Date is [insert] Dollars (US\$[insert]). *[Note: (i) The amount of debt to be owing under this loan agreement will be IFC's pro rata share of US\$70m, divided pro rata between each Senior Lender. (ii) The amount released under the Deed of Novation will be whatever amount is necessary in order to ensure that the total amount remaining owing by SEK under Tranche A is equal to US\$70m, divided pro rata between each Senior Lender. (iii) The first amount left square-bracketed above will be the aggregate of paragraphs (i) and (ii).]*

(b) There is no undisbursed portion of Tranche A as at the Effective Date.

Section 2.02. *Interest.* Subject to Section 2.04 (*Default Interest Rate*) of the Common Terms Agreement, the Borrower shall pay interest on Tranche A in accordance with this Section 2.02:

(a) During each Interest Period, the Principal Outstanding under Tranche A (or, with respect to the first Interest Period for each Disbursement of Tranche A, the amount of that Disbursement) shall bear interest at the applicable Interest Rate for that Interest Period.

(b) Interest on the Principal Outstanding under Tranche A shall accrue from day to day, be pro rated on the basis of a 360-day year for the actual number of days in the relevant Interest Period and be payable in arrears on the Interest Payment Date immediately following the end of that Interest Period; provided that with respect to any Disbursement of Tranche A made less than fifteen (15) days before an Interest Payment Date, interest on the Principal Outstanding under



Tranche A represented by that Disbursement shall be payable commencing on the second Interest Payment Date following the date of that Disbursement.

(c) The Interest Rate in respect of Tranche A for any Interest Period shall be the rate which is the sum of:

- (i) the applicable IFC Spread; and
- (ii) the 6-month LIBOR on the relevant Interest Determination Date for that Interest Period rounded upward to the nearest three decimal places.

(d) The Interest Rate in respect of Tranche A shall be subject to adjustment upon the occurrence of a Market Disruption Event as provided in Section 2.03 (*Interest; Market Disruption*) of the Common Terms Agreement.

(e) The determination by IFC, from time to time, of the applicable Interest Rate in respect of Tranche A shall be final and conclusive and bind the Borrower (unless the Borrower shows to IFC's satisfaction that the determination involves manifest error).

Section 2.03. Repayment. (a) The Borrower shall repay the Principal Outstanding under Tranche A in accordance with Section 2.05 (*Repayment*) of the Common Terms Agreement.

(b) Any Principal Outstanding under Tranche A repaid under this Agreement may not be re-borrowed.

Section 2.04. Prepayment. (a) The Borrower may prepay the Principal Outstanding under Tranche A in accordance with Section 2.03(c)(iii) (*Interest; Market Disruption*) and Section 2.06 (*Prepayment*) of the Common Terms Agreement.

(b) Amounts of Principal Outstanding under Tranche A prepaid under this Section 2.04 and Section 2.03(c)(iii) (*Interest; Market Disruption*) and Section 2.06 (*Prepayment*) of the Common Terms Agreement shall be applied by IFC to all the outstanding instalments of principal of Tranche A in inverse order of maturity.

Section 2.05. Fees and Other Payments. (a) The Borrower shall pay to IFC a commitment fee in respect of Tranche A:

- (i) at the rate of two per cent. (2 %) per annum on that part of Tranche A that, from time to time, has not been disbursed or canceled, beginning to accrue on the date of this Agreement;

- (ii) pro rated on the basis of a 360-day year for the actual number of days elapsed; and
  - (iii) payable quarterly, in arrears, on each Interest Payment Date, subject to the first such payment to be due on 30 April 2016.
- (b) The Borrower shall also pay to IFC in respect of Tranche A:
- (i) a front-end fee of US\$1,012,500, being two and a half per cent. (2.5%) of the amount of Tranche A on the date of this Agreement, to be paid on the earlier of: (x) the date which is thirty (30) days after the date of this Agreement; and (y) the date immediately preceding the date of the first Disbursement of Tranche A;
  - (ii) an environmental and social supervision fee of \$20,000 per annum, payable upon receipt of a statement from IFC; and
  - (iii) if the Borrower and IFC agree to restructure all or part of Tranche A, the Borrower and IFC shall negotiate in good faith an appropriate amount to compensate IFC for the additional work of IFC staff required in connection with such restructuring.

Section 2.06. Currency and Place of Payments. The Borrower shall make all payments of principal, interest, fees, and any other amount due to IFC under this Agreement and the other Financing Documents in respect of Tranche A in accordance with Section 2.08 (Currency and Place of Payments) of the Common Terms Agreement.

Section 2.07. Suspension and Cancellation. (a) IFC may suspend the right of the Borrower to Disbursements of Tranche A or cancel the undisbursed portion of Tranche A in whole or in part in accordance with Section 2.12 (Suspension or Cancellation by Senior Lenders) or Section 6.04 (Review Event) of the Common Terms Agreement.

(b) The Borrower may request that IFC cancel the undisbursed portion of Tranche A in accordance with Section 2.13 (Cancellation by the Borrower) of the Common Terms Agreement.

## ARTICLE III

### Common Terms

Section 3.01. Representations and Warranties. (a) The representations and warranties set out in Section 3.01 (*Representations and Warranties*) of the Common Terms Agreement shall be made and are deemed to be made herein, *mutatis mutandis*, for the benefit of IFC as if set out in this Agreement in full.

(b) The Borrower acknowledges that IFC enters into this Agreement and the other Financing Documents on the basis of, and in full reliance on, each of the representations and warranties referred to in Section 3.01 (*Representations and Warranties*) of the Common Terms Agreement.

Section 3.02. Conditions of First Disbursement. The obligation of IFC to make the first Disbursement is subject to the fulfillment prior to and concurrently with the making of such Disbursement of the conditions set forth in Section 4.01 (*Conditions of First Disbursement*) of the Common Terms Agreement, Section 4.02 (*Conditions of All Disbursements*) of the Common Terms Agreement and Section 3.03 (*Conditions of All Disbursements*) of this Agreement.

Section 3.03. Conditions of All Disbursements. The obligation of IFC to make any Disbursement is subject to the fulfillment prior to and concurrently with the making of such Disbursement of the conditions set forth in Section 4.01 (*Conditions of First Disbursement*) and Section 4.02 (*Conditions of All Disbursements*) of the Common Terms Agreement.

Section 3.04. Covenants. (a) So long as any amount of the Loan remains available for disbursement or any amount is outstanding under any of the Financing Documents, the covenants set out in Article V (*Particular Covenants*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, for the benefit of IFC as if set out in this Agreement in full.

(b) Unless IFC otherwise agrees, the Borrower shall, upon IFC's request, and with reasonable prior notice to the Borrower, permit representatives of the CAO, during normal office hours, to:

- (i) visit any of the sites and premises where the business of the Borrower is conducted;
- (ii) inspect any of the Borrower's sites, facilities, plants and equipment;
- (iii) have access to the Borrower's books of account and all records; and

- (iv) have access to those employees, agents, contractors and subcontractors of the Borrower who have or may have knowledge of matters with respect to which any Finance Party seeks information,

provided that (i) no such reasonable prior notice shall be necessary if an Event of Default or Potential Event of Default is continuing or if special circumstances so require and (ii) such access shall be for the purpose of carrying out the CAO's Role.

Section 3.05. *Events of Default.* (a) The Events of Default set out in Section 6.02 (*Events of Default*) of the Common Terms Agreement shall each constitute an event of default under this Agreement.

(b) If any Event of Default occurs and is continuing (whether it is voluntary or involuntary, or results from operation of law or otherwise), IFC may, (i) by notice to the Borrower (with a copy to the Agent), require the Borrower to repay the Principal Outstanding or such part of the Principal Outstanding as is specified in that notice. On receipt of any such notice, the Borrower shall immediately repay the Principal Outstanding (or that part of the Principal Outstanding specified in that notice) and pay all interest accrued on it and any other amounts then payable under this Agreement and the other Financing Documents. The Borrower waives any right it might have to further notice, presentment, demand or protest with respect to that demand for immediate payment; and (ii) take any Enforcement Action.

(c) If the Borrower is liquidated or declared bankrupt, the Principal Outstanding, all interest accrued on it and any other amounts payable under this Agreement and the other Financing Documents will become immediately due and payable without any presentment, demand, protest or notice of any kind, all of which the Borrower waives.

## ARTICLE VI

### Miscellaneous

Section 4.01. *Notices.* Any notice, request or other communication to be given or made under this Agreement shall be given in accordance with Section 8.02 (*Notices*) of the Common Terms Agreement.

Section 4.02. *Term of Agreement.* This Agreement shall continue in force until all monies payable under it have been fully paid in accordance with its provisions.

Section 4.03. Saving of Rights. Section 8.01 (*Saving of Rights*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “each Finance Party”, “any Finance Party” or “the Finance Parties” were a reference to IFC and each reference to “this Agreement” or “the Financing Documents” were a reference to this Agreement).

Section 4.04. Enforcement. (a) This Agreement, and all non-contractual obligations arising out of or in connection with it, are governed by, and shall be construed in accordance with, the laws of England.

(b) Section 8.05 (*Applicable Law and Jurisdiction*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “each Finance Party”, “any Finance Party”, “a Finance Party” or “the Finance Parties” were a reference to IFC, and each reference to “this Agreement”, “the Financing Documents” or “the Transaction Documents” were a reference to this Agreement).

Section 4.05. Successors and Assignees (a) This Agreement binds and benefits the respective successors and assignees of the parties. However, the Borrower may not assign or delegate any of its rights or obligations under this Agreement without the prior consent of IFC.

(b) IFC may sell, transfer, assign, novate or otherwise dispose of all or part of its rights or obligations under this Agreement in accordance with Section 8.07 (*Successors and Assignees*) of the Common Terms Agreement.

Section 4.06. Disclosure of Information. Section 8.06 (*Disclosure of Information*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “each Finance Party”, “any Finance Party”, “a Finance Party” or “the Finance Parties” were a reference to IFC) and each reference to “this Agreement”, “the Financing Documents” or “the Transaction Documents” were a reference to this Agreement).

Section 4.07. Amendments, Waivers and Consent. Any amendment or waiver of, or any consent given under, any provision of this Agreement shall be in writing and, in the case of an amendment, signed by the parties to this Agreement.

Section 4.08. Counterparts. This Agreement may be executed in several counterparts, each of which is an original, but all of which together constitute one and the same agreement.

Section 4.09. English Language. (a) All documents to be provided or communications to be given or made under this Agreement shall be in the English language.

(b) To the extent that the original version of any document to be provided, or communication to be given or made, to IFC under this Agreement is in a language other than English, that document or communication shall be accompanied by an English translation certified by an Authorized Representative of the Borrower to be a true and correct translation of the original. IFC may, if it so requires, obtain an English translation of any document or communication received in a language other than English at the cost and expense of the Borrower. IFC may deem any such English translation to be the governing version between the Borrower and IFC.

Section 4.10. Third Party Rights. A Person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement.

*{Signature page follows}*

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed in their respective names as of the date first above written.

**[SIGNING PAGE INTENTIONALLY LEFT BLANK]**

**SIGNATORIES TO THE AMENDMENT AND RESTATEMENT AGREEMENT**

IN WITNESS WHEREOF, this Agreement has been entered into on the date stated at the beginning of this Agreement and executed by each party to it as a deed and is intended to be and is delivered by them as a deed on the date specified above.

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **SOCIÉTÉ D'EXPLOITATION DE** )  
**KIPOI S.A.** authorised pursuant to the )  
Scheme of Arrangement approved by )  
the Federal Court of Australia in )  
proceeding no [●], in the presence of: )  
..... )  
Signature of witness )

.....  
Signature of RICHARD TUCKER

.....  
Name of witness (block letters)

**INTERNATIONAL FINANCE CORPORATION**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **INTERNATIONAL FINANCE** )  
**CORPORATION** authorised pursuant )  
to the Scheme of Arrangement )  
approved by the Federal Court of )  
Australia in proceeding no [●], in the )  
presence of: )  
..... )  
Signature of witness )

.....  
Signature of RICHARD TUCKER

.....  
Signature of witness

.....  
Name of witness (block letters)





HERBERT  
SMITH  
FREEHILLS

..... **2019**

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**

as Borrower

and

**QMETCO LIMITED**

as QMetco

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**AMENDMENT AND RESTATEMENT  
AGREEMENT**

**Amending and restating a Loan Agreement  
dated 14 August 2019 and a Loan Agreement  
dated 31 August 2019**

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Herbert Smith Freehills LLP

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**THIS AGREEMENT** is dated

2019 and made between:

- (1) **SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**, a company organized and existing under the laws of the Democratic Republic of the Congo, registered at the *Nouveau Registre du Commerce et du Crédit Mobilier* of Lubumbashi with the number 14-B-1486, with tax number A-0811655-D, national identification number 6-122-N58148L and with its registered office at Kipoi Operating Site, Kambove Territory, High Katanga Province, Democratic Republic of the Congo (the "**Borrower**"); and
- (2) **QMETCO LIMITED**, an Australian public company limited by shares, with ACN 008 124 025 and its registered office at Level 12, 300 Queen Street, Brisbane, Queensland 4000, Australia ("**QMetco**").

#### **BACKGROUND:**

- (A) The parties to this Agreement are party to a loan agreement dated 14 August 2019 and a loan agreement dated 31 August 2019 (together, the "**Loan Agreements**").
- (B) Section 4.07 (*Amendments, Waivers and Consent*) of each Loan Agreement provides that any amendment to that document is to be in writing and signed by the parties to it.
- (C) The parties to this Agreement have agreed to consolidate and amend and restate the terms of the Loan Agreements as set out in this Agreement.

**IT IS AGREED** as follows:

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

Terms defined in the Loan Agreements shall, unless otherwise defined in this Agreement or a contrary intention appears, bear the same meaning when used in this Agreement and the following terms shall have the following meanings:

"**Amendment Letter**" means the letter agreement with the subject line "Common Terms Agreement – Amendment Letter" dated on or about the date of this Agreement between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), Taurus Mining Finance Fund L.P., International Finance Corporation, Qmetco, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

"**Common Terms Agreement**" means the common terms agreement dated 16 December 2015 between the Borrower (as Borrower), Tiger Resources Limited, Balcon Holdings Limited, Balcon Investments and Logistics (Pty) Ltd, Congo Minerals SARL, Havelock Finance Limited, Sase Mining SARL, Tiger Congo SARL and Tiger Resources Finance Limited (as Guarantors), each party listed in Schedule 1 to that agreement (as Senior General Lenders), International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee), as amended and restated under a document entitled "Amendment and Restatement Agreement" dated 20 January 2016 between the same parties and as further amended under a document entitled "Amendment Agreement" dated 1 July 2016 between, among others, the same parties, under the Revised Funding Letter, under the Side Letter, under the Tranche C Letter, under the Tranche D Letter, under the Tranche E Letter and under the Amendment Letter.

"**Effective Date**" means the date of this Agreement.

**“Financing Document”** has the meaning given to that term in the Common Terms Agreement.

**“GSRS Deed”** has the meaning given to that term in the Common Terms Agreement.

**“IFC Disbursement Letter”** means the letter agreement with the subject line “Common Terms Agreement – Provision of IFC Disbursement and grant of waivers” dated 14 December 2016 between Tiger Resources Limited (for itself and as agent for the Borrower and the other Guarantors under Section 1.09 of the Common Terms Agreement), Taurus Mining Finance Fund L.P., Resource Capital Fund VI L.P., International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

**“Restated Loan Agreement”** means the Loan Agreements as consolidated and as amended and restated in accordance with this Agreement in the form set out in Schedule 1 (*Restated Loan Agreement*) to this Agreement.

**“Revised Funding Letter”** means the letter agreement with the subject line “Common Terms Agreement – Revised funding proposal” dated 24 October 2016 between Tiger Resources Limited (for itself and as agent for the Borrower and the other Guarantors under Section 1.09 of the Common Terms Agreement), Taurus Mining Finance Fund L.P., Resource Capital Fund VI L.P., International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee), as supplemented by the Side Letter, the IFC Disbursement Letter and the Tranche C Letter.

**“Side Letter”** means the letter agreement with the subject line “Common Terms Agreement – Side agreement in lieu of amending documents” dated 28 November 2016 between Tiger Resources Limited (for itself and as agent for the Borrower and the other Guarantors under Section 1.09 of the Common Terms Agreement), Taurus Mining Finance Fund L.P., Resource Capital Fund VI L.P., International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

**“Tranche C Letter”** means the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 24 September 2017 between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), Taurus Mining Finance Fund L.P., Resource Capital Fund VI L.P., International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

**“Tranche D Letter”** means the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 17 April 2019 between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), Taurus Mining Finance Fund L.P., Resource Capital Fund VI L.P., International Finance Corporation, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

**“Tranche E Letter”** means the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 14 August 2019 between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), Taurus Mining Finance Fund L.P., Resource Capital Fund VI L.P., International Finance Corporation, QMetco, The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee).

## 1.2 Interpretation

The provisions of Section 1.03 (*Interpretation*) of the Common Terms Agreement shall also apply to this Agreement but, unless specified otherwise, references to “Sections” and “Schedules” are to sections and schedules of this Agreement and references to “this Agreement” are to this Agreement.

## 1.3 Third party rights

The provisions of Section 5.10 (*Third-Party Rights*) of the Restated Loan Agreement shall apply to this Agreement.

## 2. AMENDMENT AND RESTATEMENT

2.1 The Loan Agreements shall be consolidated and amended and restated in the form set out in Schedule 1 (*Restated Loan Agreement*) with effect from (and including) the Effective Date and so that the rights and obligations of the parties to this Agreement relating to their performance under the Loan Agreements from (and including) the Effective Date shall be governed by and construed in accordance with the terms of the Restated Loan Agreement.

2.2 The parties to this Agreement agree that with effect from (and including) the Effective Date:

- (a) they shall have the rights and take on the obligations ascribed to them under the Restated Loan Agreement; and
- (b) any reference in a Financing Document to the Loan Agreements or to any provision of any Loan Agreement will be construed as a reference to the Restated Loan Agreement or to the relevant provision thereof (as applicable).

## 3. GUARANTEE AND SECURITY

The Borrower, with effect from the Effective Date, confirms that any security or guarantee created or given by it under the Financing Documents (including under the GSRS Deed) will:

- (a) continue in full force and effect; and
- (b) extend to all liabilities and obligations of the Borrower arising under the Restated Loan Agreement.

## 4. REPRESENTATIONS AND WARRANTIES

The Borrower makes the representations and warranties set out in Section 3.01 (*Representations and Warranties*) of the Common Terms Agreement as at the Effective Date, by reference to the facts and circumstances then existing as if references to the Financing Documents included references to this Agreement.

## 5. CONTINUATION

5.1 This Agreement is supplemental to, and shall be construed as one with, the Loan Agreements.

5.2 This Agreement is a Financing Document and, except as otherwise provided in this Agreement, the Financing Documents remain in full force and effect.

6. **FURTHER ASSURANCE**

Each party to this Agreement agrees that it shall promptly, upon the request of the Agent (as defined in the Common Terms Agreement), execute and deliver any document and do any act or thing in order to confirm or establish the validity and enforceability of this Agreement.

7. **MISCELLANEOUS**

The provisions of Sections 5.01 (*Notices*), 5.05 (*Successors and Assignees*) and 5.08 (*Counterparts*) of the Restated Loan Agreement shall apply to this Agreement as though those sections were set out in this Agreement, but as if references in those clauses to the Restated Loan Agreement were references to this Agreement.

8. **GOVERNING LAW AND JURISDICTION**

8.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

8.2 The provisions of Section 8.05 (b) to (i) (*Applicable Law and Jurisdiction*) of the Common Terms Agreement (inclusive) shall apply to this Agreement as if set out in this Agreement in full, but as if each reference therein to:

- (a) "each Finance Party", "any Finance Party", "a Finance Party" or "the Finance Parties" was a reference to QMetco;
- (b) "this Agreement" or any "Transaction Document" was a reference to this Agreement; and
- (c) "a Transaction Party", "each Transaction Party" or "that Transaction Party" was a reference to the Borrower.

**SCHEDULE 1**  
**RESTATED LOAN AGREEMENT**

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# **Loan Agreement**

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**  
as Borrower

and

**QMETCO LIMITED**  
as QMetco

**Dated 31 August 2019, as amended and restated  
pursuant to the Amendment and Restatement Agreement  
(defined in Section 1.01 (*Definitions*) below)**

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# LOAN AGREEMENT

LOAN AGREEMENT dated 31 August 2019, as amended and restated pursuant to the Amendment and Restatement Agreement (this “Agreement”), among:

- (1) SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A., a company organized and existing under the laws of the DRC, registered at the *Nouveau Registre du Commerce et du Crédit Mobilier* of Lubumbashi with the number 14-B-1486, with tax number A-0811655-D, national identification number 6-122-N58148L and with its registered office at Kipoi Operating Site, Kambove Territory, High Katanga Province, DRC (the “Borrower”); and
- (2) QMETCO LIMITED, an Australian public company limited by shares, with ACN 008 124 025 and its registered office at Level 12, 300 Queen Street, Brisbane, Queensland 4000, Australia (“QMetco”).

## RECITALS

The Borrower is undertaking the Project;

The Borrower has requested QMetco to provide the Loan to finance the Project and certain working capital requirements; and

QMetco is willing to provide the Loan upon the terms and conditions set forth in this Agreement.

## ARTICLE I

### Definitions and Interpretation

Section 1.01. *Definitions.* Wherever used in this Agreement, and except as otherwise defined herein, terms defined in the Common Terms Agreement (as defined below) shall have the meaning ascribed to them therein, and the following terms have the meanings opposite them:

“Amendment and

<u>Restatement Agreement</u>	the amendment and restatement agreement dated in or about [ <i>insert date – to be aligned with Scheme Proposal</i> ] between the Borrower and QMetco;
<u>“Common Terms Agreement”</u>	the agreement entitled “Common Terms Agreement” dated 16 December 2015 between the Borrower (as Borrower), Tiger Resources Limited, Balcon Holdings Limited, Balcon Investments and Logistics (Pty) Ltd, Congo Minerals SARL, Havelock Finance Limited, Sase Mining SARL, Tiger Congo SARL and Tiger Resources Finance Limited (as Guarantors), each party listed in Schedule 1 to that agreement (as Senior General Lenders), International Finance Corporation (as IFC), The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee), as amended and restated from time to time, most recently under a document entitled “Amendment and Restatement Agreement” dated 20 January 2016 between the same parties and as further amended under the Side Letter;
<u>“Deed of Assumption”</u>	the agreement entitled “Deed of Assumption of Debt” dated on or about the date of the Amendment and Restatement Agreement;
<u>“Disbursement”</u>	any disbursement of the Loan;
<u>“Effective Date”</u>	has the meaning given to the term “Effective Date” in the Amendment and Restatement Agreement;
<u>“Loan”</u>	the loan made available by Qmetco to the Borrower under this Agreement, comprising Tranche A and Tranche E;
<u>“Principal Outstanding”</u>	at any time:  (a) where used in respect of a Tranche, the aggregate principal amount outstanding under that Tranche at that time; and  (b) where used without reference to a Tranche, the aggregate principal amount outstanding under the Loan at that time;

- “Side Letter” the letter agreement with the subject line “Common Terms Agreement – amendment letter” dated [insert] between the Borrower (as Borrower), Tiger Resources Limited, Balcon Holdings Limited, Balcon Investments and Logistics (Pty) Ltd, Congo Minerals SARL, Havelock Finance Limited, Sase Mining SARL, Tiger Congo SARL and Tiger Resources Finance Limited (as Guarantors), TMFF, IFC and QMetco (as Senior Lenders), The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee);
- “Termination Event” has the meaning given to the term “Tranche E Termination Event” in the Side Letter;
- “Tranche” as applicable:
- (a) Tranche A; or
  - (b) Tranche E;
- “Tranche A” the loan specified in Section 2.01 (*Tranche A*);
- “Tranche E” the loan specified in Section 3.01 (*Tranche E*);
- “Tranche E Commitment” means the amount of Tranche E agreed to be made available by Qmetco under this agreement, being US\$30,000,000, as adjusted under this Agreement;
- “Tranche E Repayment Date” the earlier of:
- (a) 31 December 2024; and
  - (b) the date on which QMetco demands repayment of the Tranche E Principal Outstanding following the occurrence of a Termination Event.

Section 1.02. Financial Calculations; Interpretation; Business Day Adjustment. (a) This Agreement is a “Senior Loan Agreement” as defined in the Common Terms Agreement.

(b) Sections 1.02. (*Financial Calculations*), 1.03 (*Interpretation*) and 1.04 (*Business Day Adjustment*) of the Common Terms Agreement shall apply

herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “each Senior Lender”, “any Senior Lender” or “the Senior Lenders” were a reference to QMetco and each reference to “this Agreement”, “the Financing Documents” or “the Transaction Documents” were a reference to this Agreement).

(c) In the context of this Agreement, and except as otherwise provided in this Agreement, any reference to “the date of this Agreement” or any similar reference, is a reference to the date of execution of this Agreement.

Section 1.03. *Conflict with Common Terms Agreement.* In the event of any conflict between the terms of this Agreement and the terms of the Common Terms Agreement, the terms of this Agreement will prevail as between the parties to this Agreement.

## ARTICLE II

### Tranche A

Section 2.01. *Tranche A.* Subject to the provisions of this Agreement and the Common Terms Agreement (including Section 2.02 (*Disbursement Procedure and Use of Proceeds*), Section 4.01 (*Conditions of First Disbursement*) and Section 4.02 (*Conditions of All Disbursements*) of the Common Terms Agreement), QMetco has made Tranche A available to the Borrower in an aggregate principal amount of [insert] Dollars (US\$[insert]), of which [insert] Dollars (US\$[insert]) has been released in accordance with the Deed of Assumption, which means that the Principal Outstanding as at the Effective Date is [insert] Dollars (US\$[insert]). There is no undisbursed portion of Tranche A at as at the Effective Date. [Note: (i) The amount of debt to be owing under this loan agreement will be QMetco’s pro rata share of US\$70m, divided pro rata between each Senior Lender. (ii) The amount released under the Deed of Novation will be whatever amount is necessary in order to ensure that the total amount remaining owing by SEK under Tranche A is equal to US\$70m, divided pro rata between each Senior Lender. (iii) The first amount left square-bracketed above will be the aggregate of paragraphs (i) and (ii).]

Section 2.02. *Interest.* Subject to Section 2.04 (*Default Interest Rate*) of the Common Terms Agreement, the Borrower shall pay interest on Tranche A in accordance with this Section 2.02:

(a) The Principal Outstanding under Tranche A shall bear interest at the Interest Rate set out in Section 2.02(c).

(b) Interest on the Principal Outstanding under Tranche A shall accrue from day to day, be pro rated on the basis of a 360-day year for the actual number of days elapsed and be payable in arrears on each Interest Payment Date; provided that with respect to any Disbursement of Tranche A made less than fifteen (15) days before an Interest Payment Date, interest on the Principal Outstanding under

Tranche A represented by that Disbursement shall be payable commencing on the second Interest Payment Date following the date of that Disbursement.

- (c) The Interest Rate shall be 9.25% per annum.

Section 2.03. Repayment. (a) The Borrower shall repay the Principal Outstanding under Tranche A in accordance with Section 2.05 (*Repayment*) of the Common Terms Agreement.

(b) Any Principal Outstanding under Tranche A repaid under this Agreement may not be re-borrowed.

Section 2.04. Prepayment. (a) The Borrower may prepay the Principal Outstanding under Tranche A in accordance with Section 2.06 (*Prepayment*) of the Common Terms Agreement.

(b) Amounts of Principal Outstanding under Tranche A prepaid under this Section 2.04 and Section 2.06 (*Prepayment*) of the Common Terms Agreement shall be applied by QMetco to all the outstanding instalments of principal of Tranche A in inverse order of maturity.

Section 2.05. Fees and Other Payments. The Borrower shall pay to QMetco a commitment fee in respect of Tranche A:

- (a) at the rate of two per cent. (2%) per annum on that part of Tranche A that, from time to time, has not been disbursed or canceled, beginning to accrue on the date of this Agreement;
- (b) pro rated on the basis of a 360-day year for the actual number of days elapsed; and
- (c) payable quarterly, in arrears, on each Interest Payment Date.

Section 2.06. Currency and Place of Payments. The Borrower shall make all payments of principal, interest, fees, and any other amount due to QMetco under this Agreement and the other Financing Documents in respect of Tranche A in accordance with Section 2.08 (*Currency and Place of Payments*) of the Common Terms Agreement.

Section 2.07. Suspension and Cancellation. (a) QMetco may suspend the right of the Borrower to Disbursements of Tranche A or cancel the undisbursed portion of Tranche A in whole or in part in accordance with Section 2.12 (*Suspension or Cancellation by Senior Lenders*) or Section 6.04 (*Review Event*) of the Common Terms Agreement.

(b) The Borrower may request that QMetco cancel the undisbursed portion of Tranche A in accordance with Section 2.13 (*Cancellation by the Borrower*) of the Common Terms Agreement.

## ARTICLE III

### Tranche E

Section 3.01. *The Loan.* Subject to the provisions of this Agreement, the Common Terms Agreement and the Tranche E Letter, QMetco agrees to make Tranche E available to the Borrower in sub-tranches in an aggregate principal amount of up to thirty million Dollars (US\$30,000,000).

Section 3.02. *Interest.* Subject to Section 2.04 (*Default Interest Rate*) of the Common Terms Agreement, the Borrower shall pay interest on Tranche E in accordance with this Section 3.02:

(a) The Principal Outstanding under Tranche E shall bear interest at the Interest Rate set out in Section 3.02(c).

(b) Interest on the Principal Outstanding under Tranche E shall accrue from day to day, be pro rated on the basis of a 360-day year for the actual number of days elapsed and be payable in arrears on each Interest Payment Date and on the Tranche E Repayment Date; provided that with respect to any Disbursement made less than fifteen (15) days before an Interest Payment Date, interest on the Principal Outstanding under Tranche E represented by that Disbursement shall be payable commencing on the second Interest Payment Date following the date of that Disbursement.

(c) The Interest Rate shall be 8% per annum.

Section 3.03. *Repayment.* (a) The Borrower shall repay the Principal Outstanding under Tranche E on the Tranche E Repayment Date.

(b) Any Principal Outstanding under Tranche E repaid under this Agreement may not be re-borrowed.

Section 3.04. *Prepayment.* The Borrower may prepay the Principal Outstanding under Tranche E in accordance with Section 2.06 (*Prepayment*) of the Common Terms Agreement.

Section 3.05. *Fees and Other Payments.* (a) The Borrower shall pay to QMetco a commitment fee:

- (i) at the rate of two per cent. (2%) per annum on that part of the Tranche E Commitment that, from time to time, is available to be drawn and has not been disbursed or canceled, beginning to accrue on the date of this Agreement;
- (ii) pro rated on the basis of a 360-day year for the actual number of days elapsed; and

(iii) payable quarterly, in arrears, on each Interest Payment Date and on the Tranche E Repayment Date.

(b) The Borrower shall also pay to QMetco a non-refundable front-end fee of nine hundred thousand Dollars (US\$900,000), being three per cent. (3%) of the aggregate principal amount referred to in Section 2.01 (*The Loan*), of which:

(i) three hundred and sixty thousand Dollars (US\$360,000) has been paid before the Effective Date; and

(ii) five hundred and forty thousand Dollars (US\$540,000) shall be paid on the Utilisation Date for the balance of the Tranche E Commitment.

Section 3.06. Currency and Place of Payments. The Borrower shall make all payments of principal, interest, fees, and any other amount due to QMetco under this Agreement and the other Financing Documents in respect of Tranche E in accordance with Section 2.08 (*Currency and Place of Payments*) of the Common Terms Agreement.

Section 3.07. Suspension and Cancellation. (a) QMetco may suspend the right of the Borrower to Disbursements or cancel the undisbursed portion of Tranche E in whole or in part in accordance with Section 2.12 (*Suspension or Cancellation by Senior Lenders*) or Section 6.04 (*Review Event*) of the Common Terms Agreement.

(b) The Borrower may request that QMetco cancel the undisbursed portion of Tranche E in accordance with Section 2.13 (*Cancellation by the Borrower*) of the Common Terms Agreement.

## ARTICLE IV

### Common Terms

Section 4.01. Representations and Warranties. (a) The representations and warranties set out in Section 3.01 (*Representations and Warranties*) of the Common Terms Agreement shall be made and are deemed to be made herein, *mutatis mutandis*, for the benefit of QMetco as if set out in this Agreement in full.

(b) The Borrower acknowledges that QMetco enters into this Agreement and the other Financing Documents on the basis of, and in full reliance on, each of the representations and warranties referred to in Section 3.01 (*Representations and Warranties*) of the Common Terms Agreement.



Section 4.02. Conditions of First Disbursement. The obligation of QMetco to make the first Disbursement is subject to the fulfillment prior to and concurrently with the making of such Disbursement of the conditions set forth in Section 4.01 (*Conditions of First Disbursement*) and Section 4.02 (*Conditions of All Disbursements*) of the Common Terms Agreement.

Section 4.03. Conditions of All Disbursements. The obligation of QMetco to make any Disbursement is subject to the fulfillment prior to and concurrently with the making of such Disbursement of the conditions set forth in Section 4.01 (*Conditions of First Disbursement*) and Section 4.02 (*Conditions of All Disbursements*) of the Common Terms Agreement.

Section 4.04. Covenants. So long as any amount of any Tranche remains available for disbursement or any amount is outstanding under any of the Financing Documents, the covenants set out in Article V (*Particular Covenants*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, for the benefit of QMetco as if set out in this Agreement in full.

Section 4.05. Events of Default. (a) The Events of Default set out in Section 6.02 (*Events of Default*) of the Common Terms Agreement shall each constitute an event of default under this Agreement.

(b) If any Event of Default occurs and is continuing (whether it is voluntary or involuntary, or results from operation of law or otherwise), QMetco may, (i) by notice to the Borrower (with a copy to the Agent), require the Borrower to repay the Principal Outstanding or such part of the Principal Outstanding as is specified in that notice. On receipt of any such notice, the Borrower shall immediately repay the Principal Outstanding (or that part of the Principal Outstanding specified in that notice) and pay all interest accrued on it and any other amounts then payable under this Agreement and the other Financing Documents. The Borrower waives any right it might have to further notice, presentment, demand or protest with respect to that demand for immediate payment; and (ii) subject to the terms of the Intercreditor and Security Sharing Agreement, take any Enforcement Action.

(c) If the Borrower is liquidated or declared bankrupt, the Principal Outstanding, all interest accrued on it and any other amounts payable under this Agreement and the other Financing Documents will become immediately due and payable without any presentment, demand, protest or notice of any kind, all of which the Borrower waives.

Section 4.06. Termination Events. Without limiting Section 4.05 (*Events of Default*), if any Termination Event occurs, QMetco may, by notice to the Borrower (with a copy to the Agent), require the Borrower to repay the Principal Outstanding. On receipt of any such notice, the Borrower shall immediately repay the Principal Outstanding and pay all interest accrued on it. The Borrower

waives any right it might have to further notice, presentment, demand or protest with respect to that demand for immediate payment.

## ARTICLE V

### Miscellaneous

Section 5.01. *Notices.* Any notice, request or other communication to be given or made under this Agreement shall be given in accordance with Section 8.02 (*Notices*) of the Common Terms Agreement.

Section 5.02. *Term of Agreement.* This Agreement shall continue in force until all monies payable under it have been fully paid in accordance with its provisions.

Section 5.03. *Saving of Rights.* Section 8.01 (*Saving of Rights*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “each Finance Party”, “any Finance Party” or “the Finance Parties” were a reference to QMetco and each reference to “this Agreement” or “the Financing Documents” were a reference to this Agreement).

Section 5.04. *Enforcement.* (a) This Agreement, and all non-contractual obligations arising out of or in connection with it, are governed by, and shall be construed in accordance with, the laws of England.

(b) Section 8.05 (*Applicable Law and Jurisdiction*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to “each Finance Party”, “any Finance Party”, “a Finance Party” or “the Finance Parties” were a reference to QMetco and each reference to “this Agreement”, “the Financing Documents” or “the Transaction Documents” were a reference to this Agreement).

Section 5.05. *Successors and Assignees* (a) This Agreement binds and benefits the respective successors and assignees of the parties. However, the Borrower may not assign or delegate any of its rights or obligations under this Agreement without the prior consent of QMetco.

(b) QMetco may sell, transfer, assign, novate or otherwise dispose of all or part of its rights or obligations under this Agreement in accordance with Section 8.07 (*Successors and Assignees*) of the Common Terms Agreement and the terms of the Intercreditor and Security Sharing Agreement.

Section 5.06. *Disclosure of Information.* Section 8.06 (*Disclosure of Information*) of the Common Terms Agreement shall apply herein, *mutatis mutandis*, as if set out in this Agreement in full (and as if each reference therein to

“each Finance Party”, “any Finance Party”, “a Finance Party” or “the Finance Parties” were a reference to QMetco and each reference to “this Agreement”, “the Financing Documents” or “the Transaction Documents” were a reference to this Agreement).

Section 5.07. Amendments, Waivers and Consent. Any amendment or waiver of, or any consent given under, any provision of this Agreement shall be in writing and, in the case of an amendment, signed by the parties to this Agreement.

Section 5.08. Counterparts. This Agreement may be executed in several counterparts, each of which is an original, but all of which together constitute one and the same agreement.

Section 5.09. English Language. (a) All documents to be provided or communications to be given or made under this Agreement shall be in the English language.

(b) To the extent that the original version of any document to be provided, or communication to be given or made, to QMetco under this Agreement is in a language other than English, that document or communication shall be accompanied by an English translation certified by an Authorized Representative of the Borrower to be a true and correct translation of the original. QMetco may, if it so requires, obtain an English translation of any document or communication received in a language other than English at the cost and expense of the Borrower. QMetco may deem any such English translation to be the governing version between the Borrower and QMetco.

Section 5.10. Third Party Rights. A Person who is not a party to this Agreement has no right under the *Contracts (Rights of Third Parties) Act 1999* to enforce or enjoy the benefit of any term of this Agreement.

*{Signature page follows}*

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed in their respective names as of the date first above written.

[SIGNING PAGE INTENTIONALLY LEFT BLANK]

**SIGNATORIES TO THE AMENDMENT AND RESTATEMENT AGREEMENT**

IN WITNESS WHEREOF, this Agreement has been entered into on the date stated at the beginning of this Agreement and executed by each party to it as a deed and is intended to be and is delivered by them as a deed on the date specified above.

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **SOCIÉTÉ D'EXPLOITATION DE** )  
**KIPOI S.A.** authorised pursuant to the )  
Scheme of Arrangement approved by )  
the Federal Court of Australia in )  
proceeding no [●], in the presence of: )  
..... )

Signature of witness

.....  
Name of witness (block letters)

.....  
Signature of RICHARD TUCKER

**QMETCO LIMITED**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **QMETCO LIMITED** authorised )  
pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )  
..... )

Signature of witness

.....  
Name of witness (block letters)

.....  
Signature of RICHARD TUCKER



HERBERT  
SMITH  
FREEHILLS

**Dated: .....**

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A**  
as Borrower

**TIGER RESOURCES LIMITED**  
as Sponsor and Guarantor

**BALCON HOLDINGS LIMITED**  
as Balcon Holdings and Guarantor

**BALCON INVESTMENTS AND LOGISTICS (PTY) LTD**  
as Balcon Investments and Guarantor

**CONGO MINERALS SARL**  
as Congo Minerals and Guarantor

**HAVELOCK FINANCE LIMITED**  
as Havelock Finance and Guarantor

**SASE MINING SARL**  
as Sase Mining and Guarantor

**TIGER CONGO SARL**  
as Tiger Congo and Guarantor

**CRUX ENERGY PROPRIETARY LIMITED**  
as Crux and Guarantor

**TIGER RESOURCES FINANCE LIMITED**  
as Tiger Finance and Guarantor

**EACH PARTY LISTED IN SCHEDULE 1**  
as Senior General Lenders

**INTERNATIONAL FINANCE CORPORATION**  
as IFC

**THE LAW DEBENTURE TRUST CORPORATION P.L.C.**  
as Agent

**and**

**LAW DEBENTURE TRUSTEES LIMITED**  
as Security Trustee

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**Common Terms Agreement – amendment  
letter**

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Herbert Smith Freehills LLP

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**THIS AGREEMENT** is dated

and made between:

- (1) **SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**, a company organized and existing under the laws of the DRC, registered at the RCCM with the number 14-B-1486, with tax number A-0811655-D, national identification number 6-122-N58148L and with its registered office at 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC (the "**Borrower**");
- (2) **TIGER RESOURCES LIMITED**, a company organized and existing under the laws of Australia with ACN 077 110 304 and with its registered office at Level 1, 1152 Hay Street, West Perth, WA 6005, Australia (the "**Sponsor**");
- (3) **BALCON HOLDINGS LIMITED**, a company organized and existing under the laws of the British Virgin Islands having company number 1690916 and with its registered office at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands ("**Balcon Holdings**");
- (4) **BALCON INVESTMENTS AND LOGISTICS (PTY) LTD**, a company organized and existing under the laws of South Africa having company number 2014/154699/07 and with its registered office at 22 Wellington Road, Parktown, Gauteng 2193, South Africa ("**Balcon Investments**");
- (5) **CONGO MINERALS SARL**, a company organized and existing under the laws of the DRC, registered at the RCCM with the number 13-B-0862, with tax number A-0901099-F, national identification number 6-128-N39812M and with its registered office at 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC ("**Congo Minerals**");
- (6) **HAVELOCK FINANCE LIMITED**, a company organized and existing under the laws of the British Virgin Islands having company number 1838508 and with its registered office at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands ("**Havelock Finance**");
- (7) **SASE MINING SARL**, a company organized and existing under the laws of the DRC, registered at the RCCM with the number 13-B-1100, with tax number A-1236645-M, national identification number 6-128-N52954X and with its registered office at 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC ("**Sase Mining**");
- (8) **TIGER CONGO SARL**, a company organized and existing under the laws of the DRC, registered at the RCCM with the number 13-B-0863, with tax number A-0901953-J, national identification number 01-128-N46326L and with its registered office at 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC ("**Tiger Congo**");
- (9) **CRUX ENERGY PROPRIETARY LIMITED**, a private company incorporated and existing under the laws of the Republic of South Africa with registration number 2018/271684/07 of 8 Robin Drive, Fourways, Sandton, Gauteng, Republic of South Africa ("**Crux**");
- (10) **TIGER RESOURCES FINANCE LIMITED**, a company organized and existing under the laws of the British Virgin Islands having company number 1581278 and with its registered office at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands ("**Tiger Finance**" and together with the Sponsor, Balcon Holdings, Balcon Investments, Congo Minerals, Havelock Finance, Sase Mining, Tiger Congo, Crux, the "**Guarantors**" and the Guarantors together with the Borrower, the "**Transaction Parties**");
- (11) **EACH PARTY LISTED IN SCHEDULE 1**, (each a "**Senior General Lender**" and together, the "**Senior General Lenders**");



- (12) **INTERNATIONAL FINANCE CORPORATION**, an international organization established by Articles of Agreement among its member countries including the Democratic Republic of the Congo (the “**IFC**”);
- (13) **THE LAW DEBENTURE TRUST CORPORATION P.L.C.**, a company incorporated under the laws of England with company number 01675231 of Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom, in its capacity as Agent (the “**Agent**”); and
- (14) **LAW DEBENTURE TRUSTEES LIMITED**, a company incorporated under the laws of England with company number 00625705 of Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom, in its capacity as Security Trustee (the “**Security Trustee**”).

**BACKGROUND:**

- (A) Pursuant to a common terms agreement dated 16 December 2015 made between, among others, the Borrower, the Guarantors, the Agent and the Security Trustee, as amended and restated most recently under a document entitled “Amendment and Restatement Agreement” dated 20 January 2016 (the “**Common Terms Agreement**”), the Senior Lenders (as defined therein) agreed to make available to the Borrower certain credit facilities.
- (B) The parties to the Common Terms Agreement have agreed to:
  - a. amend the Common Terms Agreement as set out in this Agreement; and
  - b. the other terms set out in this Agreement.

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

Terms defined in the Common Terms Agreement shall, unless otherwise defined in this Agreement or a contrary intention appears, bear the same meaning when used in this Agreement and the following terms shall have the following meanings:

- (a) “**Amended Common Terms Agreement**” means the Common Terms Agreement as amended in accordance with Section 4 (Amendments) of this Agreement;
- (b) “**Approved Budget**” means the most recent Consolidated Budget that has been approved by the Relevant Lenders in writing;
- (c) “**Associate**” has the meaning given to that term in section 12 of the Corporations Act;
- (d) “**Board**” means the board of directors of the Sponsor;
- (e) “**Capital Raising**” means the raising of funds by way of the issue of Marketable Securities in the Sponsor, and includes any private placement, rights issue or the issue of options;
- (f) “**Consolidated Budget**” means a detailed cashflow budget and forecast for the Borrower Group and the Project presented in either monthly or weekly periods for the 24 month period commencing from the start of the month in which it is delivered to the Agent (and showing the cash and working capital position for the Borrower Group from the previous month end), which is to have been approved by the Board and which must incorporate, among other things, income forecast to be received from Project operations and the expenditure forecast to be incurred in connection with those operations, including in connection with:

- (A) the installation of a scrubber;
- (B) a lift of TSF3 in time for the 2019 / 2020 wet season;
- (C) process water decontamination measures (to the extent the expenditure in relation to such measures has been approved by the Relevant Lenders);
- (D) the commencement of mining or preparations for mining at locations approved by the Relevant Lenders;
- (E) resource definition and mine planning in relation to Judeira (to the extent such expenditure has been approved by the Relevant Lenders);
- (F) the insurance policies maintained, and to be maintained, in accordance with the terms of the Financing Documents;
- (G) all other life of mine plan capital projects in relation to the Project that have been approved by the Relevant Lenders; and
- (H) trade and other creditor management,

which will be prepared in a form satisfactory to the Relevant Lenders prior to the Effective Date and as may be amended or updated from time to time in accordance with paragraphs 3.1.1(A)(1), 3.1.1(D)(2) or 3.1.2(B)(2);

- (g) **“Control Event”** means means the occurrence of:
  - (a) a Change of Control with respect to the Borrower or the Sponsor other than:
    - (A) due to a Senior Lender or any Affiliate, related party or nominee of a Senior Lender (or any combination of Senior Lenders or their Affiliates, related parties or nominees) gaining control of the Sponsor; or
    - (B) a Change of Control which otherwise has or may arise pursuant to the creditors’ scheme of arrangement proposed to be implemented on or about the Effective Date; or
  - (b) a Transaction;
- (h) **“Conversion”** has the meaning given to that term in paragraph 3.2;
- (i) **“Conversion Amount”** has the meaning given to that term in paragraph 3.2;
- (j) **“Conversion Notice”** has the meaning given to that term in paragraph 3.2;
- (k) **“Effective Date”** means the date of this Agreement;
- (l) **“Emergency Water Management Response Plan”** means an actionable emergency preparedness and response plan prepared by, or on behalf of, the Sponsor to manage the occurrence of a Water Related Emergency in a manner consistent with the requirements of the Performance Standards and to mitigate the risk of a Water Related Emergency occurring (as more particularly described in paragraph 3.3.5);
- (a) **“Excluded Default”** means any “Excluded Default” as described in paragraph 5.3.

- (m) **“Forbearance Period”** means the period commencing on the Effective Date and ending on the earlier of:
- (A) in respect of any Excluded Default:
    - (i) contemplated in paragraphs 5.3.1 or 5.3.2, 31 December 2020; or
    - (ii) contemplated in paragraphs 5.3.3 to 5.3.8, 30 April 2020; and
  - (B) the date that any Event of Default occurs or is continuing, other than an Excluded Default;
- (n) **“Management Services Agreements”** means the SEK Management Services Agreement and the Management Services Subcontract Agreement;
- (o) **“Management Services Subcontract Agreement”** means the agreement entitled “Management Services Subcontract Agreement” dated 18 January 2016 between Balcon Investments and Logistics (Pty) Ltd (as Principal) and the Sponsor (as Subcontractor), as amended;
- (p) **“Marketing Services Agreement”** has the meaning given to that term in paragraph 3.5.1(B);
- (q) **“Marketing Services Engagement Letter”** means the letter agreement dated 2 August 2019 with the subject line “Engagement Letter for Marketing Services Role” between QMetco and the Sponsor;
- (r) **“Nominated Director”** means the TMFF Nominated Director or the QMetco Nominated Director;
- (s) **“Nominee”** means any Person nominated by QMetco in the Conversion Notice to be issued Shares in connection with the Conversion, provided that Person is not a Prohibited Person for the purposes of the Common Terms Agreement;
- (t) **“Prior Side Letters”** means each of:
- (A) the letter agreement with the subject line “Common Terms Agreement – Revised funding proposal” dated 24 October 2016 between the Sponsor (for itself and as agent for the Borrower and the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, RCF, IFC, the Agent and the Security Trustee (**Revised Funding Letter**);
  - (B) the letter agreement with the subject line “Common Terms Agreement – Side agreement in lieu of amending documents” dated 28 November 2016 between the Sponsor (for itself and as agent for the Borrower and the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, RCF, IFC, the Agent and the Security Trustee (**Side Letter**);
  - (C) the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 24 September 2017 between the Borrower, the Sponsor (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, RCF, IFC, the Agent and the Security Trustee (**Tranche C Letter**);
  - (D) the letter agreement with the subject line “Side agreement in relation to the provision of debt funding to the Borrower” dated 17 April 2019 between the Borrower, the Sponsor (for itself and as agent for the other Guarantors

- under Section 1.09 of the Common Terms Agreement), TMFF, RCF, IFC, the Agent and the Security Trustee (**Tranche D Letter**);
- (E) the letter agreement with the subject line "Side agreement in relation to the provision of debt funding to the Borrower" dated 14 August 2019 between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, RCF, IFC, QMetco, the Agent (as Agent) and Law Debenture Trustees Limited (as Security Trustee) (**Tranche E Letter**);
- (F) the letter agreement with the subject line "Second Forbearance Letter – conditional waiver " dated 30 August 2019 between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement) and Law Debenture Trustees Limited (as Security Trustee) (**Second Forbearance Letter**); and
- (G) the letter agreement with the subject line "Letter agreement: third forbearance arrangement " dated **[insert date]** between the Borrower, Tiger Resources Limited (for itself and as agent for the other Guarantors under Section 1.09 of the Common Terms Agreement), TMFF, QMetco and others (**Third Forbearance Letter**).
- (u) "**PWP**" means the process water pond at the Project;
- (v) "**QMetco**" means QMetco Limited (ACN 008 124 025);
- (w) "**QMetco End Date**" means the first date on which each of the following conditions are satisfied:
- (A) there is no undisbursed portion of the Tranche E Loan; and
- (B) all amounts outstanding in respect of the Tranche E Loan have been unconditionally repaid in full;
- (x) "**QMetco Loan Agreement**" means the loan agreement dated 31 August 2019 between the Borrower and QMetco as amended from time to time, including on or about the date of this letter;
- (y) "**QMetco Nominated Director**" has the meaning given in paragraph 3.6;
- (z) "**RCF**" means Resource Capital Fund VI L.P.;
- (aa) "**Relevant Lenders**" means:
- (A) on and from the 14 August 2019 until the QMetco End Date, TMFF and QMetco; and
- (B) on and from the QMetco End Date, TMFF;
- (bb) "**SEK Management Services Agreement**" means the agreement entitled "Management Services Agreement" dated 21 January 2016 between the Borrower (as Service Receiver) and Balcon Investments and Logistics (Pty) Ltd (as Service Provider), as amended;
- (cc) "**Share**" means a fully paid ordinary share in the capital of the Sponsor;

- (dd) “**Termination Option**” means the ‘Marketing Services Termination Option by Sales Representative’ and the ‘Marketing Services Termination Option by Company’, in each case as described in the Marketing Services Engagement Letter;
- (ee) “**TMFF Nominated Director**” has the meaning given in paragraph 2.3;
- (ff) “**Tranche A Loan**” means each loan made available by TMFF, IFC and QMetco to the Borrower pursuant to Tranche A of the Senior Loan Agreements;
- (gg) “**Tranche A Principal Outstanding**” means, at any time, the aggregate principal amount outstanding under the Tranche A Loans at that time;
- (hh) “**Tranche D Loan**” means the loan made available by TMFF to the Borrower under Article III (*Tranche D*) of the TMFF Loan Agreement;
- (ii) “**Tranche D Principal Outstanding**” means, at any time, the aggregate principal amount outstanding under the Tranche D Loan at that time;
- (jj) “**Tranche D Review Event**” means, without limiting any restriction contained in any of the Financing Documents, each of the following events:
- (A) the Borrower enters into any mineral streaming arrangement or other similar production based arrangement in relation to the Product;
  - (B) a Person acquires or purchases, or enters into an agreement to acquire or purchase, all or any part of Sase Mining SARL’s ownership interest in the Lupoto Exploitation Permit;
  - (C) any Person (other than a Senior Lender or any Affiliate, related party or nominee of a Senior Lender (or any combination of Senior Lenders or their Affiliates, related parties or nominees)) makes an investment in (including through a Capital Raising), or provides financing to, the Sponsor or one or more of its Subsidiaries for the purposes of refinancing the Senior Loans (other than: (A) through the provision of the Tranche D Loan or the Tranche E Loan; (B) any Permitted Financial Debt; (C) any unsecured working capital financing from a DRC bank not exceeding US\$5,000,000; (D) following the reinstatement of the Shares to quotation on the ASX, the ordinary day to day trading of Shares on the ASX) or (E) an investment which has or may arise pursuant to the creditors’ scheme of arrangement proposed to be implemented on or about the Effective Date; or
  - (D) there is a Change of Control with respect to the Sponsor other than:
    - (1) due to a Senior Lender or any Affiliate, related party or nominee of a Senior Lender (or any combination of Senior Lenders or their Affiliates, related parties or nominees) gaining control of the Sponsor);
    - (2) a Change of Control which otherwise has or may arise pursuant to the creditors’ scheme of arrangement proposed to be implemented on or about the Effective Date;
- (kk) “**Tranche D Termination Event**” means each of the following events:
- (A) any Transaction occurs;
  - (B) any Event of Default occurs or is continuing, other than an Excluded Default; or

- (C) the Borrower receives a written notice from TMFF under paragraph 2.2.3 declaring that a Tranche D Review Event is unacceptable;
- (ll) **“Tranche E Commitment”** means the amount of the Tranche E Loan agreed to be made available by QMetco under the QMetco Loan Agreement, as adjusted under the QMetco Loan Agreement;
- (mm) **“Tranche E Loan”** means the loan made available by QMetco to the Borrower under Article III (*Tranche E*) of the QMetco Loan Agreement;
- (nn) **“Tranche E Principal Outstanding”** means, at any time, the aggregate principal amount outstanding under the Tranche E Loan at that time;
- (oo) **“Tranche E Review Event”** means, without limiting any restriction contained in any of the Financing Documents, each of the following events:
  - (A) the Borrower enters into any mineral streaming arrangement or other similar production based arrangement in relation to the Product (which, for avoidance of doubt, does not include the Marketing Services Agreement);
  - (B) any Person (other than a Senior Lender or any Affiliate, related party or nominee of a Senior Lender (or any combination of Senior Lenders or their Affiliates, related parties or nominees)) makes an investment in (including through a Capital Raising), or provides financing to, the Sponsor or one or more of its Subsidiaries for the purposes of refinancing the Senior Loans (other than: (A) through the provision of the Tranche D Loan or the Tranche E Loan; (B) any Permitted Financial Debt; (C) any unsecured working capital financing from a DRC bank not exceeding US\$5,000,000; (D) following the reinstatement of the Shares to quotation on the ASX, the ordinary day to day trading of Shares on the ASX) or (E) an investment which has or may arise pursuant to the creditors’ scheme of arrangement proposed to be implemented on or about the Effective Date; or
  - (C) there is a Change of Control with respect to the Sponsor other than:
    - (1) due to a Senior Lender or any Affiliate, related party or nominee of a Senior Lender (or any combination of Senior Lenders or their Affiliates, related parties or nominees) gaining control of the Sponsor);
    - (2) a Change of Control which otherwise has or may arise pursuant to the creditors’ scheme of arrangement proposed to be implemented on or about the Effective Date;
- (pp) **“Tranche E Termination Event”** means each of the following events:
  - (A) any Transaction occurs;
  - (B) any Event of Default occurs or is continuing, other than an Excluded Default; or
  - (C) the Borrower receives a written notice from QMetco under paragraph 3.4.3 declaring that a Tranche E Review Event is unacceptable;
- (qq) **“Transaction”** means, without limiting any restriction contained in any of the Financing Documents, a transaction where a Person (other than a Senior Lender Lender or any Affiliate, related party or nominee of a Senior Lender (or any

combination of Senior Lenders or their Affiliates, related parties or nominees)) acquires or purchases:

- (A) the Sponsor (other than through a Capital Raising or, following the reinstatement of the Shares to quotation on the ASX, the ordinary day to day trading of Shares on the ASX);
- (B) any shares in one or more of the Sponsor's Subsidiaries; or
- (C) all or part of the Borrower's ownership interest in the Project, other than a Transaction which otherwise has or may arise pursuant to the creditors' scheme of arrangement proposed to be implemented on or about the Effective Date;

(rr) "**TSF2**" means the tailings storage facility at the Project identified as TSF2;

(ss) "**TSF3**" means the tailings storage facility at the Project identified as TSF3;

(tt) "**Use of Proceeds Schedule**" means, in relation to a Disbursement proposed to be made under the Tranche E Loan, a document which outlines the uses to which the proceeds of that Disbursement are to be applied, such document to be provided under paragraph 3.1.1(A)(2) and may be amended from time to time in accordance with paragraph 3.1.3;

(uu) "**Voting Power**" has the meaning given by section 610 of the Corporations Act;

(vv) "**Water Related Emergency**" means each of the following events:

- (A) the emergency management of untreated water at the Project (including due to the unavailability of the water treatment facility referred to in paragraphs 3.3.1(G)(2) and 3.3.1(F) below);
- (B) the accidental release of untreated water and other pollutants into the environment at the Project; or
- (C) a failure of TSF3; and

(ww) "**Water Treatment Options Study**" has the meaning given in paragraph 3.3.1(G)(2).

## 1.2 Interpretation

The provisions of Section 1.03 (*Interpretation*) and Section 1.07 (*Interpretation of Inclusive Expressions*) of the Common Terms Agreement shall also apply to this Agreement but references to "this Agreement" and Sections and Schedules are to this Agreement or sections and schedules of this Agreement (as applicable).

## 1.3 Third party rights

The provisions of Section 8.10 (*Third Party Rights*) of the Common Terms Agreement shall apply to this Agreement.

## 2. TRANCHE D

### 2.1 Control Event

In consideration for TMFF agreeing to provide the Tranche D Loan to the Borrower, each Transaction Party acknowledges and agrees with each Senior Lender that, if a Control Event occurs:

- 2.1.1 the Sponsor must pay to TMFF a non-refundable fee in an amount equal to 25% of the aggregate of:
- (A) the Tranche D Principal Outstanding at that time; and
  - (B) all Interest Expense that has accrued in respect of the Tranche D Loan up to the date on which the fee payable under this paragraph 2.1 is paid in full; and
- 2.1.2 the fee payable under paragraph 2.1.1 is payable on receipt by any Transaction Party of any funds in respect of the Control Event or, if no such funds are received, within 5 Business Days of the Control Event occurring.

## 2.2 **Tranche D Review Events**

- 2.2.1 Each Transaction Party must notify the Senior Lenders as soon as it becomes aware of any Tranche D Review Event occurring.
- 2.2.2 If a Tranche D Review Event occurs, TMFF may give written notice to the Borrower (**Tranche D Review Notice**) requiring the Borrower to negotiate with TMFF in good faith to attempt to agree appropriate amendments or additions to the Financing Documents to take the relevant Tranche D Review Event into account.
- 2.2.3 If the Borrower and TMFF fail to agree on the appropriate amendments or additions to the Financing Documents, or the other Finance Parties do not approve of any proposed amendments or additions agreed between the Borrower and TMFF, under paragraph 2.2.2 within 20 Business Days (or any longer period agreed in writing between the Borrower and TMFF) of the Borrower's receipt of a Tranche D Review Notice, then TMFF may give written notice to the Borrower declaring that the relevant Tranche D Review Event is unacceptable.
- 2.2.4 For the avoidance of doubt, the Borrower's receipt of a written notice from TMFF under paragraph 2.2.3 declaring that a Tranche D Review Event is unacceptable is a Tranche D Termination Event for the purposes of this Agreement, and will require the immediate repayment of the Tranche D Principal Outstanding and all interest that has accrued in respect of the Tranche D Principal Outstanding in accordance with Sections 3.02 (*Interest*) and 3.03 (*Repayment*) of the restated TMFF Loan Agreement.
- 2.2.5 TMFF agrees that until the QMetco End Date has occurred, it may not give written notice to the Borrower declaring that a Tranche D Review Event is unacceptable unless it has received QMetco's prior written consent to do.

## 2.3 **Appointment of director to Sponsor**

- 2.3.1 TMFF will have the right, but not the obligation, to appoint a person as a non-executive director of the Sponsor (**TMFF Nominated Director**) by written notice to the Sponsor, and the Sponsor must procure the appointment of the TMFF Nominated Director as a director of the Sponsor as soon as practicable after receiving written notice from TMFF, subject to receipt of a consent to act in accordance with the Corporations Act signed by the TMFF Nominated Director.
- 2.3.2 If all Secured Obligations owing to TMFF have been repaid in full, TMFF will procure that the TMFF Nominated Director tenders his or her resignation to the Board for consideration.
- 2.3.3 If a director of the Sponsor nominated by TMFF under paragraph 2.3 retires or is removed from the Board (other than in the circumstances set out in paragraph



2.3.2), TMFF will have the right, but not the obligation, to appoint a replacement non-executive director to the Board by written notice to the Sponsor, and the Sponsor must procure the appointment of such person as a director of the Sponsor as soon as practicable after receiving written notice from TMFF, subject to receipt of a consent to act in accordance with the Corporations Act signed by the person.

2.3.4 The Sponsor agrees that the TMFF Nominated Director will be entitled to appoint an alternate director under clause 16 of the Sponsor's constitution (and no further approval of the Board will be required for the appointment) and the Sponsor will procure that the Board does not terminate the appointment of any such alternate director under clause 16.4.3 of the Sponsor's constitution.

### 3. **TRANCHE E**

#### 3.1 **Disbursements**

3.1.1 Each Transaction Party acknowledges and agrees that:

(A) without limiting Section 3.03 (*Conditions of All Disbursements*) of the QMetco Loan Agreement, QMetco is not obliged to provide any Disbursement of the Tranche E Loan until the Agent has received each of the following in a form and of substance satisfactory to the Agent (acting on the instructions of the Relevant Lenders):

(1) an updated Consolidated Budget (together with particulars of any material difference between the updated Consolidated Budget and the Approved Budget), which has been approved by the Relevant Lenders in writing immediately prior to the date of the relevant Disbursement Request;

(2) a Use of Proceeds Schedule in relation to the proposed Disbursement which:

(a) has been prepared by the Borrower;

(b) separately identifies the purposes and expenditures to which the proceeds of the proposed Disbursement are to be applied, and those purposes and expenditures are consistent with the Approved Budget (being the updated Consolidated Budget delivered and approved under paragraph 3.1.1(A)(1));

(c) separately identifies all environmental and social activities against which the proceeds of the proposed Disbursement are to be applied (if any); and

(d) has been agreed with the Relevant Lenders in writing immediately prior to the date of the relevant Disbursement;

(3) a Disbursement Request in respect of the Tranche E Loan, which must:

(a) be for an amount acceptable to the Relevant Lenders;

(b) relate only to expenditure that is forecast in the Approved Budget to be incurred by the Borrower in the 4 week period immediately following the date of the relevant Disbursement;

- (c) relate only to expenditure that is consistent with the Use of Proceeds Schedule agreed with the Relevant Lenders under paragraph 3.1.1(A)(2) in respect of the proposed Disbursement; and
  - (d) be for an amount that is not greater than the Tranche E Commitment at that time less the Tranche E Principal Outstanding at that time;
- (B) the net proceeds of any Disbursement made in respect of the Tranche E Loan must only be used for the purposes and expenditures applicable to that Disbursement as set out in the Use of Proceeds Schedule agreed with the Relevant Lenders in respect of that Disbursement under paragraph 3.1.1(A)(2);
- (C) it must ensure that, once every 2 weeks from the date of the first Disbursement of the Tranche E Loan (as an extension of the existing cashflow reporting of the Borrower), the Agent is provided with a detailed report prepared by the Borrower which reconciles the application of the net proceeds of each Disbursement of the Tranche E Loan against the applicable Use of Proceeds Schedule and the Approved Budget, with an explanation of any variance from those agreed purposes and expenditures;
- (D) it must ensure that on and from 14 August 2019 the Agent is provided with:
  - (1) daily production reports in respect of the Project each day, separately identifying the production for the previous day and for the calendar month to date;
  - (2) by no later than the 7th Business Day of each calendar month, an updated Consolidated Budget, together with particulars of any material difference between the updated Consolidated Budget and the Approved Budget (and it is acknowledged that this paragraph 3.1.1(D) may be satisfied for a particular month through the delivery of an updated Consolidated Budget under paragraph 3.1.1(A)(1) by no later than the 7th Business Day of the relevant month); and
  - (3) by no later than the 7th Business Day of each calendar month, a report describing:
    - (a) the aged creditor position for each of the Transaction Parties as at the previous month end, including reasonable details of the payments to be made to those aged creditors over the next 3 months; and
    - (b) the status of the capital development programs being undertaken at the Project as at the previous month end, including a description of the work undertaken by the owner's team, NewPro or any other consultants engaged by or on behalf of the Borrower in relation to those capital development programs during the previous month; and
- (E) a failure by a Transaction Party to comply with paragraphs 3.1.1(B), 3.1.1(C) or 3.1.1(D), will be an Event of Default for the purposes of Section 6.02(d) (Failure to Comply with Obligations) of the Common

Terms Agreement unless the Agent (acting on the instructions of the Relevant Lenders) agrees otherwise.

- 3.1.2 The Relevant Lenders will review each updated Consolidated Budget provided to the Agent under paragraphs 3.1.1(A)(1), 3.1.1(D)(2) or 3.1.2(B)(1) and if, after conducting that review, each Relevant Lender:
- (A) approves the updated Consolidated Budget, then the Relevant Lenders will promptly give written notice to that effect to the Borrower (and from the time that notice is given, the updated Consolidated Budget will be the Approved Budget for all purposes under this letter agreement); or
  - (B) does not approve of the updated Consolidated Budget, then:
    - (1) the Relevant Lenders will promptly give written notice to that effect to the Borrower (and, for the avoidance of doubt, the updated Consolidated Budget will not be the Approved Budget under this letter agreement); and
    - (2) the Borrower must change the updated Consolidated Budget to incorporate any matters reasonably required by the Relevant Lenders, and provide a further updated Consolidated Budget to the Agent promptly, and in any event within 10 Business Days, after receiving notice from the Relevant Lenders under paragraph 3.1.2(B)(1),

provided that an updated Consolidated Budget submitted to the Agent under paragraphs 3.1.1(A)(1), 3.1.1(D)(2) or 3.1.2(B)(1) will be deemed to be approved by a Relevant Lender in the event that Relevant Lender fails to respond to the Borrower within 10 Business Days from the date that Relevant Lender received the updated Consolidated Budget from the Agent.

- 3.1.3 Each Transaction Party acknowledges and agrees with each Senior Lender that the Use of Proceeds Schedule for a Disbursement may only be amended by the Borrower if the updated Use of Proceeds Schedule meets the criteria set out in paragraph 3.1.1(A)(2).
- 3.1.4 The Borrower agrees to request Disbursements of the Tranche E Loan in an amount sufficient to ensure that each Transaction Party is able to comply with its obligations under paragraph 3.3.1 and, subject to the fulfillment prior to and concurrently with the making of any such Disbursement of the conditions referred to in Section 3.03 (*Conditions of All Disbursements*) of the QMetco Loan Agreement (which, for the avoidance of doubt, includes the conditions set out in paragraph 3.1.1(A) of this letter agreement), QMetco agrees to make available the necessary portion of the Tranche E Commitment which is required by the Transaction Parties to enable them to comply with their obligations under paragraph 3.3.1. For the purposes of this paragraph 3.1.4, each Relevant Lender agrees that it must not:
- (A) fail to approve an updated Consolidated Budget under paragraph 3.1.1(A)(1) solely on the basis that such updated budget includes provision for the amounts required by the Transaction Parties to comply with their obligations under paragraph 3.3.1;
  - (B) fail to approve a Use of Proceeds Schedule under paragraph 3.1.1(A)(2) solely on the basis that such Use of Proceeds Schedule includes provision for the amounts required by the Transaction Parties to comply with their obligations under paragraph 3.3.1; and

- (C) fail to approve the amount of a Disbursement Request under paragraph 3.1.1(A)(3)(a) solely on the basis that such amount includes provision for the amounts required by the Transaction Parties to comply with their obligations under paragraph 3.3.1 over the 4 week period immediately following the date of the relevant Disbursement.

## 3.2 Equity conversion

- 3.2.1 Each Transaction Party acknowledges and agrees with each Senior Lender that QMetco may, at any time before 30 September 2020, give written notice to the Sponsor (**Conversion Notice**) stating that it requires the USD Equivalent of A\$1,150,000 of the Tranche E Principal Outstanding (**Conversion Amount**) to be converted into Shares in accordance with paragraphs 3.2.5 and 3.2.7 at a price per Share of A\$0.01, provided that, as at the date QMetco gives the Conversion Notice, the Tranche E Principal Outstanding is at least the USD Equivalent of A\$1,150,000 (the **Conversion**). For the purposes of this paragraph 3.2.1 and paragraph 3.2.3, the USD Equivalent of A\$1,150,000 is to be determined on the date on which QMetco gives the Conversion Notice to the Sponsor.
- 3.2.2 The Sponsor represents and warrants in favour of each Senior Lender that it does not require the approval of its shareholders in order to agree to the Conversion and, if QMetco gives a Conversion Notice, to complete the Conversion, on the assumption the issue of Shares in response to the Conversion will not result in QMetco, together with its Associates, acquiring Voting Power in the Sponsor of more than 20%.
- 3.2.3 Each Transaction Party acknowledges and agrees with each Senior Lender that if the Borrower wishes to make a voluntary prepayment of the Tranche E Loan before 30 September 2020 (the amount of the proposed prepayment being the **Tranche E Prepayment Amount**), then it must give QMetco at least 10 Business Days' prior written notice of its intention to do so and of the Tranche E Prepayment Amount and QMetco may, within 5 Business Days after receiving such notice, give the Sponsor a Conversion Notice (if the Conversion Amount has not previously been fully converted) in respect of the Tranche E Prepayment Amount. If QMetco gives the Sponsor a Conversion Notice under this paragraph 3.2.3, then the Conversion will occur in respect of the amount of the Tranche E Prepayment Amount specified in the Conversion Notice (which, to avoid doubt, may not be greater than the remaining Conversion Amount) instead of the proposed voluntary prepayment of the Tranche E Loan in respect of that amount.
- 3.2.4 In respect of any conversion under paragraph 3.2.3, paragraphs 3.2.5 and 3.2.6 will apply with the necessary modifications to reflect the Tranche E Prepayment Amount and the Conversion Notice given by QMetco. If QMetco gives a Conversion Notice under paragraph 3.2.3, then the Conversion Amount that may be converted pursuant to paragraph 3.2.1 will be reduced by the amount specified in the Conversion Notice given under paragraph 3.2.3 and QMetco's rights under paragraph 3.2.1 for the remaining amount of the Conversion Amount (if any) will otherwise continue. To avoid doubt, QMetco's rights under paragraph 3.2.1 for the remaining amount of the Tranche E Loan following any voluntary prepayment will continue.
- 3.2.5 If the Sponsor receives the Conversion Notice from QMetco, the Sponsor must issue to QMetco or its Nominee the number of Shares which is equal to the Conversion Amount divided by the applicable conversion price per Share

set out in paragraph 3.2.1 within 5 Business Days after the date QMetco gives the Conversion Notice to the Sponsor.

- 3.2.6 On the Sponsor effecting the Conversion, the obligation of the Borrower to pay the Conversion Amount to QMetco will be satisfied in full. The Tranche E Commitment will be reduced by any amounts of Tranche E Principal Outstanding that are taken to be satisfied through the Conversion and, accordingly, such amounts may not be re-borrowed.
- 3.2.7 Following the issue of any Shares to QMetco or its Nominee which are required to give effect to the Conversion, the Sponsor must:
- (A) immediately enter QMetco (or its Nominee) into the register of members of the Sponsor as the registered holder of the relevant Shares;
  - (B) apply to ASX for, and use best endeavours to obtain, approval of the official quotation of the relevant Shares as soon as practicable and in any event within 2 Business Days after the date that the relevant Shares are issued;
  - (C) procure that the relevant ASIC and ASX forms are lodged to reflect the issue of the relevant Shares;
  - (D) to the extent the Sponsor can comply with the criteria in “case 1” of section 708A of the Corporations Act at the relevant time, give to ASX a notice under section 708A(5) of the Corporations Act by no later than the Business Day following the issue of the relevant Shares;
  - (E) deliver an original holding statement in respect of the relevant Shares to QMetco (or its Nominee) as soon as practicable and in any event within 5 Business Days after the date that the relevant Shares are issued; and
  - (F) promptly prepare and lodge with ASIC and ASX all other documents, and do all other things, required by the Corporations Act and the Listing Rules as is necessary in connection with the quotation of those Shares on the ASX, provided that the Sponsor is not required to issue a notice under section 708A(5) of the Corporations Act, issue a disclosure document under chapter 6D.2 of the Corporations Act or otherwise take any steps to ensure that the Shares are freely tradeable from their date of issue.
- 3.2.8 Unless the Sponsor has given to ASX a notice under section 708A(5) of the Corporations Act in accordance with paragraph 3.2.7 or complied with the criteria in “case 2” of section 708A of the Corporations Act with respect to the converted Shares, QMetco must not, and must procure that its Nominee (if applicable) does not, sell, transfer or offer for sale or transfer any Shares issued to QMetco or its Nominee as a result of the Conversion within 12 months after their issue. QMetco agrees, and must procure that prior to issue its Nominee (if applicable) agrees, to the application of a holding lock (within the meaning of Section 2 of the ASX Settlement Operating Rules) by the Sponsor in respect of such Shares until expiry of the 12 month period.
- 3.2.9 QMetco represents and warrants as at the date of this letter agreement and on the date of issue of the Conversion Notice, in respect of itself and any Nominee, that:

- (A) it is a person to whom Shares can lawfully be offered or issued, including as permitted by the jurisdiction in which it is situated, under all applicable laws, without the need for any registration, filing or lodgement or other formality other than in accordance with section 708A of the Corporations Act (as applicable);
  - (B) it is outside the United States of America and will be issued the Shares in an "offshore transaction" (as defined in Rule 902(h) of Regulation S under the US Securities Act of 1933; and
  - (C) the issue of Shares pursuant to the Conversion Notice will not result in it acquiring Voting Power in the Sponsor in breach of section 606 of the Corporations Act (or an equivalent provision).
- 3.2.10 Notwithstanding any other term of this letter agreement, QMetco is not entitled to convert (and the Sponsor is entitled to refuse to convert) such of the Conversion Amount that would result in a person acquiring Voting Power in the Sponsor in breach of section 606 of the Corporations Act (or any equivalent provision) or the provisions of the *Foreign Acquisitions and Takeovers Act 1975* (Cth).
- 3.2.11 In the event of any reconstruction or reorganisation of the Sponsor's capital (including any consolidation, sub-division, reduction or return of capital), the price per Share or method of calculation of the price per Share (as applicable) in respect of the Conversion will be adjusted in the inverse ratio to any adjustment to the holdings of the ordinary shareholders, or otherwise as necessary to ensure that QMetco does not receive a benefit that holders of Shares do not receive. By way of example, if a 1 for 2 consolidation of ordinary shares occurs, the conversion price will be doubled).

### 3.3 E&S Undertakings

- 3.3.1 Each Transaction Party must ensure that:
- (A) by no later than 22 August 2019, the Agent has received from the Sponsor a report prepared by Knight Piesold regarding the current suitability of TSF3 to be used as a reservoir (which is its current use) as opposed to a tailings storage facility (which is what it was designed and built to be used for) and, if necessary, making recommendations as to any works required to make it safe for use as a reservoir based on its current usage and expected future usage;
  - (B) by no later than 31 August 2019:
    - (1) the Agent has received from the Sponsor the final engineering designs and detailed costings prepared by Knight Piesold in relation to the lift of TSF3 and any other works required to ensure that TSF3:
      - (a) has sufficient capacity to deal with water levels expected throughout the 2019/2020 rainy season; and
      - (b) is safe for use as a reservoir based on its current and future usage and expected volume; and
    - (2) the Agent has received from the Sponsor, in PowerPoint form, an overview of the Emergency Water Management Response Plan which incorporates the key elements of that plan and which

evidences that such plan, once finalised, will be consistent with the Performance Standards and the General EHS Guidelines and Mining EHS Guidelines published by the World Bank Group (in each case, as applicable to the Project) and good international industry practice, including an infrastructure development plan and a schedule for the installation and commissioning of that infrastructure, and incorporating the results of a peer review undertaken by Knight Piesold; and

- (3) the Agent has received evidence that the piping and pumping system from TSF3 to the PWP has been installed, commissioned and is operating, allowing the pumping of water from TSF3 back to the PWP at any time in case of emergency or other need;
- (C) by no later than 15 September 2019, the Agent has received evidence that TSF2:
- (1) has been emptied and the liner for that facility has been fixed; and
  - (2) is ready to receive water from TSF3 or any other facility in case of a Water Related Emergency;
- (D) by no later than 30 September 2019:
- (1) the Agent has received evidence that the piping and pumping system from the PWP to TSF2 has been installed, commissioned and is operating, allowing the pumping of water from the PWP to TSF2 at any time in case of emergency or other need;
  - (2) the Agent has received from the Sponsor a detailed table of contents for the Emergency Water Management Response Plan which evidences that such plan, once finalised, will be consistent with the Performance Standards and the General EHS Guidelines and Mining EHS Guidelines published by the World Bank Group (in each case, as applicable to the Project) and good international industry practice; and
  - (3) the Agent has received evidence that the Borrower has recruited an appropriately qualified new health, safety and environment manager (to be based at the Project);
- (E) by no later than 31 October 2019, the Agent has received from the Sponsor an Emergency Water Management Response Plan which is consistent with the Performance Standards and the General EHS Guidelines and Mining EHS Guidelines published by the World Bank Group (in each case, as applicable to the Project) and good international industry practice, and an opinion from Knight Piesold that the plan is materially in compliance with the relevant sections of the ANCOLD guidelines referred to in paragraph 3.3.4(A)(4);
- (F) by no later than 30 November 2019:
- (1) the Agent has received evidence that the piping and pumping system from the PWP to the Kipoi main pit has been installed, commissioned and is operating, allowing the pumping of water from the PWP to the Kipoi main pit at any time in case of emergency or other need; and

- (2) the Agent has received evidence that the lift of TSF3 and any other works required to ensure that TSF3:
  - (a) has sufficient capacity to deal with water levels expected throughout the 2019/2020 rainy season; and
  - (b) is safe for use as a reservoir based on its current and future usage and expected volume,

has reached practical completion, and the Agent has received from the Sponsor a copy of the practical completion certificate issued by Knight Piesold in relation to those works (which confirms that such works satisfy the requirements of sub-paragraphs (a) and (b) above and have been completed to the agreed designs, standards, and specifications, and can be used for the purposes intended). For the purposes of this paragraph 3.3.1(F)(2), 'practical completion' means that TSF3 has been completed substantially in accordance with the agreed designs, standards, and specifications for TSF3, except for minor defects which do not prevent TSF3 from being reasonably capable of being used;

(G) by no later than 31 December 2019:

- (1) the Agent has received from the Sponsor a copy of the final completion certificate issued by Knight Piesold in relation to the works described in paragraph 3.3.1(F)(2) above. For the purposes of this paragraph 3.3.1(G)(1) and paragraph 3.3.1(H) below, the final completion certificate shall be given when TSF3 has achieved final completion in accordance with the agreed designs, standards, and specifications for TSF3 and is acceptable to Knight Piesold; and
- (2) the Agent has received an options study report prepared by, or on behalf of, the Sponsor which includes the specifications, designs, costings, procurement options and implementation plans for a water treatment facility at the Project that would allow the treatment of acidic or contaminated water in TSF3 and other tailing storage facilities at the Project, and the safe release of that treated water into the environment, with such implementation plans to allow the water treatment facility to be constructed and commissioned by 30 November 2020 (**Water Treatment Options Study**); and

(H) until Knight Piesold has issued the final completion certificate in relation to the works described in paragraph 3.3.1(F)(2) above, one of Knight Piesold's engineers is to remain on site for the purpose of ensuring that the relevant works are completed to the agreed designs, standards, and specifications, and can be used for the purposes intended.

3.3.2 Subject to paragraph 3.3.3 below, each Transaction Party must ensure that by no later than 30 November 2020, the Agent has received evidence that a water treatment facility to treat acidic or contaminated water in TSF3 and the other tailing storage facilities at the Project has been constructed and commissioned in accordance with the recommendations of the Water Treatment Options Study and allows for the safe release of treated water into the environment in a manner that is compliant with the Performance Standards for contaminant levels.



- 3.3.3 Each Senior Lender agrees that a Transaction Party will not be in breach of paragraph 3.3.1(F) above where the reason for non-compliance is a lack of sufficient funding available to the Transaction Parties.
- 3.3.4 Each Transaction Party acknowledges and agrees that for the purposes of paragraphs 3.3.1(B)(2), 3.3.1(D)(2) and 3.3.1(E):
- (A) a reference to the Performance Standards and the General EHS Guidelines and Mining EHS Guidelines published by the World Bank Group includes:
    - (1) paragraphs 20 - 21 of Performance Standard 1 and Guidance Note 1: GN81-GN82;
    - (2) paragraph 11 of Performance Standard 4 and Guidance Note 4 GN22-GN23;
    - (3) Section 3.7 (*Emergency Preparedness and Response*) of the General EHS Guidelines; and
    - (4) Section 1.3 (*Community Health and Safety*) of the Mining EHS Guidelines; and
  - (B) a reference to good international industry practice includes a reference to the ANCOLD 'Guidelines on Dam Safety Management' (August 2003), the ANCOLD 'Guidelines on the Consequence Categories for Dams' (2012) and the UNEP / ICMM 'Good practice in emergency preparedness and response'.
- 3.3.5 Without limiting any other provision of this document, each Transaction Party acknowledges and agrees that the Emergency Water Management Response Plan is to:
- (A) cover all Water Related Emergencies;
  - (B) be specific to the Project; and
  - (C) cover the following key elements:
    - (1) administration (including the policy, purpose, distribution and relevant definitions for the plan);
    - (2) information on, and specifications for, all water storage facilities;
    - (3) water drainage plan and catchment areas;
    - (4) flood zone risk and inundation map(s) (based on a downstream survey and on a risk assessment):
    - (5) detailing identified dwellings (formal or informal), other significant infrastructure (such as roads) and economic activities, in each case likely to be directly affected by flood as consequence of a dam failure; and
    - (6) detailing identified land use;
    - (7) roles and responsibilities for relevant personnel;
    - (8) emergency preparedness and response procedures (including procedures for the implementation of the plan, health and safety

procedures for mine personnel and contractors, emergency evacuation procedures and water monitoring procedures);

- (9) emergency resources (including the emergency response team and an assessment of the state, availability and location of necessary equipment and materials);
- (10) communication systems;
- (11) organisation of emergency areas (including command centres and support areas);
- (12) notification procedures, information to and coordination with local government agencies;
- (13) drills and training procedures;
- (14) business continuity and contingency;
- (15) the budget required for the implementation of the plan on an ongoing basis;
- (16) contact list for emergency management and response; and
- (17) checklists (including role and action lists and equipment checklists).

#### 3.4 **Tranche E Review Events**

- 3.4.1 Each Transaction Party must notify the Senior Lenders as soon as it becomes aware of any Tranche E Review Event occurring.
- 3.4.2 If a Tranche E Review Event occurs, QMetco may (with the prior written consent of TMFF) give written notice to the Borrower (**Tranche E Review Notice**) requiring the Borrower to negotiate with the Relevant Lenders in good faith to attempt to agree appropriate amendments or additions to the Financing Documents to take the relevant Tranche E Review Event into account.
- 3.4.3 If the Borrower and the Relevant Lenders fail to agree on the appropriate amendments or additions to the Financing Documents, or the other Finance Parties do not approve of any proposed amendments or additions agreed between the Borrower and the Relevant Lenders, under paragraph 3.4.2 within 20 Business Days (or any longer period agreed in writing between the Borrower and the Relevant Lenders) of the Borrower's receipt of a Tranche E Review Notice, then QMetco may (with the prior written consent of TMFF) give written notice to the Borrower declaring that the relevant Tranche E Review Event is unacceptable.
- 3.4.4 For the avoidance of doubt, the Borrower's receipt of a written notice from QMetco under paragraph 3.4.3 declaring that a Tranche E Review Event is unacceptable is a Tranche E Termination Event for the purposes of this letter agreement, and will give QMetco the right to require the immediate repayment of the Tranche E Principal Outstanding and all interest that has accrued in respect of the Tranche E Principal Outstanding in accordance with Section 4.06 (*Termination Events*) of the restated QMetco Loan Agreement.

#### 3.5 **Marketing Services**

3.5.1 In consideration for QMetco agreeing to provide the Tranche E Loan to the Borrower in accordance with the terms of the this letter and the QMetco Loan Agreement, each Transaction Party must ensure that the Agent has received each of the following in a form and of substance satisfactory to the Agent (acting on the instructions of QMetco) by no later than 30 June 2020 (or such later date as the Sponsor and QMetco may agree in writing):

(A) either:

- (1) written opinion from ASX to the effect that Listing Rule 10.1 does not apply to entry into of the Marketing Services Agreement (as defined below) by the Borrower and the Sponsor or a copy of a waiver of Listing Rule 10.1 granted to the Sponsor by ASX to allow the Borrower and the Sponsor to enter into the Marketing Services Agreement without the approval of the Sponsor's shareholders under Listing Rule 10.1; or
- (2) if ASX advises the Sponsor that Listing Rule 10.1 does apply to the entry into of the Marketing Services Agreement (as defined below) by the Borrower and the Sponsor but declines to grant a waiver of Listing Rule 10.1 as contemplated in paragraph 3.5.1(A)(1) above, evidence of the approval of the Marketing Services Agreement by the Sponsor's shareholders for the purposes of Listing Rule 10.1; and

(B) an original of a marketing services agreement, which has been duly executed by the Borrower and the Sponsor, as more particularly described in the Marketing Services Engagement Letter (**Marketing Services Agreement**).

3.5.2 Each of the Sponsor and QMetco acknowledge and agree that:

- (A) they must not amend or vary, or agree to amend or vary, the Marketing Services Engagement Letter in any material respect without the prior written consent of the Senior Lenders; and
- (B) the Marketing Services Agreement may only be entered into on terms that are in all material respects consistent with the terms contemplated by the Marketing Services Engagement Letter.

3.5.3 For the purposes of the shareholder approval requirements under paragraph 3.5.1(A)(2) (if applicable) and in respect of the Termination Option, the Sponsor must use its best endeavours to obtain the required shareholder approvals by no later than 30 June 2020 (or such later date as the Sponsor and QMetco may agree in writing). Without limiting the Sponsor's obligation to use its best endeavours, the Sponsor must:

- (A) prepare a notice of meeting to seek such approval and consult in good faith with QMetco regarding the notice, including giving QMetco a reasonable opportunity to review and comment on a draft and taking into account any comments from QMetco;
- (B) dispatch the notice of meeting and hold the general meeting; and
- (C) use best endeavours to procure that, subject to the independent expert (if any) concluding that the transaction is reasonable (even if not fair): (i) each director of the Sponsor (other than any Nominated Director) publicly recommends, including in the notice of meeting, that shareholders vote in favour of the resolutions to approve the

matters contemplated by paragraph 3.5.1(A)(2) and the Termination Option, in the absence of a superior proposal; and (ii) each director of the Sponsor (other than any Nominated Director) votes, or procures the voting of, any shares in the Sponsor under their ownership or control which they are permitted to vote in favour of those resolutions, in the absence of a superior proposal.

3.5.4 Each party acknowledges and agrees that:

- (A) the Marketing Services Agreement, once executed by each party to it, is a 'Financing Document' as defined in, and for all purposes under, the Common Terms Agreement and each other Financing Document until such time as QMetco ceases to be the recipient of the marketing fee payments under the Marketing Services Agreement; and
- (B) QMetco may sell, transfer, grant, assign or otherwise dispose of all or any of its rights and interests under the Marketing Services Agreement (an **Assignment**) in accordance with the terms of the Marketing Services Agreement and is not required to obtain the consent of any Person to that Assignment or comply with the requirements of Section 8(g) (*Assignees and Successors*) of the Intercreditor and Security Sharing Agreement or Section 8.07 (*Successors and Assignees*) of the Common Terms Agreement (or any other provision of the Financing Documents which regulate an Assignment) in relation to that Assignment.

### 3.6 Appointment of director to Sponsor

- 3.6.1 QMetco will have the right, but not the obligation, to nominate a person for appointment as a non-executive director of the Sponsor by written notice to the Sponsor, and the Sponsor must procure the appointment of such person as a director of the Sponsor and as Chairperson of the Board as soon as practicable after receiving written notice from QMetco, subject to receipt of a consent to act in accordance with the Corporations Act signed by the nominated person.
- 3.6.2 If a director of the Sponsor nominated by QMetco under paragraph 3.6.1 or this paragraph 3.6.2 (**QMetco Nominated Director**) retires or is removed from the Board, QMetco will have the right, but not the obligation, to nominate a person for appointment as a replacement non-executive director to the Board by written notice to the Sponsor, and the Sponsor must procure the appointment of such person as a director of the Sponsor and as Chairperson of the Board as soon as practicable after receiving written notice from QMetco, subject to receipt of a consent to act in accordance with the Corporations Act signed by the nominated person.
- 3.6.3 After the appointment of a director in accordance with paragraphs 3.6.1 or 3.6.2, the Board must:
  - (A) ensure that the director is proposed for election as a director of the Sponsor at the next annual general meeting of Sponsor shareholders convened after the appointment (provided the nominee nominates for such election); and
  - (B) subject to concluding, acting reasonably, that the nominee director is of good character and repute and has appropriate skill, knowledge and experience, recommend the election of the director to Sponsor

shareholders at the annual general meeting referred to in paragraph 3.6.3(A).

- 3.6.4 The Sponsor agrees that the QMetco Nominated Director will be entitled to appoint an alternate director under clause 16 of the Sponsor's constitution (and no further approval of the Board will be required for the appointment) and the Sponsor will procure that the Board does not terminate the appointment of any such alternate director under clause 16.4.3 of the Sponsor's constitution.
- 3.6.5 A person nominated by QMetco to be a director of the Sponsor or by the QMetco Nominated Director to be an alternate director must have the appropriate skill, knowledge and experience and be lawfully entitled to be a director of an ASX listed company.
- 3.6.6 Once the QMetco End Date has occurred, QMetco will procure that the QMetco Nominated Director tenders his or her resignation to the Board for consideration (and this paragraph 3.6 will cease to apply).

#### 4. **AMENDMENTS TO THE COMMON TERMS AGREEMENT**

4.1 Each Transaction Party and each Finance Party acknowledges and agrees that on and with effect from the Effective Date the Common Terms Agreement is amended as follows:

4.1.1 the existing definition of "Finance Parties" in Section 1.01 (*Definitions*) is deleted and replaced with the following new definition as follows:

"Finance Parties" the Senior Lenders, IFC and TMFF in their capacity as arrangers under the Arranger Fee Letter (but not any successor or assignee of IFC or TMFF under the Arranger Fee Letter), TMFF in its capacity as the recipient of the royalty payments under the Lupoto Royalty Deed (but not any successor or assignee of TMFF under the Lupoto Royalty Deed), QMetco in its capacity as the recipient of the marketing fee payments under the Marketing Services Agreement (but not any successor or assignee of QMetco under the Marketing Services Agreement), the Agent and the Security Trustee, and "Finance Party" means any of them, as the context requires;

4.1.2 the definition of "Financing Documents" in Section 1.01 (*Definitions*) is amended by inserting new sub-paragraphs (viii-b) and (viii-c) immediately following the existing sub-paragraph (viii-a) as follows:

"(viii-b) the Marketing Services Agreement (until such time as QMetco ceases to be the recipient of the marketing fee payments under the Marketing Services Agreement);

(viii-c) the Side Letter;"

4.1.3 the definition of "Interest Expense" in Section 1.01 (*Definitions*) is amended by deleting existing sub-paragraph (ii) and inserting the following new sub-paragraph in its place:

"(ii) all commitment, line, account and similar fees and other amounts of a regular and recurring nature payable in relation to the Senior Loans and the Financing Documents but excluding establishment, participation, arrangement and other fees payable once only, the

Arranging Fee, the royalty payable under the Lupoto Royalty Deed, the marketing fees payable under the Marketing Services Agreement and payments due under a Derivative Transaction;”

- 4.1.4 a new definition of “Lupoto Royalty Deed” is inserted into Section 1.01 (*Definitions*) in its appropriate alphabetical position as follows:
- “Lupoto Royalty Deed” the minerals royalty deed entered into, or to be entered into, between Sase Mining and TMFF.
- 4.1.5 a new definition of “Marketing Services Agreement” is inserted into Section 1.01 (*Definitions*) in its appropriate alphabetical position as follows:
- “Marketing Services Agreement” the marketing services agreement made or to be made between the Borrower, the Sponsor and QMetco;
- 4.1.6 The definition of “Minimum Liquidity Amount” in Section 1.01 (*Definitions*) is deleted.
- 4.1.7 A new “Minimum Liquidity Date” definition is inserted into Section 1.01 (*Definitions*) in its appropriate alphabetical position as follows:
- “Minimum Liquidity Date” means each date on which the aggregate of:
- (i) all cash available to the Transaction Parties on that date, including the credit balance of all bank accounts of the Transaction Parties, but excluding any debt or equity contributions raised or drawn down by any Transaction Party within the preceding six (6) months, except where such contributions are made for the specific purpose of refinancing the Senior Loans; and
  - (ii) the Net Working Capital on that date, exceeds US\$20,000,000 (or its Equivalent Amount).
- 4.1.8 a new definition of “Net Working Capital” is inserted into Section 1.01 (*Definitions*) in its appropriate alphabetical position as follows:
- “Net Working Capital” means, on any date, the aggregate of:
- (i) the value of all trade debtors of the Borrower (other than money that is in dispute or owed by any regulatory authority in the DRC); and
  - (ii) the value of all Product in the form of finished copper cathode,
- minus the value of the trade creditors of the Borrower (other than money that is in dispute where the failure to pay the trade creditor is an Excluded Default under paragraph 5.3.2).
- 4.1.9 the existing definition of “Permitted Financial Debt” is amended by inserting a new paragraph (xvi) as follows:
- “(xvi) any Financial Debt of the Sponsor arising under credit card facilities up to A\$50,000.”

4.1.10 a new definition of “QMetco” is inserted into Section 1.01 (*Definitions*) in its appropriate alphabetical position as follows:

“QMetco” QMetco Limited (ACN 008 124 025);

4.1.11 a new definition of “QMetco Loan Agreement” is inserted into Section 1.01 (*Definitions*) in its appropriate alphabetical position as follows:

“QMetco Loan Agreement” the agreement entitled “Loan Agreement” dated 31 August 2019 between the Borrower and QMetco;

4.1.12 the existing definition of “Senior Lenders” in Section 1.01 (*Definitions*) is deleted and replaced with the following new definition as follows:

“Senior Lenders” the Original Senior Lenders, QMetco and any Person who is an Acceding Senior Lender, and "Senior Lender" means any one of them, but excluding in each case any such Person that is a Retired Senior Lender;

4.1.13 the existing definition of “Senior Loan Agreements” in Section 1.01 (*Definitions*) is deleted and replaced with the following new definition as follows:

“Senior Loan Agreements” the IFC Loan Agreement, the TMFF Loan Agreement, the QMetco Loan Agreement and each loan agreement: (i) which is a Financing Document; or (ii) pursuant to which an Acceding Senior Lender holds its Commitment in accordance with Section 8.07(f)(i), and "Senior Loan Agreement" means any of them, as the context requires;

4.1.14 the existing definition of “Senior Loans” in Section 1.01 (*Definitions*) is deleted and replaced with the following new definition as follows:

“Senior Loans” each loan made or to be made by a Senior Lender to the Borrower under a Senior Loan Agreement, and "Senior Loan" means any of them, as the context requires;

4.1.15 a new definition of “Side Letter” is inserted into Section 1.01 (*Definitions*) in its appropriate alphabetical position as follows:

“Side Letter” the letter agreement with the subject line “Common Terms Agreement – amendment letter” dated **[insert]** between the between the Borrower (as Borrower), Tiger Resources Limited, Balcon Holdings Limited, Balcon Investments and Logistics (Pty) Ltd, Congo Minerals SARL, Havelock Finance Limited, Sase Mining SARL, Tiger Congo SARL, Tiger Resources Finance Limited and Crux Energy Proprietary Limited (as Guarantors), TMFF, IFC and QMetco Limited (as Senior Lenders), The Law Debenture Trust Corporation PLC (as Agent) and Law Debenture Trustees Limited (as Security Trustee), ;

4.1.16 the existing definition of “TMFF Loan Agreement” in Section 1.01 (*Definitions*) is deleted and replaced with the following new definition as follows:

“TMFF Loan Agreement” the agreement entitled “Loan Agreement” dated 16 December 2015 between the Borrower and TMFF, as amended and restated under a document entitled

“Amendment and Restatement Agreement” dated on or about **[insert date – to be aligned with Scheme Proposal]** between the Borrower and TMFF;

4.1.17 a new definition of “Tranche A Principal Outstanding” is inserted into Section 1.01 (*Definitions*) in its appropriate alphabetical position as follows:

“Tranche A Principal Outstanding” has the meaning given to that term in the Side Letter;

4.1.18 a new definition of “Tranche D Principal Outstanding” is inserted into Section 1.01 (*Definitions*) in its appropriate alphabetical position as follows:

“Tranche D Principal Outstanding” has the meaning given to that term in the Side Letter;

4.1.19 a new definition of “Tranche E Principal Outstanding” is inserted into Section 1.01 (*Definitions*) in its appropriate alphabetical position as follows:

“Tranche E Principal Outstanding” has the meaning given to that term in the Side Letter;

4.1.20 Section 2.05 (*Repayment*) is deleted and replaced by the following:

“Section 2.05 *Repayment*. (a) Subject to Section 1.04 (*Business Day Adjustment*), and without limiting Section 2.05(b), the Borrower shall repay the Principal Outstanding of the Senior Loans on the following dates:

- (i) the Tranche A Principal Outstanding on 31 December 2025, such repayment to be allocated among the Senior Lenders that are owed Tranche A Principal Outstanding on a pro rata basis in proportion to the Tranche A Principal Outstanding of each respective Senior Lender; and
- (ii) the Tranche D Principal Outstanding and Tranche E Principal Outstanding on 31 December 2024, such repayment to be allocated among the Senior Lenders that are owed Tranche D Principal Outstanding or Tranche E Principal Outstanding on a pro rata basis in proportion to the Tranche D Principal Outstanding and Tranche E Principal Outstanding of each respective Senior Lender.

(b) Any principal amount of any Senior Loan repaid under this Agreement or the applicable Senior Loan Agreement may not be re-borrowed.”

4.1.21 Section 2.06 (*Prepayment*) is amended by deleting existing Section 2.06(b) and inserting the following new Section in its place:

(b) On each Interest Payment Date occurring after the first Minimum Liquidity Date, the Borrower must on that Interest Payment Date prepay the Senior Loans in an amount equal to 75% of the Relevant Amount less the Debt Service Amount (with “**Relevant Amount**” meaning an amount equal to CFADS for the period of three (3) months preceding the Calculation Date prior to that Interest Payment Date (as shown in the relevant certificate delivered under Section 5.03(e) (*Reporting Requirements*)), and “**Debt Service Amount**” meaning the aggregate of the principal, interest, fees and costs required to be repaid during the period of three (3) months preceding the Calculation Date prior to that Interest Payment Date pursuant to the Financing Documents or any



Permitted Financial Debt), which shall be applied in the following order of priority:

- (i) **Firstly**, pro rata against the Tranche D Principal Outstanding and the Tranche E Principal Outstanding; and
- (ii) **Secondly**, against the Tranche A Principal Outstanding.

4.1.22 Section 2.06 (*Prepayment*) is amended by deleting existing Section 2.06(d) and inserting the following new Section in its place:

“ (d) Any amounts prepaid under this Section 2.06 (*Prepayment*) shall be allocated in accordance with this Agreement or, if not specified in this Agreement, in accordance with each Senior Lender’s allocation as determined under the Intercreditor and Security Sharing Agreement, and such allocated amounts may not be re-borrowed. The Commitment of each Senior Loan is reduced and cancelled by the amount of any Principal Outstanding prepaid under this Agreement.”; and

4.1.23 Section 2.17 (*Application of Payments; Sharing*) is amended by deleting existing Section 2.17(b) and inserting the following new Section in its place:

“ (b) Each of the Senior Lenders agrees that, if it should receive any amount hereunder or under any other Financing Document from any Transaction Party (whether by voluntary payment, by realization upon security, by the exercise of the right of setoff or banker’s lien, by counterclaim or cross action, by the enforcement of any right under the Financing Documents, or otherwise), which, in any such case, is in excess of its allocated share of payments obtained by all of the Senior Lenders entitled to share in that payment hereunder or under any other Financing Document (such allocation to be determined in accordance with this Agreement or, if not specified in this Agreement, the Intercreditor and Security Sharing Agreement), then that Senior Lender receiving such excess payment (except to the extent such payment is received in Convertible Currencies during any Inconvertibility Event, as described in Section 2.17(c), in which case such excess payment shall be remitted to the relevant Transaction Party or as the relevant Senior Lender may otherwise determine) shall promptly remit to the Agent for distribution to the Senior Lenders (in accordance with each applicable Senior Lender’s allocation as determined under this Agreement, or if not determined under this Agreement, the Intercreditor and Security Sharing Agreement), the amount of such payment in excess of the amount that would have been received had such payment been made in accordance with each applicable Senior Lender’s allocation as determined under this Agreement, or if not determined under this Agreement, the Intercreditor and Security Sharing Agreement, and any accrued interest thereon; provided, however, that if at such time redistribution of such payment in such manner is inadvisable in the judgment of any Senior Lender, then at the request of that Senior Lender (or of the Agent made on behalf of that Senior Lender) the Senior Lenders shall promptly consult with each other to determine whether there is a preferable manner to make equitable adjustments (including the purchase by that Senior Lender of the Commitment of the other Senior Lenders to the extent permitted by any applicable law and the Financing Documents) to permit all of the applicable Senior Lenders to share such payment (net of expenses incurred by the recipient Senior Lender in obtaining or preserving such payment) in accordance with each Senior

Lender's allocation as determined under this Agreement, or if not determined under this Agreement, the Intercreditor and Security Sharing Agreement. If any such redistributed or shared payment is thereafter rescinded or must otherwise be restored by the Senior Lender which first obtained it, each of the other Senior Lenders which shared the benefit of such payment shall return to that Senior Lender its portion of the payment so rescinded or required to be restored."

- 4.1.24 Section 3.01(x) (*Securities over Marketable Securities*) is amended by adding a new paragraph (iii) as follows:
- "(iii) the rights of pre-emption held by the DRC in the shares held by the DRC in the Borrower pursuant to the Borrower's articles of association and the SEK Formation Agreement."
- 4.1.25 Section 3.01(dd) (*Funding Shortfall Amount*) is deleted in its entirety.
- 4.1.26 Section 4.02 (*Conditions of All Disbursements*) is amended by deleting paragraphs (b) (*Amount and Use of Proceeds*), (d) (*No Material Loss or Liability*), (i) (*Pro Rata Disbursement*), (j) (*Date of Disbursement*) and (k) (*Expansion Fully Funded*) in their entirety.
- 4.1.27 Section 4.06 (*Conditions Subsequent*) is deleted in its entirety.
- 4.1.28 Section 5.01(n) (*Minimum Liquidity*) is deleted in its entirety.
- 4.1.29 Section 5.01(o) (*Funding Shortfall Amount*) is deleted in its entirety.
- 4.1.30 Section 5.01(r) (*ADI Account*) is deleted in its entirety.
- 4.1.31 Section 5.02(a) (*Distributions*) is amended by deleting paragraphs (i), (iv) and (vi) and replaced with the following paragraph:
- "(i) the relevant payment is made on a Minimum Liquidity Date and that date will continue to be a Minimum Liquidity Date following the making of the payment;"
- 4.1.32 Section 5.02(f) (*Permitted Liens*) is amended by adding a new paragraph (xiv) as follows:
- "(iii) any Lien created over a cash balance up to A\$50,000 to secure credit card facilities of the Sponsor."
- 4.1.33 Section 5.03(r) (*Fully Funded Certificate*) is deleted in its entirety.
- 4.1.34 Section 6.02(w) (*De-Listing on ASX*) is deleted in its entirety.
- 4.1.35 Section 6.02(z) (*Expansion Completion Date*) is deleted in its entirety.
- 4.1.36 Schedule 13 (*Certificate in Relation to CFADS*) is amended by deleting paragraph 4 in its entirety.

The amendments in clause 4.1 in each case take effect from (and including) the Effective Date so that the rights and obligations of the parties to this Agreement relating to their performance under the Common Terms Agreement from (and including) the Effective Date shall be governed by and construed in accordance with the terms of the Amended Common Terms Agreement.

- 4.2 The parties to this Agreement agree that for the purposes of the Sections of the Common Terms Agreement, the Expansion Completion Date shall be taken as having already occurred prior to the Effective Date.

4.3 The parties to this Agreement agree that, with effect from (and including) the Effective Date, they shall have the rights and take on the obligations ascribed to them under the Amended Common Terms Agreement.

## 5. WAIVERS AND FORBEARANCE

5.1 Each Senior Lender agrees that any and all Defaults that have occurred prior to, or are continuing on or before, the Effective Date are hereby waived.

5.2 Each Senior Lender agrees to waive any Review Event, Tranche D Review Event, Tranche E Review Event or Control Event that has or may arise pursuant to the creditors' scheme of arrangement proposed to be implemented on or about the Effective Date.

5.3 Each Senior Lender agrees, for the duration of the Forbearance Period, to forbear from exercising any enforcement rights it has or may have under the Financing Documents in respect of the Senior Loans, or any Guarantee provided by a Transaction Party by reason of any of the following Defaults (each such default being an **Excluded Default**):

5.3.1 any Default that occurred prior to the Effective Date and is continuing during the Forbearance Period, under Sections 6.02(d) (*Failure to Comply with Obligations*), 6.02(f) (*Misrepresentation*) or 6.02(p) (*Project Documents*) of the Common Terms Agreement in any way connected with a misrepresentation under Sections 3.01(e) (*Project Documents*), 3.01(w) (*No Default or Breach*) of the Common Terms Agreement or failure to comply with Section 5.05 (*Project Documents*) of the Common Terms Agreement, or due to a breach or termination of, the Contract Mining Agreement and any other agreement between a Transaction Party and Mining Contracting Services Congo SARL or Katanga Contracting Services, the Construction Contracts or any other agreement between a Transaction Party and Senet, the Power Supply Agreements, any agreements between a Transaction Party and CGM Lisihi Mining SPRL or Energy CAT or any facility agreements or letters with Rawbank SARL;

5.3.2 any Default that is continuing during the Forbearance Period under Section 6.02(f) (*Misrepresentation*) of the Common Terms Agreement in any way connected with a misrepresentation under Section 3.01(w) (*No Default or Breach*) of the Common Terms Agreement in relation to any unpaid amounts owing prior to the Effective Date under the Contract Mining Agreement, the Construction Contracts, the Power Supply Agreements or the SEK Formation Agreement or, subject to the written consent of the Relevant Lenders, unpaid amounts owing after the Effective Date under the Contract Mining Agreement, the Construction Contracts, the Power Supply Agreements or the SEK Formation Agreement;

5.3.3 any Default which has arisen, or which may arise during the Forbearance Period, under Sections 6.02(d) (*Failure to Comply with Obligations*) or 6.02(f) (*Misrepresentation*) of the Common Terms Agreement in any way connected with a misrepresentation or failure to comply with any Section, including Section 5.06 (*Financial Model*), of the Common Terms Agreement relating to maintaining, updating, notifying, acting in compliance with or operating the Project in accordance with the Financial Model;

5.3.4 any Default which has arisen, or which may arise during the Forbearance Period, under Sections 6.02(d) (*Failure to Comply with Obligations*) of the Common Terms Agreement in any way connected with a failure to comply with Section 5.01(p) (*Financial Ratios*) of the Common Terms Agreement;

5.3.5 any Default which has arisen, or which may arise during the Forbearance Period, under Sections 6.02(d) (*Failure to Comply with Obligations*) or 6.02(f)

*(Misrepresentation)* of the Common Terms Agreement in any way connected with a misrepresentation or failure to comply with any Section of the Common Terms Agreement or the Lupoto Mining Mortgage relating to maintaining, complying with obligations in respect of or keeping in good standing the Lupoto Exploitation Permit;

- 5.3.6 any Default which has arisen, or which may arise during the Forbearance Period, under Section 6.02(d) (*Failure to Comply with Obligations*) of the Common Terms Agreement due to the failure of the Transaction Parties to comply with Section 5.03(d) (*Compliance Certificate*) of the Common Terms Agreement;
- 5.3.7 any Default which has arisen prior to the Forbearance Period under Section 6.02(f) (*Misrepresentation*) of the Common Terms Agreement due to a misrepresentation under Section 3.01(ee) (*Project Operation*) of the Common Terms Agreement; and
- 5.3.8 any Default which has arisen, or which may arise during the Forbearance Period, under Section 6.02(d) (*Failure to Comply with Obligations*) of the Common Terms Agreement due to the failure of the Transaction Parties to comply with Section 5.01(q)(i) (*Other Project Related Covenants*) of the Common Terms Agreement.

## 6. **GUARANTEE AND SECURITY**

### 6.1 Each Transaction Party:

- 6.1.1 agrees to the amendment of the Common Terms Agreement as contemplated by this Agreement; and
- 6.1.2 with effect from the Effective Date, confirms that any security or guarantee created or given by it under the Financing Documents (including under the Guarantee, Share Retention and Subordination Deed) will:
  - (A) continue in full force and effect; and
  - (B) extend to all liabilities and obligations of the Transaction Parties arising under the Amended Common Terms Agreement.

## 7. **REPRESENTATIONS AND WARRANTIES**

- 7.1 Each Transaction Party makes the representations and warranties set out in Section 3.01 (*Representations and Warranties*) of the Common Terms Agreement as at the Effective Date and as amended by this Agreement, by reference to the facts and circumstances now existing as if references to the Financing Documents included references to this Agreement and all references to times prior to the Effective Date shall be read as being the Effective Date.

## 8. **STATUS OF PRIOR SIDE LETTERS**

- 8.1 Each party acknowledges and agrees that, with effect from the Effective Date, each of the Prior Side Letters:

- 8.1.1 ceases to apply to the Transaction Parties and, in respect of the Transaction Parties, is superseded by the terms of this letter; and
- 8.1.2 continue to apply as between the Finance Parties but is superseded by this letter (including the amendments to the Common Terms Agreement arising under it) to the extent of any inconsistency.

8.2 Nothing in paragraph 8.1 diminishes any rights or liabilities arising under the Prior Side Letters before the Effective Date.

9. **CONTINUATION**

9.1 This Agreement is supplemental to, and shall be construed as one with, the Common Terms Agreement.

9.2 Except as varied by the terms of this Agreement, the Common Terms Agreement will remain in full force and effect and any reference in a Financing Document to the Common Terms Agreement or to any provision of the Common Terms Agreement will be construed as a reference to the Common Terms Agreement, or that provision, as amended by this Agreement.

9.3 The Agent and the Borrower hereby agree that this Agreement is a Financing Document.

9.4 Except as otherwise provided in this Agreement, the Financing Documents remain in full force and effect.

10. **FURTHER ASSURANCE**

Each Transaction Party agrees that it shall promptly, upon the request of the Agent, execute and deliver at its own expense any document and do any act or thing in order to confirm or establish the validity and enforceability of this Agreement.

11. **CAPACITY OF SPONSOR**

The Sponsor signs this Agreement on its own behalf and for and on behalf of the other Transaction Parties as agent for those Transaction Parties in accordance with Section 1.09 (*Transaction Party's Agent*) of the Common Terms Agreement.

12. **CAPACITY OF SECURITY TRUSTEE AND AGENT**

12.1 Each party acknowledges and agrees that:

12.1.1 the Security Trustee enters into this Agreement only in its capacity as security trustee for the 'Secured Parties' (as defined in the Intercreditor and Security Sharing Agreement) on the terms set out in the Intercreditor and Security Sharing Agreement and in no other capacity;

12.1.2 the Security Trustee, by its execution of this Agreement, does not assume or have any obligations or liabilities to the other parties under this Agreement and that the Security Trustee has agreed to become a party to this letter agreement for the purpose only of taking the benefit of, and agreeing to the amendments to the Common Terms Agreement set out in, this Agreement; and

12.1.3 the exercise of the Security Trustee's rights and discretions under this Agreement will be subject to the same protections and immunities (*mutatis mutandis*) as are conferred upon the Security Trustee and contained in the Intercreditor and Security Sharing Agreement.

12.2 Each Senior Lender, by its execution of this Agreement, hereby instructs the Security Trustee to execute this Agreement and to perform all other acts and do all other things as may be necessary or desirable to carry out and give effect to the terms of this Agreement.

12.3 Each Senior Lender, by its execution of this Agreement:

12.3.1 hereby instructs the Agent to execute this Agreement and to perform all other acts and do all other things as may be necessary or desirable to carry out and give effect to the terms of this letter agreement;

- 12.3.2 acknowledges and agrees for the benefit of the Agent that Sections 7.01 (*Appointment and Authorization*), 7.02 (*Delegation of Duties*) and 7.03 (*Liability of the Agent*) of the Common Terms Agreement apply, *mutatis mutandis*, to this Agreement; and
- 12.3.3 acknowledges and agrees that paragraph 12.3.2 does not in any way limit the operation of Article VII (*Agent*) of the Common Terms Agreement or the protections and immunities of the Agent under any other provision of the Financing Documents.

13. **MISCELLANEOUS**

The provisions of Sections 8.01 (*Saving of Rights*), 8.02 (*Notices*), 8.05 (b) to (f) (*Applicable Law and Jurisdiction*), 8.07 (*Successors and Assignees*) and 8.09 (*Counterparts*) of the Common Terms Agreement shall apply to this Agreement as though those sections were set out in this Agreement, but as if references in those clauses to the Common Terms Agreement were references to this Agreement.

14. **GOVERNING LAW**

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

## SCHEDULE 1

### THE SENIOR GENERAL LENDERS

Senior Lender	Company details	Address
TMFF	a Cayman Islands exempted limited partnership registered in the Cayman Islands on 11 April 2014	c/o Taurus Funds Management Pty Limited Suite 4101, Level 41, Gateway 1 Macquarie Place Sydney, New South Wales 2000 Australia
QMetco Limited	ACN 008 124 025	Level 12, 300 Queen Street, Brisbane, Queensland 4000, Australia

**SIGNATORIES TO THE AMENDMENT AGREEMENT**

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed in their respective names as of the date first above written.

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **SOCIÉTÉ D'EXPLOITATION DE** )  
**KIPOI S.A.** authorised pursuant to the )  
Scheme of Arrangement approved by )  
the Federal Court of Australia in )  
proceeding no [●], in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

.....  
Signature of RICHARD TUCKER

**TIGER RESOURCES LIMITED**, on its own behalf and for and on behalf of the other Transaction Parties as agent for those Transaction Parties in accordance with Section 1.09 (*Transaction Party's Agent*) of the Common Terms Agreement

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **TIGER RESOURCES LIMITED** )  
authorised pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

.....  
Signature of RICHARD TUCKER



**TAURUS MINING FINANCE FUND L.P.,**  
by its general partner **TAURUS MINING FINANCE FUND GP LTD**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **TAURUS MINING FINANCE FUND** )  
**L.P.** by its general partner **TAURUS** )  
**MINING FINANCE FUND GP LTD** )  
authorised pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )  
)

.....  
Signature of RICHARD TUCKER

.....  
Signature of witness

.....  
Name of witness (block letters)

**QMETCO LIMITED**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **QMETCO LIMITED** authorised )  
pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )  
)  
)  
)

.....  
Signature of RICHARD TUCKER

.....  
Signature of witness

.....  
Name of witness (block letters)

**INTERNATIONAL FINANCE CORPORATION**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **INTERNATIONAL FINANCE** )  
**CORPORATION** authorised pursuant )  
to the Scheme of Arrangement )  
approved by the Federal Court of )  
Australia in proceeding no [●], in the )  
presence of: )  
)  
)

.....  
Signature of RICHARD TUCKER

.....  
Signature of witness

.....  
Name of witness (block letters)

**THE LAW DEBENTURE TRUST CORPORATION PLC, as Agent**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Director

Title: Company Secretary, representing Law  
Debenture Corporate Services Ltd

**LAW DEBENTURE TRUSTEES LIMITED, as Security Trustee**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Director

Title: Company Secretary, representing Law  
Debenture Corporate Services Ltd

## Schedule 11 Debt Assumption Deed



# Deed of Assumption of Debt

---

Société D'Exploitation de Kipoi S.A. (as **Existing  
Borrower**)

Tiger Resources Limited (as **Successor Borrower**)

each entity listed in Schedule 2 (each a **Senior  
Lender**)

each entity listed in Schedule 1 (each a **Guarantor**)

The Law Debenture Trust Corporation PLC (as  
**Agent**)

Law Debenture Trustees Limited (as **Security  
Trustee**)



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## Deed of Assumption of Debt

---

Date ►

Between the parties

---

**Existing Borrower**      **Société D'Exploitation de Kipoi S.A.**, a company organized and existing under the laws of the DRC, registered at the Nouveau Registre du Commerce et du Crédit Mobilier of Lubumbashi with the number 14-B-1486, with tax number A-0811655-D, national identification number 6-122-N58148L and with its registered office at Kipoi Operating Site, Kambove Territory, High Katanga Province, DRC.

---

**Successor Borrower**      **Tiger Resources Limited**  
ACN 077 110 304 of Level 1, 1152 Hay Street, West Perth, WA 6005, Australia.

---

**Guarantor**                      each entity listed in Schedule 1.

---

**Senior Lender**                each entity listed in Schedule 2.

---

**Agent**                              **The Law Debenture Trust Corporation PLC**  
of Fifth Floor, 100 Wood Street, London, EC2V 7EX, United Kingdom.

---

**Security Trustee**                **Law Debenture Trustees Limited**  
of Fifth Floor, 100 Wood Street, London, EC2V 7EX, United Kingdom.

---



---

**Recitals**

- 1 Each Senior Lender has provided a Loan Facility to the Existing Borrower under each of their respective Loan Agreements.
- 2 Each Loan Agreement is secured by, among other things, each of their respective Securities.
- 3 The Existing Borrower and each Senior Lender have agreed to the release of the Existing Borrower, and the assumption by the Successor Borrower, in each case on and from the Effective Date of the Existing Borrower's obligation and liability to repay the respective Portion under each Loan Agreement.
- 4 The Successor Borrower has agreed to assume the obligation and liability of the Existing Borrower to repay the respective Portion under each Loan Agreement, on the terms and conditions set out in this deed.

---

**The parties agree**

as set out in the operative part of this deed, in consideration of, among other things, the mutual promises contained in this deed.

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## 1 Definitions and interpretation

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### 1.1 Deed components

This deed includes any schedule.

### 1.2 Definitions

In this deed, terms which are defined or given a special meaning in each Loan Agreement (as applicable ) have the same meaning when used in this deed and defined terms in this deed (including by incorporation) have the meanings set out below.

<b>Term</b>	<b>Meaning</b>
<b>Common Terms Agreement</b>	the common terms agreement dated 16 December 2015 made between, among others, the Existing Borrower, the Guarantors, the Agent and the Security Trustee, as amended and restated most recently under a document entitled "amendment and restatement agreement" dated 20 January 2016.
<b>Effective Date</b>	the date of this deed.
<b>Financing Documents</b>	has the meaning given in the Common Terms Agreement.
<b>IFC</b>	International Finance Corporation, an international organization established by Articles of Agreement among its member countries including the Democratic Republic of the Congo.
<b>Loan Agreement</b>	<ol style="list-style-type: none"><li>1 in relation to QMetco, the loan agreement dated 31 August 2019, between the Existing Borrower and QMetco, as amended from time to time (including as amended on or about the date of this deed);</li><li>2 in relation to Taurus, the loan agreement dated 16 December 2015 between the Existing Borrower and Taurus, as amended from time to time (including as amended on or about the date of this deed); and</li><li>3 in relation to IFC, the loan agreement dated 16 December 2015 between the Existing Borrower and IFC, as amended from time to time (including as amended on or about the date of this deed).</li></ol>

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Term	Meaning
<b>Loan Facility</b>	<ol style="list-style-type: none"><li>1 in relation to QMetco, the loan facility known as “Tranche A” provided under the loan agreement dated 31 August 2019, between the Borrower and QMetco, as amended from time to time;</li><li>2 in relation to Taurus, the loan facility known as “Tranche A” provided under the loan agreement dated 31 August 2019, between the Borrower and Taurus, as amended from time to time; and</li><li>3 in relation to IFC, the loan facility known as “Tranche A” provided under the loan agreement dated 31 August 2019, between the Borrower and IFC, as amended from time to time.</li></ol>
<b>Portion</b>	<ol style="list-style-type: none"><li>1 in relation to QMetco, the Principal Outstanding of <b>[\$insert amount]</b> made available under the Loan Facility provided by QMetco to the Borrower pursuant to QMetco’s Loan Agreement;</li><li>2. in relation to Taurus, the Principal Outstanding of <b>[\$insert amount]</b> made available under the Loan Facility provided by Taurus to the Borrower pursuant to Tiger’s Loan Agreement;</li><li>3 in relation to IFC, the Principal Outstanding of <b>[\$insert amount]</b> made available under the Loan Facility provided by IFC to the Borrower pursuant to IFC’s Loan Agreement .</li></ol> <p><b>[Note: The final amount of debt to be assumed by TRL will be whatever amount is necessary in order to ensure that the total amount remaining owing by SEK under Tranche A is equal to US\$70m, divided pro rata between each Senior Lender.]</b></p>
<b>Principal Outstanding</b>	<ol style="list-style-type: none"><li>1 in relation to QMetco, the ‘Principal Outstanding’ under ‘Tranche A’ as those terms are defined in QMetco’s Loan Agreement;</li><li>2 in relation to Taurus, the ‘Principal Outstanding’ under ‘Tranche A’ as those terms are defined in Taurus’ Loan Agreement; and</li><li>3 in relation to IFC, the ‘Principal Outstanding’ under ‘Tranche A’ as those terms are defined in IFC’s Loan Agreement.</li></ol>
<b>QMetco</b>	QMetco Limited (ACN 008 124 025) of Level 12, 300 Queen Street, Brisbane, Queensland 4000, Australia.
<b>Securities</b>	has the meaning given in the Common Terms Agreement.
<b>Intercreditor and Security Sharing</b>	has the meaning given in the Common Terms Agreement.



<b>Term</b>	<b>Meaning</b>
<hr/>	
<b>Agreement</b>	
<hr/>	
<b>Taurus</b>	Taurus Mining Finance Fund L.P., a Cayman Islands exempted limited partnership registered in the Cayman Islands on 11 April 2014.

### 1.3 Interpretation

- (a) This deed is supplemental to each Loan Agreement;
- (b) The interpretation provisions of each Loan Agreement apply to this deed (including by incorporation) (*mutatis mutandis*).

## 2 Assumption of debt

---

### 2.1 Assumption of debt

On and from the Effective Date:

- (a) the Successor Borrower unconditionally, irrevocably and absolutely assumes the obligation and liability to repay each Portion to the relevant Senior Lenders;
- (b) the Existing Borrower and each other party to this deed accepts the assumption by the Successor Borrower contemplated in paragraph (a) above;
- (c) each party to this deed acknowledges that:
  - (1) each Portion assumed by the Successor Borrower; and
  - (2) the Principal Outstanding remaining owing by the Existing Borrower, is as set out in Schedule 3;
- (d) each other party to this deed agrees that the Existing Borrower has no obligation or liability to repay all or any part of a Portion; and
- (e) each party to this deed releases and discharges the Existing Borrower from all claims, demands and liabilities of the Existing Borrower in relation to . any Portion.

### 2.2 Further assurances

- (a) Each party must take all reasonable steps and execute all documents reasonably required by the Successor Borrower and each Senior Lender to ensure that the assumption of debt contemplated by this deed is effective from the Effective Date.
- (b) Each party must ensure that all documents and formalities required to give effect to this deed and the transactions contemplated by this deed are met.



## 2.3 Security

All parties to this deed, with effect from the Effective Date, agree and confirm that the Securities:

- (a) continue in full force and effect; and
- (b) extend to all liabilities and obligations of the Existing Borrower (as applicable) arising under each Loan Agreement.

## 3 Consent and covenants

---

### 3.1 Consent

The Agent, Security Trustee, each Senior Lender and each Guarantor consents to the assumption of debt contemplated in accordance with this deed and acknowledges receipt of written notice of the assumption of debt.

### 3.2 Guarantors' acknowledgments

Each Guarantor acknowledges that on and from the Effective Date its obligations under its guarantee continue to apply despite this deed.

### 3.3 Senior Lenders' acknowledgements

Each Senior Lender acknowledges that this deed does not constitute an Event of Default under its respective Loan Agreement.

## 4 General

---

### 4.1 Address and requirements for notices

Any notice, request or other communication to be given under this deed must be given in accordance with the notice clause in the relevant Loan Agreement.

### 4.2 Governing law and jurisdiction

- (a) This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.
- (b) The provisions of Section 8.05 (b) to (i) (*Applicable Law and Jurisdiction*) of the Common Terms Agreement (inclusive) shall apply to this deed as if set out in this deed in full, but as if each reference therein to:
  - (1) "each Finance Party", "any Finance Party", "a Finance Party" or "the Finance Parties" was a reference to IFC;
  - (2) "this Agreement" or any "Transaction Document" was a reference to this deed; and



- (3) “a Transaction Party”, “each Transaction Party” or “that Transaction Party” was a reference to the Successor Borrower and Existing Borrower.

#### **4.3 Continuation**

This deed is a Financing Document and, except as otherwise provided in this deed, the Financing Documents remain in full force and effect.

#### **4.4 Miscellaneous**

The provision of section 4.08 (*Counterparts*) of each Loan Agreement shall apply to this deed as though that section were set out in this deed, but as if references in those clauses to the respective Loan Agreement were references to this deed.

#### **4.5 Invalidity and enforceability**

- (a) If any provision of this deed is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 4.5(a) does not apply where enforcement of the provision of this deed in accordance with clause 4.5(a) would materially affect the nature or effect of the parties' obligations under this deed.

#### **4.6 Variation**

A variation of any term of this deed must be in writing and signed by the parties.

#### **4.7 Further action to be taken at each party's own expense**

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this deed and the transactions contemplated by it.

#### **4.8 Costs and stamp duty**

- (a) The Existing Borrower will pay any stamp duty or registration fee imposed on or in connection with this deed.
- (b) Each party must pay its own costs of and incidental to the preparation of this deed.

#### **4.9 Power of attorney**

Each attorney that executes this deed states that the attorney has no notice that the power of attorney under which they were appointed has been revoked.

#### **4.10 Capacity of Security Trustee and Agent**

- (a) Each party acknowledges and agrees that:
- (A) the Security Trustee enters into this deed only in its capacity as security trustee for the 'Secured Parties' (as defined in the Intercreditor and Security Sharing Agreement) on the terms set out in



- the Intercreditor and Security Sharing Agreement and in no other capacity;
- (B) the Security Trustee, by its execution of this deed, does not assume or have any obligations or liabilities to the other parties under this deed and that the Security Trustee has agreed to become a party to this deed for the purpose only of taking the benefit of, and agreeing to the amendments to the Loan Agreements set out in, this deed; and
  - (C) the exercise of the Security Trustee's rights and discretions under this deed will be subject to the same protections and immunities (*mutatis mutandis*) as are conferred upon the Security Trustee and contained in the Intercreditor and Security Sharing Agreement.
- (b) Each Senior Lender, by its execution of this deed, hereby instructs the Security Trustee to execute this deed and to perform all other acts and do all other things as may be necessary or desirable to carry out and give effect to the terms of this deed.
- (c) Each Senior Lender, by its execution of this deed:
- (A) hereby instructs the Agent to execute this deed and to perform all other acts and do all other things as may be necessary or desirable to carry out and give effect to the terms of this deed;
  - (B) acknowledges and agrees for the benefit of the Agent that Sections 7.01 (*Appointment and Authorization*), 7.02 (*Delegation of Duties*) and 7.03 (*Liability of the Agent*) of the Common Terms Agreement apply, *mutatis mutandis*, to this deed; and
  - (C) acknowledges and agrees that this paragraph does not in any way limit the operation of Article VII (*Agent*) of the Common Terms Agreement or the protections and immunities of the Agent under any other provision of the Financing Documents.



## Schedule 1

### Guarantors

---

**Tiger Resources Limited (ACN 077 110 304)**

**Address:** Level 1, 1152 Hay Street, West Perth, WA 6005, Australia

**Balcon Holdings Limited**, a company organized and existing under the laws of the British Virgin Islands having company number 1610916

**Address:** Craigmuir Chambers, Road Town, Tortola, British Virgin Islands

**Balcon Investments and Logistics (Pty) Ltd**, a company organized and existing under the laws of South Africa having company number 2014/154699/07

**Address:** 16 Cecil Avenue, Melrose Arch, Johannesburg, Gauteng 2076, South Africa

**Congo Minerals SARL**, a company organized and existing under the laws of the DRV, registered at the Nouveau Registre du Commerce et du Credit Mobilier with the number 13-B-0862, with tax number A-090 I 099- F, national identification number 6-I28-N39812M

**Address:** 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC

**Havelock Finance Limited**, a company organized and existing under the laws of the British Virgin Islands having company number 1838508

**Address:** Craigmuir Chambers, Road Town, Tortola, British Virgin Islands

**Sase Mining Sarl**, a company organized and existing under the laws of the DRC, registered at the Nouveau Registre du Commerce et du Credit Mobilier with the number 13-B-1100, with tax number A-1236645-M, national identification number 6-128-N52954X

**Address:** 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC



**Tiger Congo Sarl**, a company organized and existing under the laws of the DRC, registered at the Nouveau Registre du Commerce et du Crédit Mobilier with the number 13-B-0863, with tax number A-0901953-J, national identification number 01-128-N46326L

**Address:** 8935 Avenue Tiger, Quartier Kimbeimbe, Commune Annexe, Lubumbashi, Haut Katanga Province, DRC

**Tiger Resources Finance Limited**, a company organized and existing under the laws of the British Virgin Islands having company number 1581278 and with its registered office

**Address:** Craigmuir Chambers, Road Town, Tortola, British Virgin Islands

**Crux Energy Proprietary Limited**, a private company incorporated and existing under the laws of the Republic of South Africa with registration number 2018/271684/07

**Address:** 8 Robin Drive, Fourways, Sandton, Gauteng, Republic of South Africa 2191



## Schedule 2

### Senior Lenders

---

**QMetco Limited (ACN 008 124 025)**

**Address:** Level 12, 300 Queen Street, Brisbane, Queensland 4000, Australia

**International Finance Corporation**, an international organization established by Articles of Agreement among its member countries including the Democratic Republic of the Congo

**Address:** International Finance Corporation, 2121 Pennsylvania Avenue, N.W., Washington, D.C. 20433, United States of America

**Taurus Mining Finance Fund L.P.**, a Cayman Islands exempted limited partnership registered in the Cayman Islands on 11 April 2014

**Address:** CO Services, P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, Cayman Islands





## Schedule 3

### Allocation of Principal Outstanding

Allocated Principal Outstanding under each Loan Agreement:

Creditor	Total amount	Portion assumed by the Successor Borrower and Principal Outstanding remaining owing by the Existing Borrower
IFC	[insert amount]	<p>Successor Borrower: [insert amount] <b>[Note: The final amount of debt to be assumed by TRL will be whatever amount is necessary in order to ensure that the total amount remaining owing by SEK under Tranche A is equal to US\$70m, divided pro rata between each Senior Lender.]</b></p> <p>Existing Borrower: [insert amount] <b>[The amount of debt to be owing under the IFC Loan Agreement will be IFC's pro rata share of US\$70m, divided pro rata between each Senior Lender.]</b></p>
Taurus	[insert amount]	<p>Successor Borrower: [insert amount] <b>[Note: The final amount of debt to be assumed by TRL will be whatever amount is necessary in order to ensure that the total amount remaining owing by SEK under Tranche A is equal to US\$70m, divided pro rata between each Senior Lender.]</b></p> <p>Existing Borrower: [insert amount] <b>[The amount of debt to be owing under the Taurus Loan Agreement will be Taurus' pro rata share of US\$70m, divided pro rata between each Senior Lender.]</b></p>
QMetco	[insert amount]	<p>Successor Borrower: [insert amount] <b>[Note: The final amount of debt to be assumed by TRL will be whatever amount is necessary in order to ensure that the total amount remaining owing by SEK under Tranche A is equal to US\$70m, divided pro rata between each Senior Lender.]</b></p>



		<p>Existing Borrower: <i>[insert amount]</i> <b>[The amount of debt to be owing under the QMetco's Loan Agreement will be Taurus' pro rata share of US\$70m, divided pro rata between each Senior Lender.]</b></p>
--	--	--



## Signing page

Executed as a deed

---

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **SOCIÉTÉ D'EXPLOITATION DE** )  
**KIPOI S.A.** authorised pursuant to the )  
Scheme of Arrangement approved by )  
the Federal Court of Australia in )  
proceeding no [●], in the presence of: )

)  
)  
)

..... )  
Signature of witness )

.....  
Signature of RICHARD TUCKER

)  
)  
.....  
Name of witness (block letters)



**TIGER RESOURCES LIMITED**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **TIGER RESOURCES LIMITED.** )  
authorised pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

..... )  
Signature of RICHARD TUCKER )

**Balcon Holdings Limited**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **BALCON HOLDINGS LIMITED.** )  
authorised pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

..... )  
Signature of RICHARD TUCKER )



**Balcon Investments and Logistics (Pty) Ltd**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **Balcon Investments and Logistics** )  
**(Pty) Ltd** authorised pursuant to the )  
Scheme of Arrangement approved by )  
the Federal Court of Australia in )  
proceeding no [●], in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters)

..... )  
Signature of RICHARD TUCKER )

**Congo Minerals SARL**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **Congo Minerals SARL** authorised )  
pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters)

..... )  
Signature of RICHARD TUCKER )



**Havelock Finance Limited**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **HAVELOCK FINANCE LIMITED** )  
authorised pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

..... )  
Signature of RICHARD TUCKER )

**Sase Mining Sarl**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **SASE MINING SARL** authorised )  
pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

..... )  
Signature of RICHARD TUCKER )



**Tiger Congo Sarl**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **TIGER CONGO SARL** authorised )  
pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

.....  
Signature of RICHARD TUCKER

**Crux Energy Proprietary Limited**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **CRUX ENERGY PROPRIETARY** )  
**LIMITED** authorised pursuant to the )  
Scheme of Arrangement approved by )  
the Federal Court of Australia in )  
proceeding no [●], in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

.....  
Signature of RICHARD TUCKER



**Tiger Resources Finance Limited**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **TIGER RESOURCES FINANCE** )  
**LIMITED** authorised pursuant to the )  
Scheme of Arrangement approved by )  
the Federal Court of Australia in )  
proceeding no [●], in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

..... )  
Signature of RICHARD TUCKER )

**QMetco Limited**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **QMETCO LIMITED** authorised )  
pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

..... )  
Signature of RICHARD TUCKER )





**INTERNATIONAL FINANCE CORPORATION**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **INTERNATIONAL FINANCE** )  
**CORPORATION** authorised pursuant )  
to the Scheme of Arrangement )  
approved by the Federal Court of )  
Australia in proceeding no [●], in the )  
presence of: )

..... )  
Signature of witness )

.....  
Signature of RICHARD TUCKER

.....  
Name of witness (block letters)

**TAURUS MINING FINANCE FUND L.P.,**  
by its general partner **TAURUS MINING FINANCE FUND GP LTD**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **TAURS MINING FINANCE FUND** )  
**L.P.** by its general partner **TAURUS** )  
**MINING FINANCE FUND GP LTD** )  
authorised pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )

..... )  
Signature of witness )

.....  
Signature of RICHARD TUCKER

.....  
Name of witness (block letters)



By **THE LAW DEBENTURE TRUST CORPORATION PLC**, as Agent

By: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Title: Director Title: Company Secretary, representing Law  
Debenture Corporate Services Ltd

By **LAW DEBENTURE TRUSTEES LIMITED**, as Security Trustee

By: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Title: Director Title: Company Secretary, representing Law  
Debenture Corporate Services Ltd

## Schedule 12 Intercompany Loan Agreement

Dated

## Loan Agreement

Parties

**Tiger Resources Limited**  
ABN 52 077 110 304

**Société d'Exploitation de Kipoi S.A.**

Norton Rose Fulbright Australia  
Level 30, 108 St Georges Terrace  
Perth, Australia  
Tel: +61 8 6212 3242  
[www.nortonrosefulbright.com](http://www.nortonrosefulbright.com)  
Our ref: 2849334

## Contents

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## Loan Agreement dated

### Parties

**Tiger Resources Limited** ABN 52 077 110 304  
of Level 1, 1152 Hay Street, West Perth, Western Australia  
(Lender)

**Société d'Exploitation de Kipoi S.A.**  
a company organised and existing under the laws of the Democratic Republic of  
Congo, registered at the Nouveau Registre du Commerce et du Credit Mobilier of  
Lubumbashi with the number 14-B-1486, with tax number A-0811655-D, national  
identification number 6-122-N58148L and with its registered office at Kipoi  
Operating Site, Kambove Territory, High Katanga Province, Democratic Republic of  
Congo  
(Borrower)

### Introduction

- A** The Lender and the Borrower have entered into the Deed of Assumption pursuant to which the Lender has agreed to assume debt from the Borrower in an amount equal to the Advance Amount.
- B** The Lender and the Borrower agree that, simultaneously, with the assumption of the debt described in Recital A above, a loan in an amount equal to the Advance Amount is deemed to be owing by the Borrower to the Lender. The Lender and the Borrower agree that the terms of that loan are governed by the terms of this Agreement.

### It is agreed

#### 1 Definitions and interpretation

##### 1.1 Definitions

In this Agreement, unless the context suggests otherwise:

- (1) **Advance Amount** means the principal amount of \$[TBC];
- (2) **Advance Date** means the date the Lender assumes debt from the Borrower in an amount equal to the Advance Amount pursuant to the terms of the Deed of Assumption;
- (3) **Approved Purpose** means general corporate purposes;
- (4) **Business Day** means a day on which banks are open in London, England, Perth, Australia and Kinshasa, Democratic Republic of Congo;
- (5) **dollars, \$ and cents** are references to the lawful currency of the United States of America;

- (6) **Deed of Assumption** means the [deed of assumption dated on or about the date of this Agreement between the Lender and the Borrower];
- (7) **Loan** means the principal amount for the time being outstanding under this Agreement;
- (8) **Taxes** includes any present or future tax, duty, import, levy or charge of any kind which is imposed by any state, any political subdivision of a state or any local or municipal authority (including any such imposed in connection with exchange controls) and any connected penalty, interest or fine; and
- (9) **Termination Date** means the date specified by the Lender in a notice given to the Borrower not less than 90 days prior to the Termination Date.

## 1.2 Interpretation

In this Agreement, clause headings are inserted for convenience only and shall not affect the construction of this Agreement and, unless the context otherwise requires, words denoting the singular number shall include the plural and vice versa. References to persons include references to any company, partnership, joint venture and unincorporated association, any state, political sub-division of a state and local or municipal authority and any international organisation.

## 1.3 Interpretation of exclusive expressions

Specifying anything in this Agreement after the words 'includes', 'including' or 'for example' or similar expressions does not limit what else is included unless there is express wording to the contrary.

# 2 Facility

## 2.1 Amount of facility

On the Advance Date, the Lender is deemed to make the Loan to the Borrower in an amount equal to the Advance Amount.

## 2.2 Purpose of Loan

The Borrower undertakes to the Lender to use the Loan only for the Approved Purpose.

# 3 Interest

The Borrower and the Lender agree that no interest shall be applicable on the Loan.

# 4 Repayment and Prepayment

## 4.1 Repayment

The Borrower shall repay the Loan in full to the Lender on the Termination Date.

## 4.2 Voluntary prepayment

The Borrower may prepay the whole or any part of the Loan, in respect of the amount prepaid, on giving to the Lender not less than 10 days' prior notice (which shall be

irrevocable) and subject to the required Central Bank Authorisation. Subject to the terms of this Agreement, amounts prepaid may be reborrowed.

## **5 Payments**

### **5.1 Currency and method**

All payments to be made by the Borrower to the Lender under this Agreement shall be made in dollars and in cleared funds and to such account as the Lender shall specify and shall be made

- (1) without set-off, counterclaim or condition; and
- (2) free and clear of, and without deduction or withholding for, or on account of, any present or future Taxes, unless the Borrower is required by law or regulation to make payment subject to any Taxes, in which event such payment shall be increased by such amount as may be necessary to ensure that the Lender receives a net amount, free and clear of all Taxes, equal to the full amount which the Lender would have received had such payment not been subject to such Taxes. The Borrower shall indemnify the Lender against any liability of the Lender in respect of such Taxes and shall promptly supply the Lender with copies of applicable tax receipts.

### **5.2 Payment on non-Business Day**

If any sum payable by the Borrower under this Agreement shall become due on a day which is not a Business Day, the due date therefor shall be extended to the next succeeding Business Day, unless such Business Day falls in the next calendar month, in which event such due date shall be the immediately preceding Business Day.

## **6 Application of Receipts**

### **6.1 Normal order of application**

Except as this Agreement may otherwise provide, any sums which are received or recovered by the Lender under or by virtue of this Agreement shall be applied:

- (1) firstly: in or towards satisfaction of any amounts then due and payable under this Agreement in such order of application and/or such proportions as the Lender may specify by notice to the Borrower;
- (2) secondly: in retention of an amount equal to any amount not then due and payable under this Agreement but which the Lender, by notice to the Borrower, states in its opinion will or may become due and payable in the future and, upon those amounts becoming due and payable, in or towards satisfaction of them in accordance with the foregoing provisions of this Clause; and
- (3) thirdly: any surplus shall be paid to the Borrower or to any other person appearing to be entitled to it.

### **6.2 Variation of order of application**

The Lender may, by notice to the Borrower, provide for a different manner of application - from that set out in Clause 6.1 either as regards a specified sum or sums or as regards sums in a specified category or categories.



### **6.3 Notice of variation of order of application**

The Lender may give notice under Clause 6.2 from time to time, and such a notice may be stated to apply not only to sums which may be received or recovered in the future, but also to any sum which has been received or recovered on or after the third Business Day before the date on which the notice is served.

### **6.4 Appropriation rights overridden**

This Clause 6 and any notice which the Lender gives under Clause 4.1 shall override any right of appropriation possessed, and any appropriation made, by the Borrower.

## **7 Miscellaneous**

### **7.1 Notices**

Except as otherwise provided for in this Agreement, all notices or other communications under or in respect of this Agreement to either party hereto shall be in writing and shall be deemed to be duly given or made when delivered (in the case of personal delivery or letter) and when despatched (in the case of facsimile) to such party addressed to it at such address as such party may hereafter specify for such purpose to the other by notice in writing. A written notice includes a notice by facsimile and email.

### **7.2 Application of credit balances**

The Borrower hereby authorises the Lender (without prior notice) to apply any credit balance in any currency (whether or not then due) which is at any time held by the Lender for the account of the Borrower at any office of the Lender in or towards satisfaction of any sum then due from the Borrower to the Lender under this Agreement and unpaid.

### **7.3 Assignment**

The Borrower may not assign or transfer any of its rights and/or obligations under this Agreement.

### **7.4 Waiver**

No delay or omission on the part of the Lender in exercising any right, power or remedy under this Agreement shall impair such right, power or remedy or be construed as a waiver thereof or of any other right, power or remedy.

### **7.5 Severability of provisions**

If any provision of this Agreement is or subsequently becomes void, unenforceable or illegal that shall not affect the validity, enforceability, or legality of the other provisions of this Agreement.

### **7.6 Rights of third parties**

A person who is not a party to this Agreement has no right under the *Contracts (Rights of Third Parties) Act 1999* to enforce or to enjoy the benefit of any term of this Agreement.

## **8 Law and Jurisdiction**

### **8.1 Governing law**

This Agreement shall be governed by, and construed in accordance with, English law.

### **8.2 International Arbitration**

Any dispute arising out of or in connection with this agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the London Court of International Arbitration Rules, which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be London. The language to be used in the arbitral proceedings shall be English.

**AS WITNESS** the hands of the duly authorised representatives of the parties on the date shown on the first page:

**BORROWER**

**SOCIÉTÉ D'EXPLOITATION DE KIPOI S.A.**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **SOCIÉTÉ D'EXPLOITATION DE** )  
**KIPOI S.A.** authorised pursuant to the )  
Scheme of Arrangement approved by )  
the Federal Court of Australia in )  
proceeding no [●], in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

.....  
Signature of RICHARD TUCKER

**LENDER**

**TIGER RESOURCES LIMITED**

**SIGNED, SEALED AND DELIVERED** )  
by **RICHARD TUCKER** in his capacity )  
as Scheme Administrator, as attorney )  
for **TIGER RESOURCES LIMITED** )  
authorised pursuant to the Scheme of )  
Arrangement approved by the Federal )  
Court of Australia in proceeding no [●], )  
in the presence of: )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

.....  
Signature of RICHARD TUCKER

# Explanatory Statement

## Annexure B Notice of meeting

**Tiger Resources Limited**  
**(ACN 077 110 304)**  
**(“Scheme Company”)**

### **Notice of meeting of creditors to consider, and, if thought fit, approve a scheme of arrangement**

**To: The Scheme Creditors**

Notice is hereby given that, by an order of the Federal Court of Australia (“**Court**”) made on 23 December 2019 pursuant to section 411(1) of the Corporations Act, a meeting of the Scheme Creditors will be held at King & Wood Mallesons, Level 30, QV1 Building, 250 St Georges Terrace, Perth, Western Australia, Australia on 5 February 2020 at 10.00am (“**Scheme Meeting**”).

---

#### **1 Purpose of the Scheme Meeting**

The purpose of the Scheme Meeting is to consider and, if thought fit, agree to the proposed Scheme between the Scheme Company and the Scheme Creditors (with or without modification or any alterations or conditions made or required by the Court).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Explanatory Statement, of which this notice forms part.

---

#### **2 Resolution**

The Scheme Meeting will be asked to consider and, if thought fit, pass (with or without modification) the following resolution:

“That, pursuant to and in accordance with section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between the Scheme Company and the Scheme Creditors, as contained and described in the Explanatory Statement, of which the notice convening this meeting forms part, is agreed to (with or without any alterations or conditions made or required by the Court, provided that such alterations or conditions do not change the substance of the Scheme, including the Steps, in any material respect).”

---

#### **3 Chairperson**

The Court has directed that Tim Klineberg is to act as chairperson of the Scheme Meeting (and that if Tim Klineberg is unable or unwilling to attend, Michael Griffiths or Caroline Keats is to act as chairperson of the Scheme Meeting) and has directed the chairperson to report the results of the resolution to the Court.

---

#### **4 Attendance and voting at the Scheme Meeting**

To be eligible to vote at the Scheme Meeting, you must be a Scheme Creditor.

You may attend the Scheme Meeting in person (or by corporate representative), send a completed Proxy Form appointing a proxy to attend in your place, or attend by attorney. Proxy Forms must be received by the Chairperson by 10.00am on 3 February 2020. The Proxy Form is set out at Annexure C to the Explanatory Statement accompanying this Notice of Meeting. If you wish to vote by attorney or corporate representative, your attorney or corporate representative should bring to the Scheme Meeting evidence of their appointment including evidence of the authority under which the appointment was made.

Scheme Creditors who do not vote at the Scheme Meeting will still be bound by the Scheme, provided that the Scheme is agreed to by the requisite majority of Scheme Creditors and approved by the Court.

For further information, Scheme Creditors should refer to the Explanatory Statement. Scheme Creditors should read it carefully and in its entirety before deciding whether or not to vote in favour of the Scheme. It is recommended that Scheme Creditors seek professional legal, finance and taxation advice before making their decision.

Dated 23 December 2019

By order of the Court

A handwritten signature in blue ink, appearing to read 'I. Goldberg', is written over a faint, illegible printed name.

Ian Goldberg  
Company Secretary

# Explanatory Statement

## Annexure C Proxy Form

### Proxy Form

Unless otherwise defined in this Proxy Form, capitalised terms used in this Proxy Form have the same meanings as in the enclosed Explanatory Statement.

**STEP 1: APPOINT A PROXY TO VOTE ON YOUR BEHALF**

I/We\* ..... of the address  
 .....  
 being a creditor of Tiger Resources Limited (ACN 077 110 304) ("**Scheme Company**") and entitled to attend and vote at the meeting of the Scheme Creditors to be held on .....  
 appoint ..... of the address  
 .....  
 (or, in their absence, or if no person is named, the Chairperson) as my/our\* proxy to attend and vote on my/our\* behalf at that meeting and any adjournment or postponement of that meeting in accordance with the following direction (or if no direction has been given, as the proxy sees fit).

\* Delete whichever does not apply.

**STEP 2: VOTING DIRECTION**

I/We\* direct that my/our\* proxy vote in the following manner (please mark relevant box with ( **x** ) to indicate your directions):

<b>Resolution</b>	<b>For</b>	<b>Against</b>	<b>Abstain*</b>
That, pursuant to and in accordance with section 411 of the <i>Corporations Act 2001</i> (Cth), the scheme of arrangement proposed between the Scheme Company and the Scheme Creditors, as contained and described in the Explanatory Statement, of which the notice convening this meeting forms part, is agreed to (with or without any alterations or conditions made or required by the Court, provided that such alterations or conditions do not change the substance of the Scheme, including the Steps, in any material respect)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* Please note if you mark **abstain**, you are directing your proxy not to vote on the resolution.

**STEP 3: SIGNATURE OF CREDITOR**

..... Sole Director and Sole Company Secretary	..... Director	..... Director/Company Secretary
Date:            /        /	/        /	/        /

#### STEP 4: LODGING YOUR PROXY FORM

This Proxy Form must be received by the Chairperson by 10.00am (Perth, Western Australia, Australia time) on 3 February 2020. Please read carefully and follow the instructions overleaf.



## How to complete this Proxy Form

### Step 1: Appointing a proxy

If you are entitled to attend and vote at the meeting, you may appoint a proxy to attend the meeting and vote on your behalf. A proxy can be an individual or a body corporate and need not be a Scheme Creditor or a Shareholder. You may select the Chairperson as your proxy.

### Step 2: Voting directions

You may direct your proxy how to vote by placing a mark (\*) in one of the boxes opposite the resolution. If you mark the "Abstain" box, you are directing your proxy not to vote on the resolution. If you mark more than one box for the resolution, your vote on the resolution will be invalid.

If you do not mark any of the boxes, your proxy may vote as they choose.

### Step 3: Signing instructions

**Individual:** The Proxy Form must be signed by the Scheme Creditor personally or by power of attorney (see below).

**Power of attorney:** To sign under power of attorney, you must have already lodged the power of attorney with the Scheme Company. If you have not previously lodged that document, please attach a certified copy of the power of attorney to this Proxy Form when you return it.

**Companies:** For a corporate Scheme Creditor, if the company has a sole director who is also the sole company secretary, that person must sign this Proxy Form. If the company does not have a company secretary (under section 204A of the Corporations Act), its sole director must sign this Proxy Form. Otherwise, a director must sign jointly with either another director or a company secretary in accordance with section 127 of Corporations Act. Please indicate the office held by signing in the appropriate place.

**Corporate representative:** If a representative of a corporate Scheme Creditor or proxy is to attend the meeting, the appropriate *Certificate of appointment of Corporate Representative* must be produced before the meeting.

### Step 4: Lodging your Proxy Form

This Proxy Form must be received by the Chairperson by 10.00am (Perth, Western Australia, Australia time) on 3 February 2020. Any Proxy Form received after that time will not be effective for the meeting. You can return this Proxy Form (and any power of attorney under which it is signed):

- **by post** at the following address:

Ian Goldberg  
Company Secretary  
Tiger Resources Limited  
Level 4, 1 Havelock Street  
West Perth WA 6005  
AUSTRALIA

- **by hand delivery** to the address specified above; or
- **by email** to Ian Goldberg at [igoldberg@tigerez.com](mailto:igoldberg@tigerez.com).

# Explanatory Statement

## Annexure D BDO Report



**TIGER RESOURCES LIMITED**  
**Independent Expert's Report**

19 December 2019



## Financial Services Guide

19 December 2019

**BDO Corporate Finance (WA) Pty Ltd** ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Tiger Resources Limited ('Tiger' or 'the Company') to provide an independent expert's report on the proposal for the Company to enter into a scheme of arrangement with its creditors and lenders. You are being provided with a copy of our report because you are a creditor or lender of Tiger and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by Tiger to assist you in deciding on whether or not to approve the proposal.

### Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

### Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

### General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

## **Fees, commissions and other benefits that we may receive**

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd and its related entities for this engagement is approximately \$150,000.

In preparing this report, and included in the above fee we have relied on advice provided by BDO Corporate Tax (WA) Pty Ltd and BDO East Coast Partnership.

Set out below is a brief description of the services provided (and fees received) to Tiger by BDO Corporate Finance (WA) Pty Ltd and other BDO entities:

- In January 2018, BDO Corporate Finance (WA) Pty Ltd was engaged to prepare an independent expert's report in relation to the proposed sale of the Company's subsidiaries. Total fees charged in relation to this matter was approximately \$111,000. The proposed sale was subsequently terminated;
- In August 2019, BDO Corporate Finance (WA) Pty Ltd was engaged to prepare an independent expert's report in relation to the proposed funding package with QMetco Limited. This engagement was terminated on 8 November 2019. Total fees charged in relation to this matter was approximately \$51,000.
- Within the past two years, BDO Corporate Tax (WA) Pty Ltd has provided various tax compliance work for total fees of approximately \$25,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Tiger.

## **Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Tiger for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

## **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## **Complaints resolution**

### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

## Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('FOS') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website [www.afca.org.au](http://www.afca.org.au) or by contacting it directly via the details set out below.

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
AFCA Free call: 1800 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)

You may contact us using the details set out on page 1 of the accompanying report.

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19 December 2019

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

## INDEPENDENT EXPERT'S REPORT

### 1. Introduction

On 8 November 2019, we were instructed by King & Wood Mallesons ('KWM') that Tiger Resources Limited ('Tiger' or 'the Company') had entered into discussions regarding a proposed scheme of arrangement with Taurus Mining Finance Fund L.P ('Taurus'), International Finance Corporation ('IFC') and QMetco Limited ('QMetco') (collectively the 'Senior Lenders'). The proposed scheme of arrangement with the Senior Lenders relates to a restructure of the Company's current debt that is borrowed by its 95% owned subsidiary Societe D'Exploitation de Kipoi S.A ('SEK'), and guaranteed by Tiger and other subsidiaries of Tiger. A summary of the key steps involved in the scheme is set out below:

- SEK, Tiger and the Senior Lenders enter into a Deed of Assumption (governed by English law) whereby Tiger assumes part of the senior debt, being approximately US\$149.63 million ('Assumed Debt');
- Tiger entering into an Australian court sanctioned creditors' scheme of arrangement whereby the Assumed Debt is converted into shares of Tiger at a conversion price of \$0.001 per share;
- Tiger being compensated for taking on the Assumed Debt through the establishment of an intercompany loan between Tiger and SEK in an amount equal to the Assumed Debt; and
- SEK entering into amended financing documents in respect of the balance of the Senior Debt. All current Events of Default will be waived.

The above steps are collectively referred to as 'the Scheme'.

Further details of the terms of the Scheme can be found in Section 3 of our Report and the Scheme Booklet to which this report is attached.

### 2. Summary and Opinion

#### 2.1 Instructions

KWM has instructed BDO Corporate Finance (WA) Pty Ltd ('BDO') to prepare an independent expert's report ('our Report') to express an opinion on the following:

- The solvency of the Company immediately following the implementation of the Scheme, with reference to section 95A of the Corporations Act 2001 (Cth) ('the Act');



- The value of the assets of the Company relative to the debts owing to the Senior Lenders;
- The expected dividend that would be available to:
  - the Senior Lenders; and
  - shareholders of the Company (**'Shareholders'**),if the Scheme did not proceed and, as part of an enforcement of the guarantees and securities granted, the Company were to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Act;
- The expected dividend that would be paid to:
  - the Senior Lenders; and
  - Shareholders,if the Scheme were put into effect as proposed, immediately following the implementation of the Scheme, as drawn from section 8201(b) in Part 2 of Schedule 8 of the Corporations Regulations 2001 (Cth); and
- The likely outcome for the Company if the Scheme is not implemented, having regard to the Company's existing financial position and projections.

## 2.2 Use of our report

Our report may be used by the Company for the purpose of implementing or giving effect to the Scheme, including:

- in evidence in court proceedings commenced by the Company;
- in disclosures made by the Company to the Senior Lenders and any other parties impacted by or involved in the Scheme, including in an explanatory statement issued to the Senior Lenders and Australian Securities and Investments Commission (**'ASIC'**); and
- in documents disclosed by the Company to the ASX or otherwise to the Company's shareholders.

## 2.3 Approach

As instructed, our Report has been prepared having regard to ASIC Regulatory Guide 112 'Independence of Experts' (**'RG 112'**) and we have also considered, where relevant, Regulatory Guide 60 'Schemes of Arrangements' (**'RG 60'**) and Regulatory Guide 111 'Content of Expert's Reports' (**'RG 111'**).

In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this report. We have considered:

- The value of Tiger's assets relative to the debts owing to the Senior Lenders if the Scheme does not proceed;
- The value of Tiger's assets immediately following the implementation of the Scheme relative to the debts owing to the Senior Lenders;
- The solvency of the Company immediately following the implementation of the Scheme;
- The expected dividend that would be payable to the Senior Lenders and Shareholders if the Scheme does not proceed, assuming an orderly realisation of assets within six months. This assessment is

conducted by determining the surplus cash available (if any) to distribute to shareholders after the Company's secured and unsecured creditors are settled;

- The expected dividend that would be paid to the Senior Lenders and Shareholders immediately following the implementation of the Scheme. This assessment is conducted by assessing the surplus cash (if any) after settling the Company's liabilities following the implementation of the Scheme; and
- The consequences for the Company and its Senior Lenders if the Scheme is not approved.

We note that the value of a Tiger share under the assumption that the Scheme proceeds and the assumption that it does not proceed is conducted in order to determine whether Shareholders hold an economic interest in Tiger.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

*'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'*

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

## 2.4 Summary of opinion

The summary of our opinion to the Senior Lenders is set out in the table below:

Scope item	Ref	Conclusion
The value of the assets of the Company relative to the debts owing to the Senior Lenders in the event the Scheme does not proceed	7.2	In the event the Scheme does not proceed, the net liability position of the Group is between US\$140.7 million to US\$224.3 million.
The value of the assets of the Company relative to the debts owing to the Senior Lenders in the event the Scheme is implemented	7.4	In the event the Scheme is implemented, the net position of the Group is between US\$(74.9) million and US\$8.7 million.
The solvency of the Company immediately following the implementation of the Scheme	8	Following the implementation of the Scheme, the Company does not appear to be insolvent. However, the Company remains loss making in the short term and has an urgent cash requirement from late February 2020.
The expected dividend that would be available to Senior Lenders and shareholders if the Scheme did not proceed and the Company were to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Act	9	In the event the Scheme does not proceed, the expected dividend that would be available to Senior Lenders is between US\$85 million (35% of the amount owing) and US\$173 million (71% of the amount owing). The expected dividend to unsecured creditors and shareholders would be Nil.
The expected dividend that would be available to Senior Lenders and shareholders if the Scheme was implemented	10	The expected dividend that would be available to Senior Lenders immediately following implementation of the Scheme is between US\$75 million (78% of the amount owing) and US\$96 million (100% of the amount owing), based on 95% of the value of the operating assets held by SEK. We note that in addition to this amount, Senior Lenders will also hold approximately 99.2% of the Company's issued capital. Unsecured creditors would receive between Nil and US\$68

Scope item	Ref	Conclusion
		million (83% of the amount owing) on a 95% interest basis. Shareholders would receive Nil.
		In order to provide a comparison with the approach used in section 9, we have also assessed the expected dividend assuming 100% of the value of the operating assets held in SEK. This assessment shows that Senior Lenders realise between approximately US\$79 million (82%) and US\$96 million (100%) and unsecured creditors realise between nil and US\$77 million (94%). There are nil funds available for distribution to shareholders. This additional information has been included in our Report following provision of a full draft IER to the commissioning entity. Further details of this can be found in section 10.
The likely outcome for the Company should the Scheme not be implemented	11	If the Scheme is not implemented, and without additional funding, the Group will be insolvent and will need to enter applicable insolvency procedures in the various jurisdictions of the companies within the Group. If the Scheme is not implemented, there would also be a reduced return for Senior Lenders.

### 3. Outline of the Scheme

On 8 November 2019, we were instructed by KWM that Tiger had entered into discussions regarding a proposed scheme of arrangement with the Senior Lenders which relates to a restructure of the Company's current debt that is held in SEK, its 95% owned subsidiary.

The Scheme will involve the conversion of an amount of Senior Lender debt to equity in Tiger at a conversion price of \$0.001 per share. The conversion will be such that the amount owing to the Senior Lenders as part of the Tranche A debt (including all accrued interest) will be US\$70 million. The amounts owing to each of the Senior Lenders will be reduced on a pro-rata basis. The amounts owing to each Senior Lender and the Senior Lenders' shareholdings under the assumption that the Scheme does not proceed and following the implementation of the Scheme is set out in the table below:

	Taurus	QMetco	IFC	Other shareholders	Total
Number of shares held	292,546,030	-	270,291,425	1,686,466,324	2,249,303,779
% held	13.01%	-	12.02%	74.98%	100%
Amount owing under Tranche A (US\$'000)	143,746	20,151	55,465	-	219,362
<b>Following the implementation of the Scheme</b>					
Assumed Debt (US\$'000)	97,876	13,721	37,766	-	149,363
Number of shares issued on conversion of the Assumed Debt	139,822,857,143	19,601,428,571	53,951,428,571	-	213,375,714,285

	Taurus	QMetco	IFC	Other shareholders	Total
Number of shares held following the Scheme	140,115,403,173	19,601,428,571	54,221,719,996	1,686,466,324	215,625,018,064
% held following the Scheme	64.97%	9.09%	25.14%	0.80%	100%

The terms of the Tranche D and Tranche E facilities with Taurus and QMetco respectively will remain unchanged with the exception of the changes to the maturity dates as detailed below.

The debt restructure pursuant to the Scheme will result in the following changes to the maturity dates of the loans with the Senior Lenders:

- The maturity date of the Tranche A debt with Taurus will be adjusted from 31 January 2024 to 31 December 2025;
- The maturity date of the Tranche D debt will be adjusted from 18 July 2020 to 31 December 2024; and
- The maturity date of the Tranche E debt will be adjusted from 31 December 2020 to 31 December 2024.

The other key terms of the debt restructure are as follows:

- The financial covenants are to be adjusted such that SEK are not breaching the covenants following the completion of the debt restructure;
- The security in relation to the facilities remain unchanged;
- Interest rates will remain unchanged; and
- On reaching the minimum liquidity level (US\$20 million), SEK will commence quarterly cash sweeps of 75% of cash flow available for debt service ('CFADS') (excluding debt service requirements) to be paid against Tranche D and Tranche E on a pro-rata basis. Once Tranche D and Tranche E have been fully repaid, cash sweep payments will be applied to Tranche A.

## 4. Profile of Tiger

### 4.1 Background

Tiger is a copper producing company with its primary focus on the production, development and exploration of its mineral assets located in the Democratic Republic of Congo ('DRC'). The Company's flagship asset is the Kipoi Copper Project ('Kipoi Project') located in the Katanga Copper Belt in the DRC. The Company also holds a 95% interest in the Lupoto Copper Project ('Lupoto Project') and a 100% interest in the La Patience Copper Permit ('La Patience Permit'), both of which are also located in the DRC. Tiger was incorporated in 1997, and the Company's head office is located in West Perth, Western Australia.

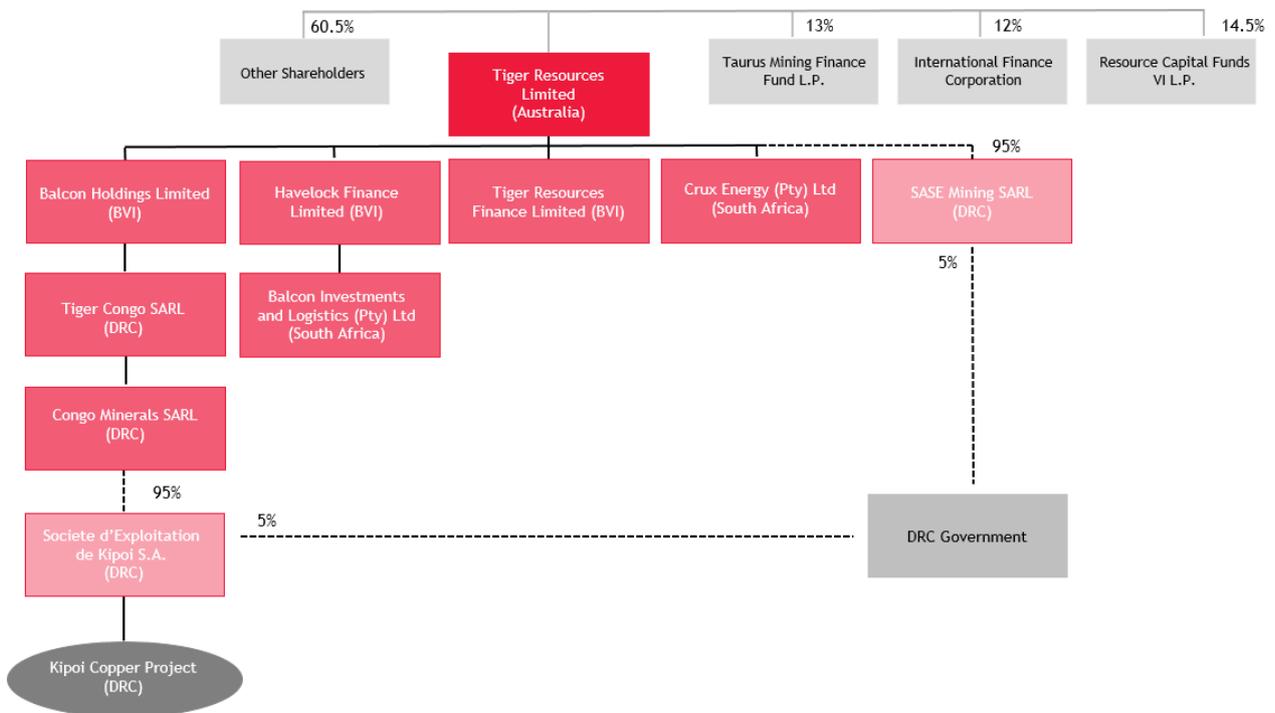
The current board of directors and senior management include:

- Ms. Caroline Keats - Managing Director;
- Mr. Michael Anderson - Non-Executive Chairman;

- Mr. Michael Griffiths - Non-Executive Director;
- Ms. Rachel Johnston - Non-Executive Director;
- Mr. Jozsef Patarica - Chief Operating Officer; and
- Mr. Ian Goldberg - Chief Financial Officer and Company Secretary.

The Company has also established an independent board committee (‘IBC’) to consider and deal with all aspects of the proposed restructure of which the Scheme forms part of. The IBC comprises Ms Caroline Keats and Mr Michael Griffiths, with Mr Griffiths acting as Chair.

The following chart provides an overview of the organisational structure of Tiger and its subsidiaries (‘the Group’):



Source: Business Structure provided by Tiger

## 4.2 Projects

### Kipoi Project

The Kipoi Project is operated by SEK, a 95% owned subsidiary of Tiger, with the remaining 5% interest held by the DRC Government. The Kipoi Project is located in the central part of the Katanga Copper Belt, 75 kilometres (‘km’) northwest of Lubumbashi. The Kipoi Project covers an area of 55 square kilometres (‘km<sup>2</sup>’), and hosts the Kipoi Central, Kipoi North, Kileba, Judeira and Kaminafitwe copper deposits. The Kipoi ore bodies are near surface, and are mined utilising open pit drill, blast, load and haul mining techniques. Ore from Kipoi undergoes hydrometallurgical processing utilising heap and tank leaching followed by solvent extraction and electro-winning (‘SXEW’) at the onsite facility.

The Kipoi Project can be accessed from a 6km road that stems from the bitumen sealed Lubumbashi to Likasi national highway. Lubumbashi is the second largest city in the DRC, and the centre for mining activity undertaken in the Katanga province with the availability of manufacturing and engineering support services. Further, Lubumbashi hosts an international airport and is linked by roads to the major ports of Dares Salaam in Tanzania and Durban in South Africa. High voltage power lines intersect the Kipoi Project area off the national grid and Lubumbashi-Likasi railway line.

On 1 May 2006, Tiger, together with its then joint venture ('JV') partner, Groupe Orgaman, entered into an agreement for the staged acquisition of the Kipoi Project from then owner Congo Minerals SPRL, now Congo Minerals SARL ('Congo Minerals'). Subsequently, in November 2006, the Company entered into an agreement with Congo Minerals to acquire a 60% interest in SEK, which holds and operates the Kipoi Project. Throughout 2006 and 2007, Tiger undertook exploration activities including drill programs at Kipoi Central and Kipoi North. In March 2008, Tiger announced that it had entered an agreement with Groupe Orgaman to acquire its interest in the Kipoi Project. Tiger completed the acquisition of Groupe Orgaman's interest in the Kipoi Project in November 2009.

In June 2007, the Company commissioned an Options Study, which identified a two stage development plan for the Kipoi Project. In September 2008, Tiger completed a Definitive Feasibility Study ('DFS') into the stage one development of the Kipoi Project, which comprised a processing plant that utilised crushing, scrubbing, and heavy media separation ('HMS'). Stage one development began shortly after, with the plant being commissioned and commercial production commencing in May 2011.

In January 2013, Tiger released the results of a DFS for stage two development of the Kipoi Project, which would be constructed adjacent to the HMS plant and comprise an acid leach SXEW facility. Construction subsequently commenced and was completed in May 2014. There was a short overlap where the HMS plant and the SXEW facility operated together, after which, the SXEW superseded the HMS plant.

In October 2014, Tiger completed an acquisition of the remaining 40% shareholding in SEK. Under the terms of the acquisition, La Générale des Carrières et des Mines ('Gecamines'), the vendor, would retain a 2.5% gross turnover royalty, and Tiger ceded a 5% interest in SEK to DRC Government in accordance with the DRC Mining Code.

During 2015, the Company identified latent capacity within the SXEW plant. Following an engineering and costing study for the debottlenecking of the Kipoi Project, the Company initiated an expansion project, to increase the capacity of the SXEW plant to 32,500tpa. The debottlenecking works were completed in January 2017 and included the addition of 14 new electro-winning cells.

Following completion of the debottlenecking works, a number of design and handling issues arose that limited the throughput rates of the upgraded plant.

During 2016, production from the heap leach was adversely affected, due to the heap beginning to go blind and seepage from the Intermediate Leach Solution pond ('ILS pond'). Following this, remedial work was undertaken on the ILS pond to bring it back to full production levels.

Mining activity to pre-strip Kipoi Central was suspended in May 2017. This was due to cash flow forecasts which indicated the Company could not finance significant pre-strip capital required to access the major remaining portion of the Kipoi Central ore body. However, the Company continued to process remaining stockpiles and introduced a number of measures, including hydraulic reclamation of its relatively higher grade HMS slimes tailings to increase production from its tank leach circuit. As a result of the decision to

cease mining at Kipoi Central, the Kipoi Central heap leach feed stockpiles were fully depleted during October 2017.

Subsequently, an opportunity to commence mining at Kipoi North was identified and stacking of heap leach material from this ore source commenced in November 2017.

An Option Selection Report ('OSR') was completed during the December 2018 quarter by NewPro Consulting & Engineering Services Pty Ltd ('NewPro Consulting') which highlighted opportunities to improve profitability and long-term projections of the Kipoi Project. Based on the recommendations in the OSR, Tiger intended to update existing process facilities at the Kipoi Project to optimise operational throughput and build a water treatment plant to treat water and facilitate the recovery of cobalt.

Throughout the first half of 2019, significant weather events along with tank leach performance issues negatively impacted production at the Kipoi Project. Processing and mining from Kipoi North continued at reduced rates to match equipment availability. Mining of stages one and two at Kipoi North were completed during the June 2019 quarter. The Company also addressed difficulties with contract crushing performance and addressed this by developing a larger semi-permanent electric crushing plant. Subsequently, daily crushing levels increased to between 2,000 and 6,000 tonnes per day.

### Lupoto Project

In February 2015, the Company was granted a mining lease for the Lupoto Project, which is located approximately 10 km south of the Kipoi Project. At the time of grant, the lease had a 40-year tenure and covers an area of approximately 121km<sup>2</sup>. A drill program was carried out during 2015, however no further exploration activities have been conducted since. Tiger has a 95% interest in the Lupoto Project, with the DRC Government free carried on the remaining 5% interest.

### La Patience Permit

After conducting initial exploration activities, Tiger acquired a 100% interest in the La Patience Permit in January 2013. Situated 10km south-east of Kipoi, the La Patience Permit covers an area of approximately 27km<sup>2</sup>. Tiger's exploration of La Patience has included ground geophysics to identify concealed conductive bodies of economic interest. The permit has since expired in March 2019, although Tiger has expressed its intentions to renew it and continue with exploration activities.

## 4.3 Recent corporate events

### Terminated sale

On 22 January 2018, the Company announced it had entered into a Share Purchase Agreement ('SPA') and Royalty Deed ('Royalty Deed') with Sinomine Fuhai (Hong Kong) Overseas Resource Investment Co., Ltd. ('Sinomine HK') for the sale of 100% of its shares in the Company's subsidiaries which holds the Company's Kipoi Project, Lupoto Project and La Patience Permit. In exchange, Tiger would be entitled to receive total consideration of US\$260 million, and royalty payments from revenue generated from the sale of copper and cobalt by Sinomine HK of up to an aggregate of US\$20 million. However, on 6 July 2018, the Company announced that it terminated the SPA as terms acceptable to Tiger could not be met.

### Financing

On 16 December 2015, Tiger announced that it had secured a US\$162.5 million finance facility ('Senior Facility') with the Senior Lenders. The senior facility was guaranteed by the Company and other

companies in the Group. The facility would refinance the Company's existing debt facilities with Taurus and Gerald Metals SA ('Gerald Metals').

The Company also announced an equity capital raising comprising a share placement to Resource Capital Funds ('RCF') of approximately 125 million ordinary shares at \$0.0665 per share, to raise a total of approximately US\$6 million, and a 4-for-9 accelerated, non-renounceable entitlement offer to eligible shareholders at US\$0.047 per share to raise up to US\$19 million.

On 2 February 2016, the Company announced that SEK made its first drawdown on the Senior Facility, of US\$133.2 million, in order to refinance the previous secured debt facilities with Taurus (US\$100 million) and Gerald Metals (US\$20.9 million). The remaining funds were used to finance the SXEW debottlenecking.

On 25 October 2016, the Company announced that the Group had accepted a proposal, under which Taurus and RCF were to provide a further commitment for a US\$10 million bridge facility to support short term funding requirements. However, this bridge facility was not utilised. The Company also announced that the Senior Lenders would provide a two-month extension on the availability period of the remaining undrawn Senior Facility and to capitalise interest to January 2018.

On 10 April 2017, the Company announced that the Senior Lenders had agreed to extend the date of the first scheduled repayment of US\$1.625 million and the second scheduled payment of US\$0.81 million under the Senior Facility. The Senior Lenders also agreed to extend and waive a number of conditions under the Senior Facility until 1 May 2017.

On 5 May 2017, the Company announced that it had negotiated with the Senior Lenders, to further extend the date of the first and second scheduled repayments under the Senior Facility, of US\$1.625 million and US\$0.81 million, respectively, until 1 June 2017. The Senior Lenders also agreed to extend and waive a number of conditions under the Senior Facility until 1 June 2017.

On 6 June 2017, the Company announced that it had negotiated with the Senior Lenders to further extend the date of the first and second scheduled repayments under the Senior Facility, of US\$1.625 million and US\$0.81 million, respectively, to 1 July 2017. The Senior Lenders also agreed to extend and waive a number of conditions under the Senior Facility until 1 July 2017.

On 3 July 2017, the Company announced that it had negotiated with the Senior Lenders to further extend the date of the first and second scheduled repayments under the Senior Facility, of US\$1.625 million and US\$0.81 million, respectively, to 1 August 2017. The Senior Lenders also agreed to extend and waive a number of conditions under the Senior Facility until 1 August 2017.

On 9 August 2017, the Company announced that it had negotiated with the Senior Lenders to further extend the date of the first and second scheduled repayments under the Senior Facility, of US\$1.625 million and US\$0.81 million, respectively, to 1 October 2017. The Senior Lenders also agreed to extend and waive a number of conditions under the Senior Facility until 1 October 2017.

On 26 September 2017, Tiger announced that the Group had secured an additional bridging facility with Taurus and IFC of up to US\$18.2 million. The Company also announced it had entered into a deed of forbearance with the Senior Lenders, pursuant to which, the Senior Lenders agreed to continue to waive repayment of the principal and to capitalise interest under the Senior Facility for not less than 12 months, as well as to continue to waive and extend other conditions of the Senior Facility.

On 12 October 2017, the Company announced that Banque Commerciale Du Congo had agreed to extend the maturity date for its existing US\$15 million overdraft facility, provided to SEK, from 28 February 2018



to 31 December 2018, on condition, amongst other things, that Tiger Resources continue to provide financial support to SEK so that it could meet its financial commitments.

On 26 October 2017, the Company announced that SEK had entered into an agreement with Rawbank SA to extend the maturity date for its US\$5 million overdraft facility, provided to SEK, from 31 May 2017 to 31 December 2018.

On 5 October 2018, Tiger announced that it and other companies in the Group had signed a second Deed of Forbearance ('DoF') which was amended on 21 December 2018, 18 January 2019, 17 April 2019 and 14 August 2019 with its Senior Lenders. Under the DoF, the Lenders agreed to waive repayment of principal and to capitalise interest on existing secured debt facilities to 31 May 2020.

On 26 November 2018, the Company announced that Banque Commerciale Du Congo SA ('BCDC') had agreed to restructure its US\$15.0 million overdraft facility previously provided to SEK. Under the terms, the overdraft facility was converted to a US\$5.0 million Cash Line of Credit ('Cash Line of Credit') and a US\$10.0 million Long Term Credit Facility ('Long Term Facility'). The Line of Credit is due and payable on 31 December 2020, and attracts an interest rate of 7% per annum ('p.a.'), payable monthly. Monthly repayments for the Long Term Credit Facility commenced on 31 July 2019 and attract an interest rate of 5% p.a., payable monthly.

On 1 May 2019, the Company announced that SEK had secured a US\$13.2 million funding facility with Taurus. The facility would provide interim funding for ongoing operations and enhance the operational and financial performance at the Kipoi Project. Under the terms, the facility will expire on 18 July 2020 and has an interest rate of 8% p.a. payable in cash at the end of the term or on prepayment. A 1% gross revenue royalty on the Lupoto Tenement is also payable.

On 16 August 2019, Tiger announced that SEK had secured a US\$30.0 million funding facility with QMetco which included equity conversion rights. The funding facility was to provide funding to support capital enhancement at the Kipoi Project. The Facility was to be subject to an interest rate of 8.0% p.a. and is secured against the assets of Tiger and its subsidiaries. The Tranche E facility was made available in three tranches. While the first two tranches (a total of US\$12 million) have already been drawn, the third tranche (US\$18 million) required the satisfaction of certain conditions including Company shareholder approval being obtained by 30 November 2019 (in order to allow QMetco to convert the loan into ordinary shares in the Company at its election). On 6 December 2019, the Company announced QMetco waived the requirement for shareholder approval for the third tranche of the Tranche E facility. As a result, that part of the loan requiring shareholder approval in order to convert to equity will remain as debt.

On 31 August 2019, the whole of the Senior Lender debt held by Resource Capital Fund VI LP was acquired by QMetco. In order to facilitate the broader debt restructure, the Senior Lenders have been asked to agree to additional forbearance arrangements in relation to certain defaults which have arisen under the financing arrangements ('Additional Forbearance Arrangements'). Without the Additional Forbearance Arrangements, any defaults under the facility documents may give the Senior Lenders the right to accelerate their loans, which Tiger (as guarantor of those loans) would not be in a position to repay in full. The Additional Forbearance Arrangements will terminate, amongst other things, if the debt restructuring process is not implemented by 30 April 2020.

Details of the Group's borrowings are summarised below:

Type of Debt	Facility Amount	Amount owing at 31-Oct-19	Lenders	Key Terms
<b>Secured Borrowings</b>				
Tranche A Senior Secured	US\$162 million	US\$161.70 million (principal)	Taurus, IFC and QMetco (previously RCF)	<ul style="list-style-type: none"> <li>• Maturity date of 31 January 2024;</li> <li>• Interest rate of 9.25%, and an arranger fee of US\$50 per tonne of copper sold capped at 700,000 tonnes of copper sales</li> </ul> <p>The loan is subject to the following covenants</p> <ul style="list-style-type: none"> <li>• on each debt service cover ratio ('DSCR') calculation date, the DSCR is greater than 1.15 times; and,</li> <li>• on each calculation date: <ul style="list-style-type: none"> <li>○ the loan life cover ratio is greater than 1.20 times;</li> <li>○ the project life cover ratio is greater than 1.40 times; and</li> <li>○ the reserve tail ratio is greater than 30%.</li> </ul> </li> </ul>
Tranche D Super Senior Secured	US\$13.20 million	US\$13.20 million (principal)	Taurus	<ul style="list-style-type: none"> <li>• Maturity date of 18 July 2020;</li> <li>• Interest accrued at 8% p.a.;</li> <li>• a 1% royalty on the gross revenue of sales of materials from the Company's Lupoto tenement; and</li> <li>• a bullet repayment of the loan on maturity.</li> </ul>
Tranche E super Senior Secured	US\$30 million facility (multiple tranches)	US\$12.00 million (principal)	QMetco	<ul style="list-style-type: none"> <li>• Maturity date of 31 December 2020;</li> <li>• an interest rate of 8% p.a. paid quarterly in arrears;</li> <li>• a front end fee of 3%; and</li> <li>• a 2% commitment fee.</li> </ul>

Type of Debt	Facility Amount	Amount owing at 31-Oct-19	Lenders	Key Terms
<b>Unsecured Borrowings</b>				
Long term credit facility	US\$10 million (amortising loan that is fully drawn)	US\$7.90 million	Banque Commerciale du Congo	<ul style="list-style-type: none"> <li>Principal payable in monthly instalments of US\$0.15 million; and</li> <li>an interest rate of 5% p.a. payable monthly.</li> </ul>
Cash Line of Credit	US\$5 million	US\$1.60 million	Banque Commerciale du Congo	<ul style="list-style-type: none"> <li>Maturity date of 31 December 2020; and</li> <li>an interest rate of 7% p.a. payable monthly.</li> </ul>
Overdraft Facility	US\$5 million	US\$5.77 million	Rawbank	<ul style="list-style-type: none"> <li>Repayable in December 2020; and</li> <li>interest payable at commercial rates.</li> </ul>

We note that the Overdraft Facility is at call but the Group is currently in discussions regarding converting it to a term loan that is to be repaid over three years.

We also note that subsequent to 31 October 2019, it is intended the Tranche E super senior secured facility be fully drawn.

Further, we note that there is a \$50,000 credit card facility that is secured against the Group's term deposit.

#### 4.4 Historical Statements of Financial Position

Statement of Financial Position	30-Jun-19 US\$'000	31-Dec-18 US\$'000	31-Dec-17 US\$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1,303	5,265	2,441
Trade and other receivables	3,813	3,633	445
Inventories	25,246	27,493	-
Assets classified as held for sale	-	-	184,100
<b>TOTAL CURRENT ASSETS</b>	<b>30,362</b>	<b>36,391</b>	<b>186,986</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	2,372	2,848	-
Mine properties & development	37,732	37,378	-
Plant & equipment	78,812	77,177	26
<b>TOTAL NON-CURRENT ASSETS</b>	<b>118,916</b>	<b>117,403</b>	<b>26</b>
<b>TOTAL ASSETS</b>	<b>149,278</b>	<b>153,794</b>	<b>187,012</b>
<b>CURRENT LIABILITIES</b>			
Trade payable, contract and other liabilities	51,841	40,712	13,621
Current tax payable	831	149	100
Borrowings	233,746	214,163	209,997
Provisions	-	-	24
Liabilities directly associated with assets classified as held for sale	-	-	29,097
<b>TOTAL CURRENT LIABILITIES</b>	<b>286,418</b>	<b>255,024</b>	<b>252,839</b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables	5,816	5,884	6,532
Borrowings	6,439	7,448	-
Derivative financial instruments	-	11	5
Provisions	10,714	9,325	26
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>22,969</b>	<b>22,668</b>	<b>6,823</b>
<b>TOTAL LIABILITIES</b>	<b>309,387</b>	<b>277,692</b>	<b>259,662</b>
<b>NET ASSETS</b>	<b>(160,109)</b>	<b>(123,898)</b>	<b>(72,650)</b>
<b>EQUITY</b>			
Contributed equity	302,399	301,491	299,812
Reserves	(47,131)	(47,149)	(47,250)
Accumulated losses	(406,981)	(371,706)	(321,357)
<b>Capital and reserves attributable to the owners of the Company</b>	<b>(151,713)</b>	<b>(117,364)</b>	<b>(68,795)</b>
Non-controlling interest	(8,396)	(6,534)	(3,855)
<b>TOTAL EQUITY</b>	<b>(160,109)</b>	<b>(123,898)</b>	<b>(72,650)</b>

Source: Tiger's financial statements for the years ended 31 December 2017 and 31 December 2018, and for the half year ended 30 June 2019

We note that the Company's auditor issued an unmodified audit report with no qualifications for the year ended 31 December 2017 but highlighted the existence of material uncertainty relating to the ability of the Company to continue as a going concern.

For the year ended 31 December 2018, the auditor has not expressed an audit opinion on the basis that the auditor has not been able to obtain sufficient appropriate audit evidence to provide a basis for the audit opinion on the financial report. The inability to obtain appropriate audit evidence is a result of the uncertainty around the Company's ability to reach agreement with the Senior Lenders on its restructuring plans and forbearance requirements.

The above reasons have also led to the auditor not being able to obtain sufficient appropriate audit evidence to provide a basis for a review conclusion for the half year ended 30 June 2019.

### Commentary on Historical Statements of Financial Position

- Cash and cash equivalents increased from US\$2.44 million at 31 December 2017 to US\$5.27 million at 31 December 2018. The increase of US\$2.83 million was largely the result of receipts from product sales of US\$116.47 million. This was partially offset by payments to suppliers and employees of US\$99.25 million, repayment of borrowings including overdraft of US\$5.50 million, financing costs of US\$4.00 million and purchase of plant and equipment of US\$3.46 million.
- Cash and cash equivalents decreased from US\$5.27 million at 31 December 2018 to US\$1.30 million at 30 June 2019. The decrease of approximately US\$3.97 million was primarily the result of payments to suppliers and employees of US\$33.66 million, purchase of plant, property and equipment of \$2.65 million, and financing costs of US\$1.47 million. This was partially offset by receipts from product sales of US\$26.11 million and proceeds from borrowings of US\$8.98 million.
- Inventories of US\$25.25 million at 30 June 2019, comprised consumables of US\$11.4 million, ore stockpiles of US\$8.2 million, copper in circuit of US\$4.8 million and finished goods of US\$1.2 million.
- As at 31 December 2017, the Company reported held-for-sale assets of US\$184.10 million and liabilities of US\$29.10 million related to its DRC-incorporated subsidiaries as it was expecting to complete a sale to Sinomine at the time. Following the termination of the SPA it had entered into with Sinomine, these assets and liabilities were no longer classified as held-for-sale.
- Plant and equipment of US\$78.81 million at 30 June 2019 comprised plant and equipment, construction in progress, land and buildings and motor vehicles. The plant and equipment balance primarily related to the SXEW plant at the Kipoi Project.
- Current borrowings of US\$233.75 million at 30 June 2019, reflects senior facilities totalling US\$221.54 million, a bank overdraft of US\$10.14 million and a term loan of US\$2.07 million. The undrawn amount under the senior facilities, at 30 June 2019 was US\$4.23 million.
- Provisions of US\$10.71 million at 30 June 2019 mainly related to a US\$9.69 million provision for rehabilitation of the Company's Kipoi Project area.
- We note intercompany loans owed to Tiger at 31 October 2019 totalled US\$231.3 million. The breakdown is set out below.

Intercompany Loans owed to Tiger	31-Oct-19 US\$'000
Loan - SASE	15,924
Loan - SEK	6,138
Loan - Congo Minerals	18,884
Loan - Tiger Congo	49,079
Loan - Tiger Finance	74,823
Loan - Balcon	3,289
Loan - Havelock Finance	6,518
Loan - Balcon Logistics	56,677
<b>Total Intercompany Loans</b>	<b>231,333</b>

Source: Tiger Management

#### 4.5 Historical Statements of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Half year ended 30-Jun-19 US\$'000	Year ended 31-Dec-18 US\$'000	Year ended 31-Dec-17 US\$'000
Revenue	29,807	123,576	99,830
Cost of sales	(43,566)	(97,350)	(88,619)
<b>Gross Profit</b>	<b>(13,759)</b>	<b>26,226</b>	<b>11,211</b>
Other Income	25	3,173	3,364
Exploration and evaluation expenses	(865)	(2,594)	(1,266)
Administration expenses	(2,361)	(5,795)	(7,705)
Movement in fair value of derivative liability	11	-	-
Foreign exchange gain/(loss)	288	(503)	(3,702)
Doubtful debt expense	(6,527)	(14,180)	(11,716)
Impairment expense	-	(31,170)	-
Finance costs	(13,651)	(26,949)	(25,909)
<b>Loss before income tax expense</b>	<b>(36,839)</b>	<b>(51,792)</b>	<b>(35,723)</b>
Income tax expense	(298)	(1,236)	(47)
<b>Loss for the period</b>	<b>(37,137)</b>	<b>(53,028)</b>	<b>(35,770)</b>
<b>Other comprehensive loss</b>			
Changes in the fair value of equity investments	-	-	(172)
<b>Total comprehensive loss for the period</b>	<b>(37,137)</b>	<b>(53,028)</b>	<b>(35,942)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of Tiger	(35,275)	(50,349)	(34,341)
Non-controlling interest	(1,862)	(2,679)	(1,601)
<b>Total comprehensive loss for the period</b>	<b>(37,137)</b>	<b>(53,028)</b>	<b>(35,942)</b>

Source: Tiger's financial statements for the years ended 31 December 2017 and 31 December 2018, and for the half year ended 30 June 2019

We note that the Company's auditor issued an unmodified audit report with no qualifications for the year ended 31 December 2017 but highlighted the existence of material uncertainty relating to the ability of the Company to continue as a going concern.

For the year ended 31 December 2018, the auditor has not expressed an audit opinion on the basis that the auditor has not been able to obtain sufficient appropriate audit evidence to provide a basis for the audit opinion on the financial report. The inability to obtain appropriate audit evidence is a result of the uncertainty around the Company's ability to reach agreement with the Senior Lenders on its restructuring plans and forbearance requirements.

The above reasons have also led to the auditor not being able to obtain sufficient appropriate audit evidence to provide a basis for a review conclusion for the half year ended 30 June 2019.

### Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Revenue of US\$29.81 million for the half year ended 30 June 2019 related to the sale of 4,902 tonnes of copper cathode at a realised copper price of US\$6,121 per tonne.
- Administration expenses for the half year ended 30 June 2019, related to employee costs of US\$1.08 million, corporate advisory and compliance fees of US\$0.74 million, and other administrative expenses of US\$0.54 million.
- The doubtful debt expense of US\$6.53 million recognised for the half year ended 30 June 2019 related to the possible non-recovery of value added tax ('VAT') receivable in the DRC, and possible non-recovery of Megatron DRC SARL ('Megatron') prepayments and rebates.
- Impairment losses of US\$31.17 million for the year ended 31 December 2018 primarily related to the impairment of the Kipoi cash generating unit totalling US\$30.98 million.
- Finance costs of US\$13.68 million for the half year ended 30 June 2019 largely related to the interest charged on the Company's loans amounting to US\$10.51 million.
- Income tax expense is a provisional amount based on the DRC minimum income tax payable of 1% of revenues. Tiger continues not to recognise deferred tax assets on carry forward losses or temporary differences.

## 4.6 Capital Structure

The share structure of Tiger as at 31 October 2019 is outlined below:

	Number
Total ordinary shares on issue	2,249,303,779
Top 20 shareholders	1,795,628,272
Top 20 shareholders - % of shares on issue	79.83%

Source: Share registry information

The range of shares held in Tiger as at 31 October 2019 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares
1 - 1,000	244	42,537	0.00%
1,001 - 5,000	668	2,063,283	0.09%
5,001 - 10,000	584	4,828,100	0.21%
10,001 - 100,000	1,929	76,943,079	3.42%
100,001 - and over	873	2,165,426,780	96.27%
<b>TOTAL</b>	<b>4,298</b>	<b>2,249,303,779</b>	<b>100.00%</b>

Source: Share registry information

The ordinary shares held by the most significant shareholders as at 31 October 2019 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Resource Capital Funds VI L.P.	326,245,633	14.50%
Taurus SM Holdings Pty Ltd	292,546,030	13.01%
International Finance Corporation	270,291,425	12.02%
Todd Hannigan and associated entities/ Tom Todd and Bean Investments Pty Ltd	153,208,629	6.81%
Republic Investment Management	116,339,553	5.17%
Top five holders	1,158,631,270	51.51%
Others	1,090,672,509	48.49%
<b>Total ordinary shares on Issue</b>	<b>2,249,303,779</b>	<b>100.00%</b>

Source: Company annual report and substantial shareholder notices

## 5. Economic analysis

In this section we have provided commentary on trends in both the Australian and DRC economies, which we consider are relevant to Tiger.

### 5.1 Australia

#### Domestic growth

The Reserve Bank of Australia ('RBA') is expecting Gross Domestic Product ('GDP') growth of around 2.25% this year, and then for growth to gradually pick up to 3% in 2021. Growth is anticipated to be supported by increased investment in infrastructure and a pick-up in activity in the resources sector, as mining firms invest to sustain production levels and expand productive capacity. However, there remains some uncertainty around the outlook for household consumption. Continued low growth in household income remains a key risk to the outlook for household consumption, with only modest increases in household disposable income continuing to weigh on consumer spending. However, signs of stabilisation in the Melbourne and Sydney housing market are expected to support spending.



### Inflation

Domestic inflation remains low as a result of subdued inflationary pressures across the economy. Inflation in both headline and underlying terms was 1.7% over the year to the September 2019 quarter. The RBA is expecting underlying inflation to be close to 2.0% over 2020 and 2021.

### Employment

Employment growth has persisted and labour force participation is at a record level. The unemployment rate has been steady at approximately 5.25% and is anticipated to remain around this level for some time before declining to slightly below 5.0% in 2021. Overall wage growth remains low, with labour supply meeting demand, and caps on wages growth affecting public-sector pay outcomes. The RBA noted a further lift in wage growth would be required to lift inflation to within its target range of 2.0% to 3.0%.

### Currency movements

The Australian dollar is currently at the low end of the narrow range that it has been trading recently. Movements in the Australian dollar tend to be related to developments in commodity prices and interest rate differentials. Since the start of the year, these two forces have been working in offsetting directions, with commodity prices including gold increasing significantly in June 2019 and Australian bond yields declining relative to those in other major markets.

Source: [www.rba.gov.au](http://www.rba.gov.au) Statement by Philip Lowe, Governor: Monetary Policy Decision 5 November 2019, 2 October 2019, and Statement on Monetary Policy November 2019.

## 5.2 The DRC

The DRC is endowed with significant resource wealth, however prolonged periods of political instability and a series of conflicts have hindered economic growth and government revenues.

The mining sector has been the cornerstone of the DRC economy, with the majority of its export revenue generated by the extractive sector. GDP growth increased from 3.7% in 2017, to 4.1% in 2018, on the back of higher copper and cobalt prices and increased mining activity. GDP growth is projected to be 4.5% and 4.6% in 2019 and 2020, respectively, with mining expected to remain a key driver of growth.

Inflation was an estimated 7.2% in 2018, after reaching 54.8% in 2017 on the back of a steep depreciation in the Congolese Franc. During 2018, the Central Bank of the Congo lowered interest rates from 20% to 14% in light of favourable economic developments. As of August 2019, the key policy rate is 9%.

Over the last few years there has been growth in other sectors, including manufacturing, agriculture and transport and communications, but further economic diversification is required to create a stable economic climate. Corruption, a lack of transparency and uncertain legal frameworks has hindered economic growth in the DRC. While the DRC Government has launched reforms to improve transparency and governance, there are still further measures required to ensure political and economic stability.

### Changes to the DRC Mining Code

Following the commencement of a revision process in 2012, the DRC passed a new Mining Code signed into law by President Joseph Kabila on 9 March 2018. Some key changes to the modified Mining Code include:

- an increase in the State free carried, non-dilutable equity interest from 5% to 10%, for new permit applications, increased by 5% each time a permit is renewed. For existing permit holders, the equity interest will increase by 5% on each renewal of a mining licence;

- an increase in royalties from 2.0% to 3.5% for non-ferrous and base metals, and from 2.5% to 3.5% for precious metals (calculated on the gross market value of the products);
- a new 10% royalty on minerals deemed to be 'Strategic Substances', which include cobalt (as declared on 24 November 2018);
- a new 50% super tax on excess profits, defined as profits made when a commodity exceeds by 25% the prices used in the bankable feasibility study; and
- the reduction of exploitation licenses from 30 to 25 years.

Source: African Economic Outlook 2019, The World Bank

## 6. Industry analysis

This section discusses the industry most relevant to Tiger. We note that although cobalt has been identified as a potential by-product from Tiger's mining activities, copper remains the Company's main commodity and is the focus of our analysis below.

### 6.1 Copper

Copper is a soft, malleable, ductile metal used primarily for its electrical and thermal conductive properties and its resistance to corrosion. It is highly versatile and has a variety of applications in construction, electrical and electronic components, communications and transportation.

Copper occurs naturally in the Earth's crust in a variety of forms such as sulphide deposits, carbonate deposits and silicate deposits. Open pit mining is widely utilised in most copper producing countries although in Australia, approximately 93% of output is extracted through underground mining. Copper is often found in conjunction with gold, lead, cobalt or zinc, and a number of industry operators mine these metals and ores as well.

Copper concentrate is derived from an oxide through beneficiation processes and is then converted to copper products through smelting and refining. Copper is also 100% recyclable and approximately 80% of the copper ever produced is still in use today.

According to the World Copper Factbook 2019 published by the International Copper Study Group ('ICSG'), the top three countries by copper mine production in 2018 were (in descending order): Chile, Peru and China. However, in terms of refined copper production for 2018, the same publication ranked China, Chile and Japan as the top three countries (in descending order).

Tiger's primary asset is its 95% interest in the Kipoi Project, which is located in the Katanga Copper Belt region of the DRC. Mining at the Kipoi Project is open pit with the ore subsequently undergoing hydrometallurgical processing through heap and tank leaching, followed by SXEW into copper cathodes. SXEW production, which was virtually non-existent before the 1960s, made up approximately 16% of total copper refined production in 2018 according to estimates by the ICSG.

#### Global Demand for Copper

Based on the latest full year statistics available on Bloomberg, global demand for refined copper grew from approximately 18 million tonnes in 2009 to approximately 24.1 million tonnes in 2018, representing a compound annual growth rate ('CAGR') of 3.3%. On a year-on-year basis, global demand for refined copper has experienced growth in each of the nine years to 2018, although the growth rate varied from as

low as 0.6% for 2016-17 to as high as 7.3% for 2013-14. The ICSG forecasts refined copper usage to continue to grow in 2019 and 2020, to approximately 24.97 million tonnes and 25.33 million tonnes, respectively. Prior studies by the ICSG have also found an increasing trend in world refined copper usage on a per capita basis over the period from 1950 to 2017, although the trend has plateaued in recent years. Growth in demand is expected to be supported by existing uses such as for the transmission of electricity, in construction and in electronics, as well as emerging uses such as in electric vehicles, renewable energy and, as a result of its antimicrobial properties, healthcare.

The following table shows the top five countries by demand for refined copper in 2018, as well as their trends in demand from 2014. Of these countries, China accounts for approximately half of total global demand for refined copper and having the highest CAGR amongst the top five countries.

000 tonnes	2018	2017	2016	2015	2014	CAGR%
China	12,515	11,802	11,670	11,357	11,151	2.9%
United States	1,814	1,783	1,811	1,797	1,760	0.8%
Germany	1,204	1,180	1,238	1,220	1,163	0.9%
Japan	1,025	998	973	997	1,073	-1.1%
South Korea	661	674	720	715	751	-3.1%
Others	6,916	7,059	6,945	6,901	6,941	-0.1%
<b>Global refined copper demand</b>	<b>24,135</b>	<b>23,496</b>	<b>23,357</b>	<b>22,987</b>	<b>22,839</b>	<b>1.4%</b>

Source: Bloomberg Intelligence

### Global Supply for Copper

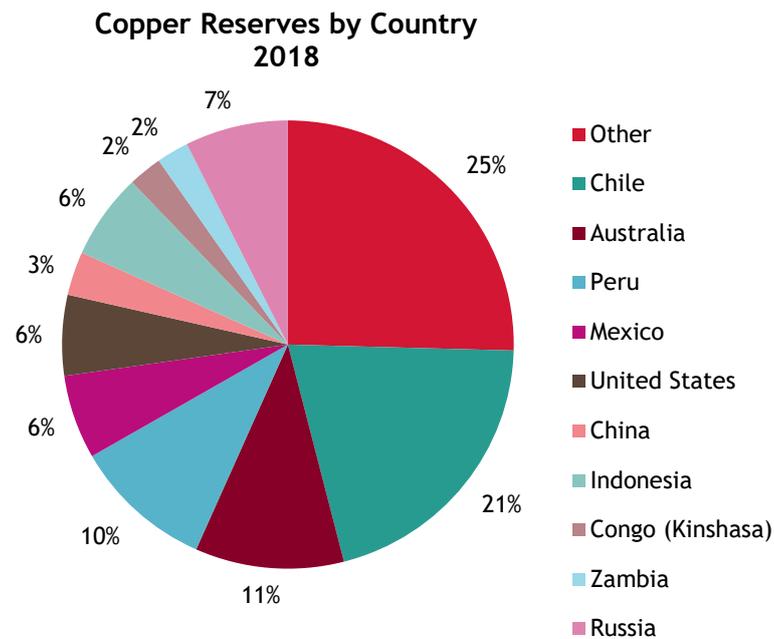
The total amount of copper mined also increased from 15.9 million tonnes in 2009 to 20.7 million tonnes in 2018 (CAGR of 3.0%). Global mined copper production growth was muted coming out of the 2008/2009 Global Financial Crisis with a 0.9% year-on-year growth recorded for 2009-2010 followed by a 0.2% growth for 2010-2011. Over the subsequent years however, growth improved with 2012-2013 being a particularly strong year (8.3%). A small contraction in global mined copper production was observed for 2016-2017 (-1.1%).

The table below shows the breakdown of global mined copper production by the top five countries in 2018, and recent trends in their mine production from 2014. Chile was the largest producer accounting for 28% of global mined copper production, followed by Peru which accounted for 12% of global mined production in 2018. The DRC was the fifth largest producer in 2018, accounting for approximately 6% and showing strong growth since 2014 (CAGR 6.7%).

000 tonnes	2018	2017	2016	2015	2014	CAGR%
Chile	5,832	5,504	5,553	5,772	5,761	0.3%
Peru	2,437	2,445	2,354	1,701	1,379	15.3%
China	1,549	1,681	1,875	1,690	1,759	-3.1%
United States	1,232	1,272	1,447	1,415	1,384	-2.9%
DRC	1,231	1,060	981	972	949	6.7%
Others	8,429	8,205	8,191	7,759	7,294	3.7%
<b>Global mined copper production</b>	<b>20,710</b>	<b>20,167</b>	<b>20,401</b>	<b>19,309</b>	<b>18,526</b>	<b>2.8%</b>

Source: Bloomberg Intelligence

Although the DRC represented 6% of global mined copper production in 2018, according to the United States Geological Survey ('U.S. Geological Survey'), the country's reserves seem relatively insignificant when compared to large producers like Chile and Peru. As depicted in the chart below, Chile, Australia and Peru are estimated to collectively account for just over 40% of global reserves of copper, while DRC's reserves are approximately 2% of the global copper reserves.



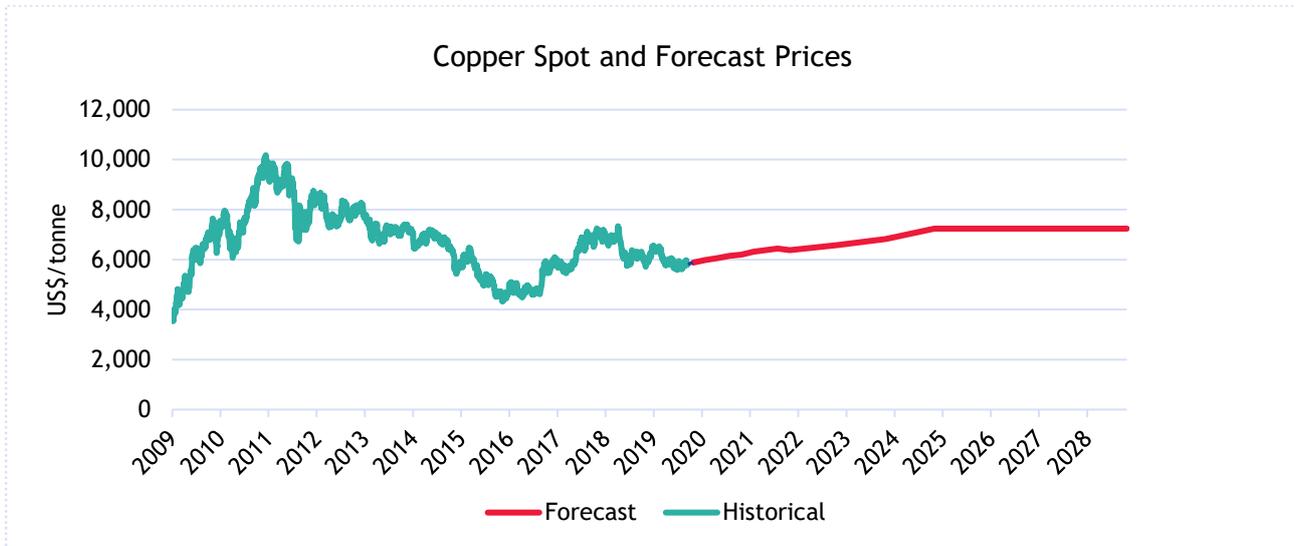
Source: U.S. Geological Survey

### Copper Prices

Following a deterioration in global economic conditions in 2008, base metal prices, including copper, fell sharply. The copper price recovered over 2010 and 2011, to reach a high of approximately US\$10,180 per tonne in February 2011. The recovery in the copper price reflected a steady increase in demand for base metals, following a pick-up in global industrial production after the Global Financial Crisis.

Between 2011 and 2017, the copper price steadily declined, before increasing in price in mid-February 2017 as a result of strike action at the world's largest copper mine Escondida, located in Chile.

The average copper price from January 2019 through November 2019 was US\$6,004/t, ranging from a low of US\$5,585/t on 3 September 2019 to a high of US\$6,556/t on 28 February 2019.



Source: Bloomberg and Consensus Economics

## Copper Outlook

The ICSG anticipates global mine production to remain unchanged in 2019 (after adjusting for historical disruption factors) and to grow by 1.9% in 2020. In 2019, additional output from the start-up of the major Cobre de Panama mine, the expansion of Toquepala mine and the commissioning of a few small and medium mines is expected to be balanced by a significant decline in Indonesian output and regulatory and taxation issues which will negatively impact output from Zambia. Indonesian output is expected to recover in 2020 which will support global output growth of about 1.9% (after adjusting for possible supply disruptions).

The ICSG also expects sustained growth in copper demand as it remains an essential commodity to economic activity, particularly in today's technological society. Infrastructure development in China and India as well as the trend towards cleaner energy is expected to support demand for the metal. World apparent refined usage is expected to increase by around 2% in 2019 and 1.5% in 2020. Overall, global refined copper balance projections indicate a deficit of about 190,000t for 2019 before increasing to 250,000t for 2020, with growth in refined production expected to lag behind that of usage. The actual market balances will however, be influenced by the ongoing US-China trade issues and strength of the global economy, especially that of China.

## 7. Valuation of the assets of Tiger relative to the debts

### 7.1 Valuation approach

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME');
- Discounted cash flow ('DCF');
- Quoted market price basis ('QMP');
- Net asset value ('NAV'); and
- Market based assessment, such as a Resource Multiple.

A summary of each of these methodologies is outlined in Appendix 3.

We have been instructed to value the assets of Tiger relative to the Company's debt.

In our assessment of the value of the Company's assets and liabilities we have chosen to employ a sum-of-parts approach, which involves aggregating the individual components of a business, with each component valued separately using the most appropriate valuation approach ('**Sum-of-Parts**'). In assessing the Sum-of-Parts value of Tiger's assets relative to its debts, we have used the following methodologies:

- Valuation of the Company's Kipoi Project using a DCF valuation. We commissioned CSA Global Pty Ltd ('**CSA Global**') to provide an independent technical assessment and valuation report ('**Independent Technical Assessment and Valuation Report**'), which confirmed the reasonableness of the technical assumptions underpinning the DCF model. CSA Global provided a cross check to our DCF value using the comparable transactions approach. We consider a DCF approach to be the most appropriate because the core value of Tiger lies in its mineral assets, which have finite lives. Further, the Kipoi Project has a history of production and has declared reserves. Therefore, we consider that we have a reasonable basis under *Regulatory Guide 170 Prospective Financial Information ('RG 170')* and *Information Sheet 214 Mining and resources - Forward-looking statements ('IS 214')* to apply the DCF methodology;
- Value of the residual inferred resource outside of the mine plan and other exploration areas were valued by the independent technical specialist, CSA Global. CSA Global used the comparative transactions methodology as its primary approach in determining the value of the resource outside of the mine plan and the value of other exploration areas; and
- Tiger's other assets and liabilities were valued using the NAV approach.

We are satisfied with the valuation methodologies adopted by CSA Global, which we believe are in accordance with industry practices and compliant with the requirements of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) ('**VALMIN Code**'). The specific valuation methodologies used by CSA Global are referred to in the respective sections of our Report and in further detail in the Independent Technical Assessment and Valuation Report contained in Appendix 5.

We have disregarded the below valuation approaches for the following reasons:

- FME - We are valuing the individual assets and liabilities of the Company rather than the value of a business. Further, Tiger does not have a stable track record of operating profits on which to apply an earnings multiple. A FME approach is also not typically used for finite life assets;
- QMP - The Company's shares have been suspended from trading since February 2017, therefore there is currently not a liquid and active market on which the shares are able to be traded. Further, we are valuing the assets and liabilities rather than the Company; and
- NAV - A NAV is often used in the absence of a reliable DCF, FME or market based approach. Given that we have reasonable grounds for a DCF valuation, we do not consider a NAV approach to be appropriate.

Both the valuations of the Company's assets under the assumption that the Scheme does not proceed and our valuation following the implementation of the Scheme have been conducted on a going concern basis. In accordance with RG111, fair market value should be determined on the basis of a knowledgeable and willing, but not anxious seller. The funding requirements for the development of the project are taken into account in the same way under both scenarios. Therefore, we do not consider it appropriate, nor in accordance with RG 111, to assess the value of Tiger's mineral assets on the basis of the Company being under financial distress. For this reason we have assessed the discount rate under both valuation

scenarios based on comparable company analysis. The discount rate and other valuation inputs and assumptions are applied consistently under both scenarios that the Scheme proceeds and does not proceed.

## 7.2 Value of the assets of Tiger relative to the debts assuming the Scheme does not proceed

### 7.2.1. Summary valuation

The value of the assets and liabilities of Tiger, assuming the Scheme does not proceed, is set out below.

#### SEK (Tiger's operating subsidiary in the DRC)

SEK is a 95% owned operating subsidiary of Tiger. The value of the assets and liabilities held within SEK are set out below:

Summary Valuation of SEK	Ref	Low value US\$'000	High value US\$'000
<b>Assets</b>			
Value of the Kipoi Project (unfunded 100% basis)	7.2.2	50,000	100,000
Value of residual inferred resource outside the Kipoi Project mine plan	7.2.3	22,500	41,500
Value of SEK's other assets	7.2.4	21,821	21,821
<b>Total value of SEK's assets assuming the Scheme does not proceed</b>		<b>94,321</b>	<b>163,321</b>
<b>Liabilities</b>			
Tranche A senior secured debt	7.2.5	219,362	219,362
Tranche D super senior secured debt	7.2.5	13,643	13,643
Tranche E super senior secured debt	7.2.5	12,110	12,110
Unsecured debt with DRC banks	7.2.5	15,284	15,284
Value of SEK's other liabilities	7.2.6	60,724	60,724
<b>Total value of SEK's liabilities assuming the Scheme does not proceed</b>		<b>321,123</b>	<b>321,123</b>
<b>Net value of SEK assuming the Scheme does not proceed</b>		<b>(226,802)</b>	<b>(157,802)</b>

Source: BDO analysis

We note that the value of SEK's liabilities exceed the value of SEK's assets by between US\$157.8 million and US\$226.8 million. Therefore, assuming the Scheme does not proceed, there would be no value that would be available to distribute to Tiger and there will be a shortfall to the Senior Lenders of between US\$157.8 million and US\$226.8 million. However, for completeness, we have presented the value of Tiger's other assets and liabilities as set out below.

### Tiger's other assets and liabilities

Other than the assets and liabilities within SEK, the remaining assets and liabilities of Tiger are set out below:

Summary Valuation of Tigers other assets and liabilities	Ref	Low value US\$'000	High value US\$'000
<b>Other Assets</b>			
Value of Tiger's other exploration assets (100% basis)	7.2.7	14,500	33,500
<b>Total value of Tiger's other assets assuming the Scheme does not proceed</b>		<b>14,500</b>	<b>33,500</b>
<b>Other Liabilities</b>			
Value of Tiger's trade and other payables		7,634	7,634
<b>Total value of Tiger's other liabilities assuming the Scheme does not proceed</b>		<b>7,634</b>	<b>7,634</b>
<b>Net value of Tiger (excluding SEK) assuming the Scheme does not proceed</b>		<b>6,866</b>	<b>25,866</b>

Source: BDO analysis

### Conclusion on the assets of Tiger relative to its debts assuming the Scheme does not proceed

Conclusion	Low value US\$'000	High value US\$'000
Net liability position of SEK assuming the Scheme does not proceed	(226,802)	(157,802)
Less: non-controlling interest in Kipoi	(3,625)	(7,075)
<b>Net liability position of SEK assuming the Scheme does not proceed</b>	<b>(230,427)</b>	<b>(164,877)</b>
Net asset position of Tiger (excluding SEK) assuming the Scheme does not proceed	6,866	25,866
Less: Non-controlling interest in Tiger's other exploration assets	(725)	(1,675)
<b>Net asset position of Tiger (excluding SEK) assuming the Scheme does not proceed</b>	<b>6,141</b>	<b>24,191</b>
<b>Overall net liability position of Tiger assuming the Scheme does not proceed</b>	<b>(224,286)</b>	<b>(140,686)</b>

Source: BDO analysis

\*The non-controlling interest values are calculated as 5% of the assessed values in section 7.2

We note that the above values are at an asset level, therefore we have not included the present value of corporate costs in our analysis.

The tables above indicate that the net position of Tiger assuming the Scheme does not proceed ranges between a net liability position of US\$140.7 million and US\$224.3 million.

### 7.2.2. Value of the Kipoi Project

We elected to use the DCF approach to value the Kipoi Project. The DCF approach estimates the fair market value by discounting the future cash flows arising from the Kipoi Project to their net present value. Performing a DCF valuation requires the determination of the following:

- The expected future cash flows that the Kipoi Project is expected to generate; and
- An appropriate discount rate to apply to the cash flows of the Kipoi Project to convert them to present value equivalent.

The DCF value of the Kipoi Project and the sensitivity analysis represents the values on a 100% ownership interest basis. The charts displaying the physical inputs are presented on a 100% ownership basis (unless stated otherwise).



### 7.2.2.1. Future cash flows of the Kipoi Project

A detailed cash flow model of the Kipoi Project was prepared by the management of Tiger, with the assistance of advisors (**'the Model'**). The Model estimates the future cash flows expected from the copper production at Kipoi over a 10 year mine life, based on reserves compliant with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (**'JORC Code'**). The Model was prepared in nominal terms and includes the Company's forecast corporate costs.

We have assessed the reasonableness of the Model and the material assumptions that underpin it. BDO has made certain adjustments to the Model where it was considered appropriate to arrive at an adjusted model (**'the Adjusted Model'**). In particular, we have adjusted the Model to reflect any changes to technical assumptions as a result of CSA Global's review, in addition to the economic and other input assumptions that we consider appropriate as a result of our research and analysis. We have also adjusted the Model to remove corporate costs as we are valuing Kipoi on a project level.

We have undertaken our valuation of the Kipoi Project on an unfunded basis. Pursuant to RG 111.15, the expert should generally take into account the funding required to develop a project. Our valuation of the assets relative to the debts as summarised in section 7.2.1, demonstrates that SEK and Tiger are in a significant net liability position on an unfunded basis. The fact that the project requires funding would reduce the value that a potential acquirer would be willing to pay to acquire the project. Also, if Tiger were to fund the project, then this would result in value leakage, either through onerous debt terms resulting in cash flows to debt holders, or significant dilution if the Company were to raise equity. Consequently, since the value of the liabilities of SEK and Tiger already exceed the value of their assets on an unfunded basis, the extent of this would only increase further if the funding that would be required to develop the project were to be taken into account.

Also, given the existing level of debt in SEK, we would not have reasonable grounds to assume that Tiger or SEK could obtain further debt financing or alternative financing options such as offtake or prepayment facilities. Given that Tiger has been suspended from quotation on the ASX since 22 February 2017, this would also cast doubt over whether we could demonstrate reasonable grounds for assuming that Tiger could obtain funding through an equity raise or the terms of such an equity raise.

As detailed above, we do not consider this to have an impact on our overall opinion on the net position of the Company's assets and liabilities assuming the Scheme does not proceed, such that, were we to provide a value of Kipoi on a funded basis, the value of the Company's liabilities would still exceed the value of its assets.

The Model was prepared based on estimates of production profile, operating costs, project and sustaining capital expenditure. The main assumptions underlying the Model include:

- Mining and production volumes;
- Commodity prices;
- Operating costs;
- Project capital and sustaining capital expenditure;
- Royalties;
- Corporate tax; and
- Discount rate.

We undertook the following analysis on the Model:

- analysing the Model to confirm its integrity and mathematical accuracy;
- Appointed CSA Global as a technical expert to review, and where required, provide changes to the technical assumptions underlying the Model;
- Conducted independent research on certain economic and other inputs such as commodity prices, exchange rates, inflation and discount rate applicable to the future cash flows of the Kipoi Project;
- Held discussions with Tiger's management regarding the preparation of the forecasts in the Model and its views; and
- Performed a sensitivity analysis on the value of the Kipoi Project as a result of flexing selected assumptions and inputs.

We have not undertaken a review of the cash flows in accordance with the Standard on Assurance Engagements ASAE 3450 'Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information' and do not express an opinion on the reasonableness of the assumptions or their achievability. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted Model has been based have not been prepared on a reasonable basis.

### Appointment of technical expert

CSA Global was engaged to prepare the Independent Technical Assessment and Valuation Report which includes a technical assessment of the Kipoi Project assumptions underlying the Model. CSA Global's assessment involved the review and provision of input on the assumptions adopted in the Model, including but not limited to:

- Mining physicals (including volume mined, recovery and grade);
- Processing assumptions (including products and recovery);
- Operating costs (comprising direct operating expenditure and certain fixed costs);
- Capital expenditure (development and sustaining capital expenditure required); and
- Other relevant assumptions.

Based on current reserves, the Kipoi Project is expected to have a mine life of approximately 10 years.

A copy of CSA Global's Independent Technical Report is included in Appendix 5.

### Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Model, as it is often the case that some events and circumstances frequently do not occur as expected, or are not anticipated, and those differences may be material.

### Economic assumptions

#### Inflation

The forecast operating costs are primarily denominated in US Dollars, therefore we consider the US inflation rate to be the most appropriate inflation rate to apply to the cash flows in the Adjusted Model.

Having regard to the above, we have assumed an inflation rate of 2% over the life of the Kipoi Project based on consensus views of forecast US inflation as sourced from Bloomberg.

### Pricing

The Kipoi Project will receive revenue from the sale of copper cathodes. In assessing forecast copper prices, we have considered the most recent Consensus Economics price forecasts as at November 2019.

Based on our analysis, we have adopted the following future copper prices (in nominal terms):

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024-28
Copper Price US\$/t	5,850	6,119	6,414	6,626	6,746	7,290

Source: Consensus Economics and BDO analysis

We note that the mine life extends beyond 2028, as such we have applied our assessed inflation rate of 2% to the long term commodity price after 2028.

### Mining Physicals

CSA Global has confirmed the reasonableness of the mining physicals in the Independent Technical Assessment and Valuation Report found in Appendix 5. We note that the Adjusted Model commences from 1 November 2019, therefore the 2019 figures in the below charts represent two months of operations.

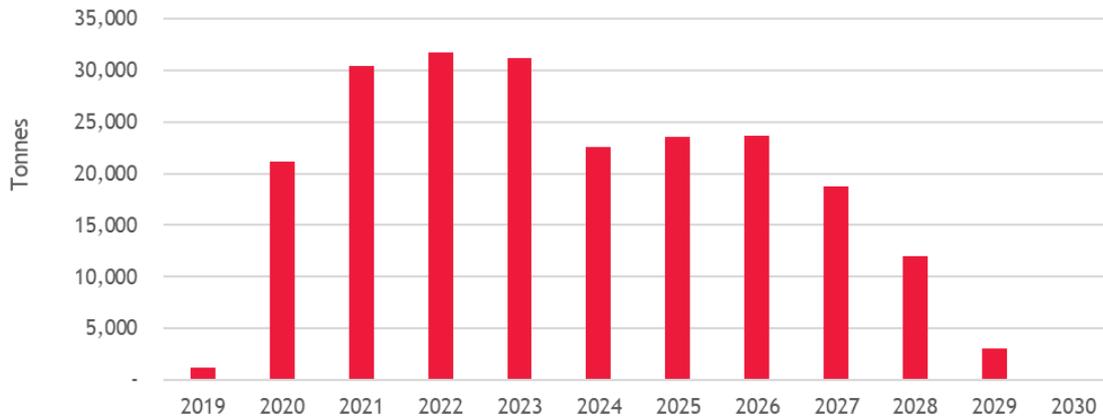
The graph below shows the forecast total ore mined for the Kipoi Project, separating ore and waste.



Source: Adjusted Model

The forecast copper cathode produced from the Kipoi Project is presented graphically below.

### Total Copper Cathode Produced



Source: Adjusted Model

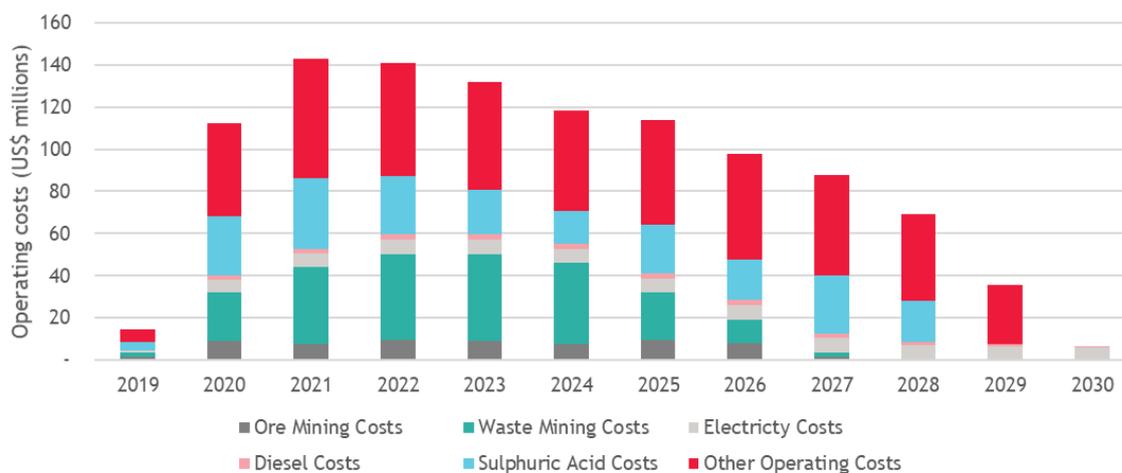
### Operating Costs

Operating costs included in the Adjusted Model consist of mining, processing (including electricity and diesel costs), plant maintenance, and operating consumables), transportation, site administration and other costs.

CSA Global has confirmed the reasonableness of the operating costs included in the Adjusted Model. Further detail on CSA Global’s assessment of the reasonableness of the operating costs at the Kipoi Project can be found in Appendix 5.

The graph below outlines the forecast operating costs for the Kipoi Project on a nominal basis over the life of mine.

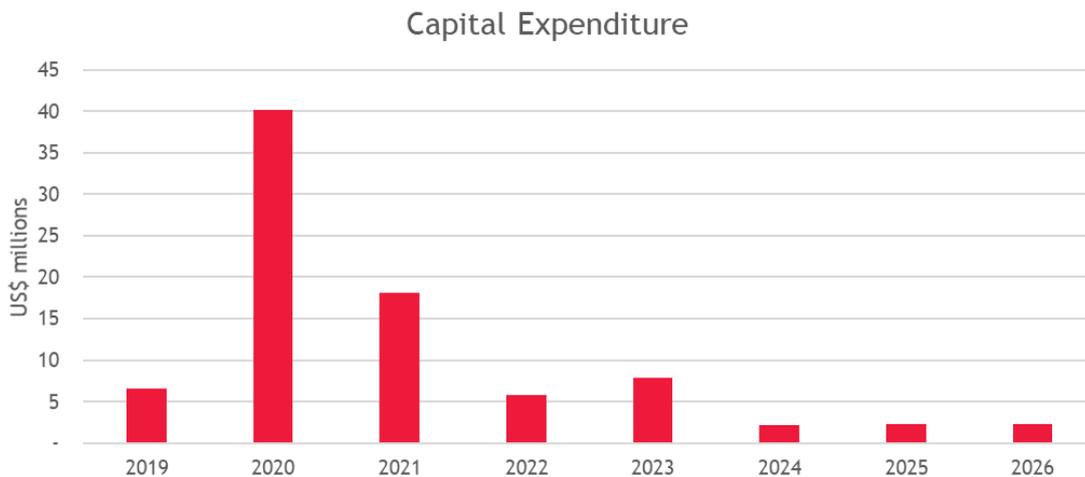
### Operating Costs



Source: Adjusted Model

## Capital Expenditure

The capital expenditure requirements for the Kipoi Project comprise sustaining and project capital. Sustaining capital primarily relates to expenditure on heap leach pads and general plant costs, while project capital expenditure relates to scrubber, tank leach, crusher and water treatment plant upgrades. CSA has confirmed the reasonableness of the forecast capital expenditure included in the Adjusted Model. The details of this assessment can be found in CSA Global’s report included as Appendix 5 to our Report. The graph below shows the forecast capital expenditure over the life of the mine, as per the Adjusted Model.



Source: Adjusted Model

## Royalties

### DRC Government Royalties

The DRC’s revised mining code was signed into law by President Joseph Kabila on 9 March 2018, amending the 2002 mining code. Royalties are calculated per articles 241- 242 of the 2018 DRC Mining code.

Under the revised code, royalties for both non-ferrous and base metals have increased from 2 percent to 3.5 percent. As such, copper royalties will be distributed to the DRC Government at a rate of 3.5 percent of the sale value of the copper concentrate produced. Therefore, we have adopted a royalty of 3.5 percent of the sale value of the copper concentrate produced in the Adjusted Model.

### Gecamines

In October 2014, Tiger acquired the remaining 40% shareholding in SEK from Générale des Carrières et des Mines (‘Gecamines’). Under the terms of the acquisition, Gecamines continues to receive a 2.5% gross turnover royalty.

Further details on royalties can be found in CSA Global’s report, which is included in Appendix 5 of our Report.

## Taxation

### Corporate Tax

Corporate tax ('IBP') in the DRC is 30% of taxable profits. If there is a tax loss for the year, or if the corporate tax calculated is less than 1% of yearly turnover, then a minimum corporate tax rate of 1% on turnover is due in lieu of the 30% IBP. Based on advice from BDO Corporate Tax (WA) Pty Ltd ('BDO Tax'), we consider that IBP has been applied in the model in accordance with the relevant legislation, except for the following areas, to which we have made adjustments:

- We have updated the calculation of depreciation (deductible for IBP purposes), to be calculated using a linear depreciation method;
- We have removed transport costs relating to the sale of mining products as a deductible amount for IBP purposes; and
- We have adjusted the deductible interest amount to remove interest paid to Taurus, as Taurus is considered to be located in a country 'granting a favourable tax regime' and therefore interest paid to Taurus is not deductible for IBP purposes.

### Carried Forward Tax Losses

Tax Losses of US\$137.09 million have been applied to the Adjusted Model. We note that this balance is comprised of losses that have not yet been assessed by the DRC tax authorities. Based on advice from BDO Tax, we have adjusted the carried forward losses calculation in the Model so that losses are utilised against 60% of the corporate tax due, instead of 70%. Following the Scheme it is likely the Australian tax losses of Tiger will be subject to recoupment via satisfaction of the Same Business Test.

### CSR Levy

Articles 258 and 285 of the revised Mining Code in the DRC, relate to a 'community social responsibility' provision. Under the revised code, a mining company must record a provision of 0.3% of its yearly turnover. Based on advice from BDO Tax, we have adjusted the levy rate in the Model to be 0.3%, down from 0.5%. We have also adjusted the calculation of the provision to be based on turnover rather than EBITDA.

### DRC Central Banking Fee

A 0.2% central banking fee ('RSC') is payable to the central bank on the proceeds of export sales (when repatriated to the DRC), on the importation of foreign goods, and in and out movements of funds from foreign banks. Based on advice from BDO Tax, we have adjusted the calculation of the RSC to apply to all receipts from exports sales within the Model (previously calculated on a portion of export sales).

### VAT Credits

We note that there are VAT offsets of approximately US\$14.1 million in the Model. Under tax law in the DRC, companies are not able to offset tax liabilities using VAT credits, however the tax authorities often allow it, as a way to reduce their own VAT liabilities. SEK has been granted the ability to offset its VAT credits against certain taxes, by the DRC Minister of Finances. However we note that this can be

suspended or cancelled at any time. Given that this practice has occurred in the past, and is an accepted practice, we have retained the VAT offsets in the Adjusted Model.

### Super Profits Tax

Under the 2018 revised mining code, a new super profits tax ('SPT') was introduced. In order for the SPT to apply, the actual commodity price for the year, must have increased by at least 25% compared to the commodity price referred to in the company's DFS (or Bankable Feasibility Study). If it has increased by 25%, then a SPT of 50% is payable on the difference between EBITDA per product as per the DFS (increased by 25%) and the actual EBITDA per product achieved for the year. If a study has been prepared without a detailed EBITDA per product, then the DRC tax authorities could make an arbitrary assessment, based on estimated figures or comparisons with other mining companies.

Tiger did not declare SPT for 2018 nor does the Model contain a calculation of SPT. Management advise that they have not received any indication from the tax authorities that the SPT would be payable. Given the uncertainty surrounding the application of the tax, we have not made an adjustment to the Model for SPT. In the absence of any communication regarding the SPT, we do not have reasonable grounds to assume that this tax will be payable or the parameters under which the tax would be calculated.

### Discount Rate

In our assessment of an appropriate discount rate to apply to the Kipoi Project, we consider the most appropriate discount rate to be Tiger's weighted average cost of capital ('WACC'). This is because the Adjusted Model does not include debt cash flows and therefore, the cash flows in the Adjusted Model represent cash flows to equity holders and debt holders.

We have selected a nominal after tax WACC of 15% p.a. to discount the cash flows of the Kipoi Project to their present value. In selecting this range of discount rates, we have considered the following:

- The rate of return of comparable ASX listed copper producing companies; and
- The risk profile of Tiger relative to the comparable companies identified.

A detailed consideration of how we arrived at our adopted discount rate range is shown in Appendix 4.

### Sensitivity Analysis

The value of the Kipoi Project is derived under the DCF approach. Our valuation is highly sensitive to changes in the key assumptions underpinning the Adjusted Model. We have therefore included an analysis to consider the value of the Kipoi Project under various scenarios and in applying:

- a change of +/- 10% to the copper price;
- a change of +/- 10% to operating expenditure;
- a change of +/- 10% to capital expenditure; and
- a discount rate in the range of 12% to 18%.

The following sensitivities have been prepared to allow us to consider the potential effects to the value of the Kipoi Project if our base case assumptions change.

Sensitivity Analysis			
	US\$m	US\$m	US\$m
Percentage Change	Copper Price (US\$/t)	Operating Costs	Capital Costs
10%	136.21	15.55	66.70
8%	124.39	27.94	68.08
6%	112.68	40.34	69.46
4%	99.83	50.89	70.84
2%	88.61	61.65	72.22
0%	73.61	73.61	73.61
-2%	58.60	85.56	74.99
-4%	44.62	97.52	76.37
-6%	30.58	105.52	77.75
-8%	14.93	115.93	79.13
-10%	(0.72)	125.21	80.51

Source: Adjusted Model and BDO analysis

Discount Rate							
Discount rate (%)	12%	13%	14%	15%	16%	17%	18%
Value of Tiger's interest in the Kipoi Project US\$m	84.49	80.71	77.08	73.61	70.27	67.08	64.02

Source: Adjusted Model and BDO analysis

In considering the above sensitivities, we note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

Considering the valuation outcomes above, we estimate the value of the Kipoi Project to be in the range of US\$50 million and US\$100 million.

### 7.2.3. Value of residual resource outside the Kipoi mine plan

We have valued the ore included in the mine plan using a DCF approach. We have commissioned CSA Global to value the residual resource outside the Kipoi Project mine plan as we do not have a reasonable basis for inclusion of this in our DCF valuation. This is because of the lower level of certainty around a Company's resource that is not currently included in a mine plan. CSA Global have used the comparable transactions approach as their primary approach to value the residual resource, which we consider to be



in accordance with the VALMIN Code and industry practices. The value of the residual resource outside the Kipoi Project mine plan is set out in the table below.

Value of residual resources	Low US\$'000	Preferred US\$'000	High US\$'000
Kipoi and Kileba Resource outside the mine plan (100% basis)	22,500	32,000	41,500
<b>Total value of residual resource outside the Kipoi mine plan</b>	<b>22,500</b>	<b>32,000</b>	<b>41,500</b>

Source: Independent Technical Assessment and Valuation Report

### 7.2.4. Value of other assets in SEK

The other assets of SEK are the assets that are not reflected in the value of the Kipoi Project. From our discussions with Tiger and analysis of these other assets, outlined in the table below, we do not believe that there is a material difference between their book value and their fair value unless an adjustment has been noted below.

The table below represents a summary of the assets identified:

Other assets	Note	Unaudited as at 31-Oct-19 US\$'000	Adjusted Balance US\$'000
<b>Other Current Assets</b>			
Cash and cash equivalents		1,109	1,109
Trade and other receivables		3,385	3,385
Inventories	a	24,413	13,755
<b>Total Other Current Assets</b>		<b>28,907</b>	<b>18,249</b>
<b>Other Non-Current Assets</b>			
Receivables		3,572	3,572
<b>Total Other Non-Current Assets</b>		<b>3,572</b>	<b>3,572</b>
<b>TOTAL OTHER ASSETS</b>		<b>32,479</b>	<b>21,821</b>

Source: Tiger's Management Accounts for the month ending 31 October 2019

We have not undertaken a review of Tiger's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

#### Note a) Inventories

We have removed the portion of the inventory balance that relates to consumable products, as the value of these products is reflected in the DCF value of the Kipoi Project.

Inventories	US\$'000
Inventory on hand at 31 October 2019	24,413
Less: Consumables on hand at 31 October 2019	(10,658)
<b>Adjusted inventories</b>	<b>13,755</b>

### 7.2.5. Value of SEK's debt

#### Secured borrowings with Senior Lenders

Set out below is the value of Tiger's secured debt with senior lenders, Taurus, IFC and QMetco at 31 October 2019.

	Taurus US\$'000	IFC US\$'000	QMetco US\$'000	Total US\$'000
<b>Tranche A</b>				
Principal	106,475	40,301	14,926	161,702
Capitalised and accrued interest	37,271	15,164	5,225	57,660
<b>Total</b>	<b>143,746</b>	<b>55,465</b>	<b>20,151</b>	<b>219,362</b>
<b>Tranche D</b>				
Principal	13,200	-	-	13,200
Capitalised and accrued interest	443	-	-	443
<b>Total</b>	<b>13,643</b>	<b>-</b>	<b>-</b>	<b>13,643</b>
<b>Tranche E</b>				
Principal	-	-	12,000	12,000
Capitalised and accrued interest	-	-	110	110
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12,110</b>	<b>12,110</b>
<b>TOTAL</b>				<b>245,115</b>

#### Unsecured borrowings

Set out below is the value of Tiger's unsecured debt at 31 October 2019 with banks in the DRC.

Unsecured debt with lenders in the DRC	US\$'000
Rawbank	5,777
BCDC	9,507
<b>Total unsecured borrowings</b>	<b>15,284</b>

### 7.2.6. Value of SEK's other liabilities

We have adjusted the other liabilities of SEK. From our discussions with Tiger and analysis of these other liabilities, outlined in the table below, we do not believe that there is a material difference between their book value and their fair value unless an adjustment has been noted below.

SEK other liabilities	Note	Unaudited as at 31-Oct-19 US\$'000	Adjusted Balance US\$'000
<b>Other Current Liabilities</b>			
Trade and other payables	a	58,819	58,819
Current tax payable		1,905	1,905
<b>Total Other Current Liabilities</b>		<b>60,724</b>	<b>60,724</b>
<b>Other Non-Current Liabilities</b>			
Provisions	b	10,824	-
<b>Total Other Non-Current Liabilities</b>		<b>10,824</b>	<b>-</b>
<b>TOTAL OTHER LIABILITIES</b>		<b>71,548</b>	<b>60,724</b>

#### Note a) Trade and other payables

We have been provided with an aged creditors listing which provides support for the trade and other payables balance of US\$58.8 million in SEK at 31 October 2019.

We note that a creditor of approximately US\$19.35 million is included in SEK's trade and other payables, however this amount is currently under dispute as management do not consider that the supplier has been able to perform its obligations under the contract. The Company has noted a contingent asset in its financial statements for the half year ended 30 June 2019, relating to the potential write off of this amount payable.

#### Note b) Provisions

We have reduced the balance of provisions to nil, as provisions in SEK primarily relate to rehabilitation provisions. The Adjusted Model and therefore our DCF valuation includes rehabilitation costs therefore we have removed the rehabilitation provisions from our valuation of SEK's other liabilities.

### 7.2.7. Value of Tiger’s other exploration assets

CSA Global has been instructed to provide a specialist valuation of Tiger’s other exploration assets. CSA Global has used the comparable transactions approach to assess the value of the Company’s exploration assets. The values ascribed to these assets by CSA Global is set out in the table below.

	Low US\$'000	Preferred US\$'000	High US\$'000
Judeira and Sase (100% basis)	10,000	15,000	20,000
Exploration Ground (100% basis)	4,500	9,000	13,500
<b>Total value of other exploration assets (100% basis)</b>	<b>14,500</b>	<b>24,000</b>	<b>33,500</b>

Source: Independent Technical Assessment and Valuation Report

Further detail on the valuations can be found in CSA Global’s report in Appendix 5.

### 7.3 Secondary valuation approach - comparable market transactions

We have commissioned CSA Global to provide a cross check valuation of the entire Kipoi Project, using a comparable market transactions approach. We have considered comparable market transactions as a cross check to the value of the Kipoi Project as derived from the DCF valuation.

Given the core value of Tiger lies in its Kipoi Project, a cross check of the Kipoi Project provides a suitable cross check of the Sum-of-Parts valuation. We do not consider a cross check of the other assets and liabilities to be appropriate as there is minimal scope for varying results under alternative appropriate approaches.

We have not used a trading resource multiple as a cross check to the value of Tiger derived using the Sum-of-Parts approach because trading multiples can be skewed by the other assets and liabilities held by the comparable companies. As such, it often does not provide meaningful results.

The results from CSA Global’s valuation are set out below:

	Low US\$'000	Preferred US\$'000	High US\$'000
<b>Cross check valuation</b>			
Value of Kipoi and Kileba Reserves	35,000	85,000	110,000

Source: Independent Technical Assessment and Valuation Report

This value range supports our primary DCF valuation of US\$50 million to US\$100 million which falls within the above valuation range.

Further details of CSA Global’s valuation can be found in Appendix 5.

## 7.4 Value of the assets of Tiger relative to its debts following the implementation of the Scheme

### 7.4.1. Summary valuation

The value of the assets and liabilities of Tiger on a going concern basis, following the implementation of the Scheme, is set out below.

#### SEK (Tiger's operating subsidiary in the DRC)

SEK is a 95% owned operating subsidiary of Tiger. The value of the assets and liabilities held within SEK are set out below:

Summary Valuation of SEK	Ref	Low value US\$'000	High value US\$'000
<b>Assets</b>			
Value of the Kipoi Project (unfunded 100% basis)	7.2.2	50,000	100,000
Value of residual inferred resource outside the Kipoi Project mine plan	7.2.3	22,500	41,500
Value of SEK's other assets	7.2.4	21,821	21,821
<b>Total value of SEK's assets following the Scheme</b>		<b>94,321</b>	<b>163,321</b>
<b>Liabilities</b>			
Tranche A senior secured debt	7.2.5	70,000	70,000
Tranche D super senior secured debt	7.2.5	13,643	13,643
Tranche E super senior secured debt	7.2.5	12,110	12,110
Unsecured debt with DRC banks	7.2.5	15,284	15,284
Value of SEK's other liabilities	7.2.6	60,724	60,724
<b>Total value of SEK's liabilities following the Scheme</b>		<b>171,761</b>	<b>171,761</b>
<b>Net liability position of SEK following the Scheme</b>		<b>(77,440)</b>	<b>(8,440)</b>

Source: BDO analysis

We note that the net liability position of SEK ranges between US\$8.4 million and US\$77.40 million following the implementation of the Scheme. We have presented the value of Tiger's other assets and liabilities as set out below.

#### Tiger's other assets and liabilities

Other than the assets and liabilities within SEK, the remaining assets and liabilities of Tiger are set out below:

Summary Valuation of Tigers other assets and liabilities	Ref	Low value US\$'000	High value US\$'000
<b>Other Assets</b>			
Value of Tiger's other exploration assets (100% basis)	7.2.7	14,500	33,500
<b>Total value of Tiger's other assets following the Scheme</b>		<b>14,500</b>	<b>33,500</b>
<b>Other Liabilities</b>			
Value of Tiger's trade and other payables		7,634	7,634
<b>Total value of Tiger's other liabilities following the Scheme</b>		<b>7,634</b>	<b>7,634</b>
<b>Net value of Tiger (excluding SEK) following the Scheme</b>		<b>6,866</b>	<b>25,866</b>

Source: BDO analysis

### Conclusion on the assets of Tiger relative to its debts following the implementation of the Scheme

Conclusion	Low value	High value
	US\$'000	US\$'000
Net liability position of SEK following the Scheme	(77,440)	(8,440)
Less: non-controlling interest in Kipoi	(3,625)	(7,075)
<b>Net liability position of SEK following the Scheme</b>	<b>(81,065)</b>	<b>(15,515)</b>
Net asset position of Tiger (excluding SEK) following the Scheme	6,866	25,866
Less: Non-controlling interest in Tiger's other exploration assets	(725)	(1,675)
<b>Net asset position of Tiger (excluding SEK) following the Scheme</b>	<b>6,141</b>	<b>24,191</b>
<b>Overall net asset/(liability) position of Tiger following the Scheme</b>	<b>(74,924)</b>	<b>8,676</b>

Source: BDO analysis

\*The non-controlling interest values are calculated as 5% of the assessed values in section 7.2

We note that the above values are at an asset level, therefore we have not included the present value of corporate costs in our analysis.

The tables above indicates that the net position of Tiger following the implementation of the Scheme ranges between a net liability position of US\$74.9 million, to a net asset position of US\$8.7 million.

We also note that our DCF valuation in Section 7.2.2 is on an unfunded basis. The funding shortfall following the implementation of the Scheme is approximately US\$40 million. Management advise that the Group is in discussions for a financing facility of US\$30 million and that it may be able to fund the remaining shortfall from other sources. The financing discussions are not sufficiently advanced for us to have reasonable grounds for assuming the terms of this financing. Further, these financing discussions remain confidential and any disclosure of the terms may impact the negotiation process. However, based on our discount rate, the Company's cost of debt on existing facilities and our research of other funding arrangements entered into by comparable mining companies, we do not consider the valuation impact of this funding to be material.

## 8. Solvency assessment of the Company following the implementation of the Scheme

### Definition of solvency

The definition of solvency under section 9 of the Corporations Act 2001 is that prescribed by subsection 95A(2). Under s95A;

- 95A(1) [Solvent person] A person is solvent if, and only if, the person is able to pay all the person's debts, as and when they become due and payable.
- 95A(2) [Insolvent person] A person who is not solvent is insolvent.

Accordingly, if a Company is unable to pay its debts as and when they fall due and payable the company is deemed to be insolvent.

## Indicators of insolvency

The precedent case for determining the solvency of a company is set out in ASIC v Plymin & Ors (2003) 46 ASCR 126 (commonly referred to as the “Water Wheel case”), where Justice Mandy of the Supreme Court of Victoria referred to a checklist of 14 indicators of insolvency.

These indicators and their relevance to this matter are set out below.

Indicators of insolvency	Identified for investigation
Continuing losses	Yes
Liquidity ratio below 1 (a ratio of current assets to liabilities)	Yes
Overdue taxes	Yes
Poor relationship with present financiers including inability to borrow additional funds	Yes
No access to alternative finance	Yes
Inability to raise further equity capital	Yes
Supplier placing the debtor on cash on delivery (‘COD’) terms, otherwise demanding special payments before resuming supply	Yes
Creditors unpaid outside trading terms	Yes
Issuing of post-dated cheques	No
Dishonoured cheques	No
Special arrangements with selected creditors	Yes
Solicitors’ letter, summons(es) judgements or warrants issued against the company	Yes
Payments to creditors of rounded figures, which are irreconcilable to specific invoices	No
Inability to produce timely and accurate financial information to display the company’s trading performance and financial position, and make reliable forecasts	Yes

## Methodology used in reviewing solvency

In determining solvency immediately following implementation of the proposed Scheme we have taken a number of factors into account including the following:

- Assets and liabilities and the nature of them.
- Cash expected to be available.
- Availability of loan funds.
- Ability to realise assets within a relatively short period of time.
- Adequacy of the above funds to ensure payment of all debts (including contingent and prospective liabilities) when they fell due and were payable.

Our views are based on analysis of the major factors affecting the ability to meet debts as and when they became due and payable from the information provided. The analysis is supported by the assumptions as set out in this report.

In determining solvency we have examined the following matters:

- The nature and extent of the business and the structure of operations;
- Current assets compared to current liabilities. Current assets are future economic benefits which are expected to be converted to cash within the next 12 months. Current liabilities are obligations that are expected to become due and payable within twelve months. The analysis discusses the Working Capital together with the Current Ratio;
- Total assets compared to total liabilities. The difference in value between total assets and total liabilities is regarded as the equity in a company. A surplus or deficiency of net assets is indicative, but not necessarily determinative, in establishing whether a company is able to pay all its debts as and when they became due and payable;
- In determining the assets available to meet liabilities of a company, intangible assets are excluded on the assumption that intangible assets are unlikely to be realised to meet liabilities;
- The history of meeting its liabilities on the terms originally agreed with creditors;
- The historical trading results to establish whether or not trading has been profitable;
- The actual cash flows generated to establish whether a cash surplus from operations is likely to occur in future periods;
- Whether there is a history of equity holder support and the prospect of that support either commencing or continuing;
- Whether there is capacity to borrow funds from a third party in order to meet liabilities; and
- Whether funds could be raised from the sale of assets or from a capital raise to meet liabilities which fell due and payable.

Once these forgoing issues were examined, we then determined it appropriate to ascertain what liabilities will be due over a specific period and whether the assets available would be sufficient to meet those liabilities.

In determining this, it has also been necessary to consider the following matters:



- Whether creditors would be prepared to postpone the date by which their debts fell due and payable;
- Whether there would be capacity to borrow funds to meet liabilities when they fell due and payable and could not be postponed;
- Whether additional funds could be raised from the sale of assets or capital (equity or debt) to allow it to meet its liabilities which fall due and payable; and
- Whether sufficient profits could be generated to overcome any existing shortfall in funds.

Once all of the above matters were examined, and based on the conclusions drawn from the analysis as a whole, it was then necessary to decide whether the Company would be solvent.

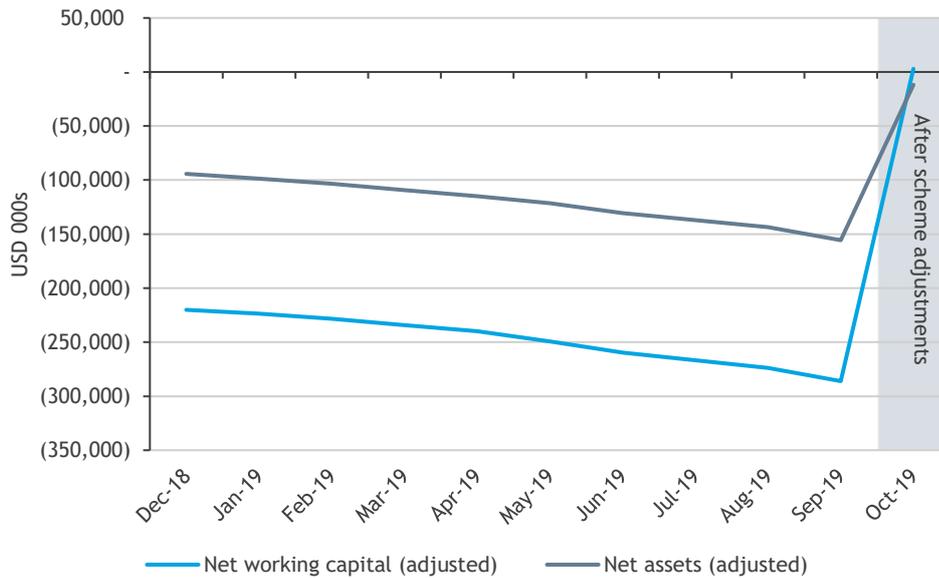
## Key tests

### Balance sheet tests

The balance sheet test considers whether a company may be insolvent if the total liabilities exceed the value of the assets and there are insufficient assets to discharge the liabilities.

In the table below we have undertaken an analysis of the current ratio, net working capital and net assets. Our analysis also includes adjustments for the terms of the Scheme consistent with the proposed debt restructure whereby US\$149.3 million in Senior Lender debt (Tranche A) is converted to shares, US\$70 million of Senior Lender debt (Tranche A) has its maturity is extended, and the maturity of existing debt (Tranche D and Tranche E totalling US\$16.6 million and US\$12.1 million respectively) is also extended. The analysis also assumes that SEK will fully draw the facility provided by QMetco totalling US\$18.0 and an additional US\$30.0 million financing facility is entered into.

US\$ 000s	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Current assets	36,391	36,435	35,081	34,319	34,265	34,718	30,114	30,769	35,099	29,549	28,862
<i>Adjustments</i>											
Rawbank cash						(2,006)	(2,006)	(2,006)	(2,006)	(2,006)	(2,006)
New funding (cash)											48,000
<b>Adjusted current assets</b>	<b>36,391</b>	<b>36,435</b>	<b>35,081</b>	<b>34,319</b>	<b>34,265</b>	<b>32,712</b>	<b>28,108</b>	<b>28,763</b>	<b>33,093</b>	<b>27,543</b>	<b>74,856</b>
Current liabilities	256,345	260,041	263,320	268,530	274,139	282,199	287,776	295,386	307,095	313,611	317,088
<i>Scheme adjustments</i>											
Tranche A debt converted											(149,362)
Balance of senior debt converted to non-current											(95,753)
<b>Adjusted current liabilities</b>	<b>256,345</b>	<b>260,041</b>	<b>263,320</b>	<b>268,530</b>	<b>274,139</b>	<b>282,199</b>	<b>287,776</b>	<b>295,386</b>	<b>307,095</b>	<b>313,611</b>	<b>71,973</b>
Non current liabilities	23,412	23,597	23,499	23,328	23,303	23,214	23,817	23,599	23,513	23,535	23,450
<i>Scheme adjustments</i>											
New funding											48,000
Balance of senior debt converted to non-current											95,753
<b>Adjusted non current</b>	<b>23,412</b>	<b>23,597</b>	<b>23,499</b>	<b>23,328</b>	<b>23,303</b>	<b>23,214</b>	<b>23,817</b>	<b>23,599</b>	<b>23,513</b>	<b>23,535</b>	<b>167,203</b>
<i>BDO analysis</i>											
Current ratio (adjusted)	0.14	0.14	0.13	0.13	0.12	0.12	0.10	0.10	0.11	0.09	1.04
Cash (adjusted)	5,265	3,607	2,271	1,541	1,910	1,007	1,303	611	2,804	2,819	47,295
Cash less trade creditors	(36,917)	(41,657)	(44,174)	(48,476)	(46,469)	(51,263)	(52,727)	(55,013)	(56,285)	(58,460)	(15,233)
Net working capital	(219,954)	(223,606)	(228,239)	(234,211)	(239,874)	(249,487)	(259,668)	(266,623)	(274,002)	(286,068)	2,883
Net assets (adjusted)	(94,366)	(98,698)	(103,452)	(109,321)	(115,078)	(121,337)	(130,749)	(137,057)	(143,558)	(155,658)	(11,826)



A review of the balance sheets reflects that the major current asset is inventories and the major current liabilities are trade payables, tax payable and borrowings.

Throughout 2019 our analysis demonstrates a current ratio of less than one, which has been on a downward trajectory, which evidences insufficient current assets to discharge current liabilities.

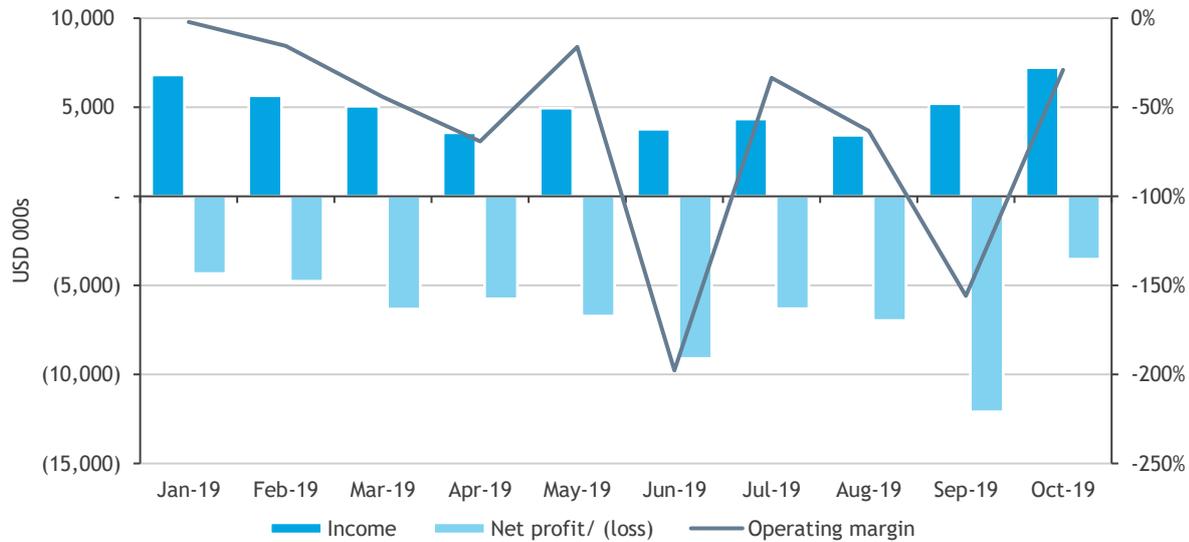
Having adjusted the 31 October 2019 balance sheet for the impact of the proposed Scheme, the current ratio increases to 1.04. The adjusted net working capital at 31 October 2019 is US\$2.9 million and adjusted net liabilities is US\$11.8 million.

## Profitability tests

The analysis of historical trading is used to establish whether or not SEK had been generating profits.

In the table below we have undertaken an analysis of monthly profitability during 2019.

US\$ 000s	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	10M Oct-19
Income	6,816	5,642	5,058	3,567	4,953	3,772	4,336	3,425	5,193	7,219	49,981
Operating income	(144)	(874)	(2,237)	(2,466)	(795)	(7,459)	(1,449)	(2,168)	(8,098)	(2,094)	(27,784)
Net profit/ (loss)	(4,335)	(4,758)	(6,332)	(5,760)	(6,714)	(9,110)	(6,308)	(6,977)	(12,100)	(3,524)	(65,918)
Operating margin	-2.1%	-15.5%	-44.2%	-69.1%	-16.1%	-197.7%	-33.4%	-63.3%	-155.9%	-29.0%	-55.6%



The trading position shows a failure to generate an operating profit or a net profit during 2019 both on a monthly basis and a year to date basis, having reported a year to date operating loss of US\$27.8 million and a year to date net loss of US\$65.9 million.

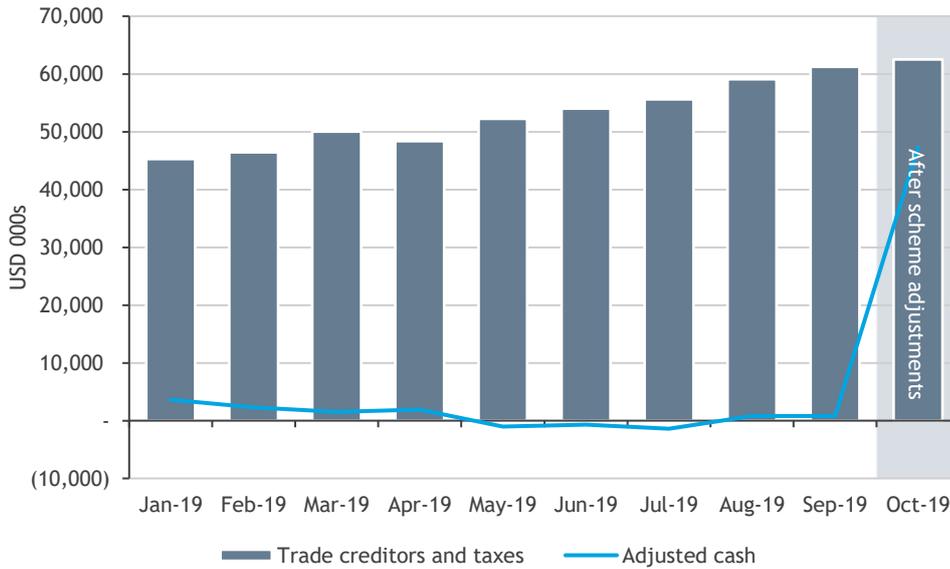
These losses are reflected in the balance sheets, where there has been a build-up of trade creditor and tax liabilities as well as an accumulation of debt.

These profitability tests are historical, therefore consideration must be given to the cash flow tests section of this report and forecast financial statements for future periods.

### Cash flow tests

The analysis of cash flow is critical when determining solvency. Cash flow is the best indicator as to whether a company is able to pay its debts as and when they are due and payable.

US\$ 000s	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	10M Oct-19
Operating activities	(354)	(1,596)	(441)	(2,812)	(513)	(2,931)	(3,729)	(983)	(628)	(666)	(14,653)
Investing activities	-	(45)	(97)	(355)	(424)	(626)	(408)	(2,699)	(610)	(669)	(5,933)
Financing activities	(1,304)	305	(192)	3,536	34	3,853	3,445	5,875	1,253	(183)	16,622
Net cash flow	(1,658)	(1,336)	(730)	369	(903)	296	(692)	2,193	15	(1,518)	(3,964)
Opening cash	5,265	3,607	2,271	1,541	1,910	1,007	1,303	611	2,804	2,819	5,265
Closing cash	3,607	2,271	1,541	1,910	1,007	1,303	611	2,804	2,819	1,301	1,301
<b>BDO analysis</b>											
Cash	3,607	2,271	1,541	1,910	1,007	1,303	611	2,804	2,819	1,301	
<b>Adjustments</b>											
Rawbank cash					(2,006)	(2,006)	(2,006)	(2,006)	(2,006)	(2,006)	
New funding (cash)											48,000
Adjusted cash	3,607	2,271	1,541	1,910	(999)	(703)	(1,395)	798	813	47,295	
Trade creditors and taxes	45,264	46,445	50,017	48,379	52,270	54,030	55,624	59,089	61,279	62,528	
Adjusted cash less trade creditors and taxes	(41,657)	(44,174)	(48,476)	(46,469)	(53,269)	(54,733)	(57,019)	(58,291)	(60,466)	(15,233)	



For the ten months to 31 October 2019, operating cash flows have comprised inflows from sales of US\$46.3 million and outflows for production of US\$56.9 million. This net outflow of core operating cash flows is before other operating cash flows such as administration costs of US\$3.9 million.

Our analysis shows that the net operating cash out flows during 2018 of US\$14.7 million have been funded by financing activities which have generated net cash inflows of US\$16.6 million.

Cash flows from financing included interest expense of US\$1.7 million and finance costs of US\$2.3 million. Net cash flows from repayment of borrowings, proceeds of borrowings and overdrafts was US\$20.6 million.

There has been a deficiency of cash available during 2019 to pay trade creditors and taxes in full, however this position is improved after the 31 October 2019 balances are adjusted for new funding. Further, we note that management advise that the Group has the following options available to them to preserve cash:

- Capital expenditure program is discretionary and can be delayed until following the Scheme;
- The forecast includes payments to overdue creditors but management expects that these can be further delayed until the additional US\$30 million of funding is received; and
- The Group is in discussion with BCDC Bank about a credit advance to one of its mine contractors. The bank has increased its credit line to the contractor to service SEK based on the two year mine plan for Kipoi. This amount is currently approximately US\$700,000 but management expect this to increase to US\$2.1 million.

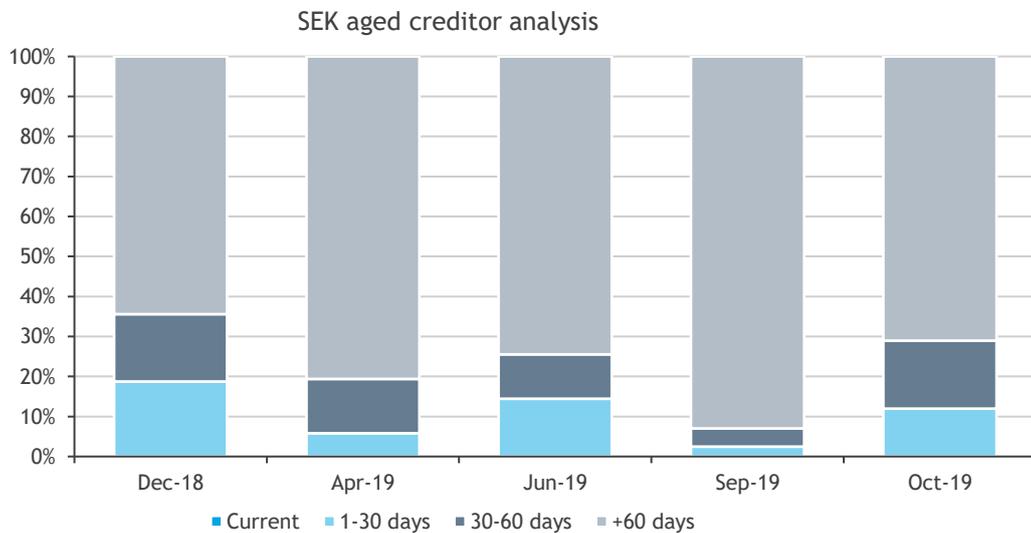
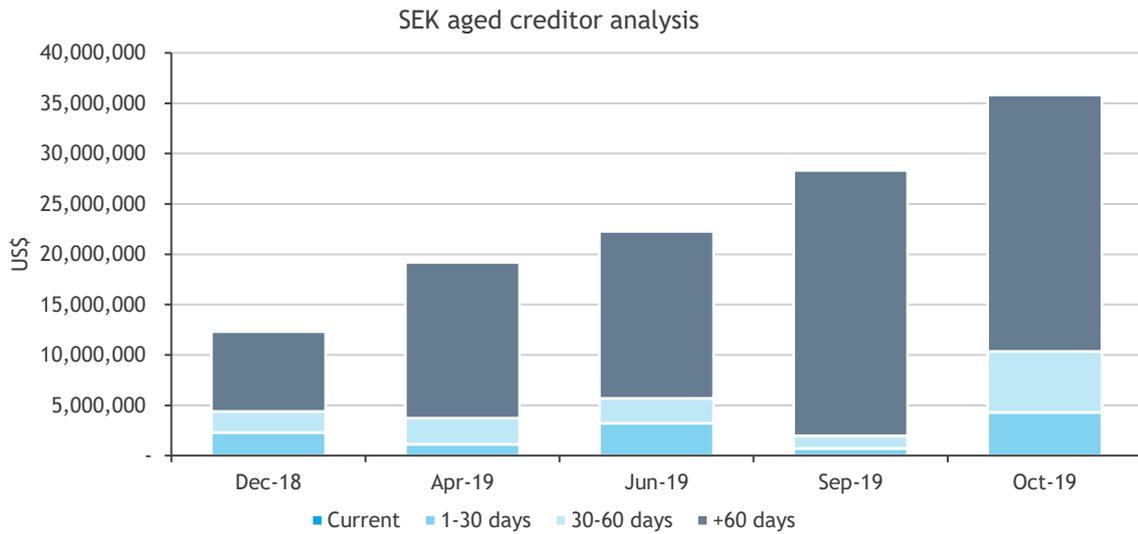
### Creditors position

Companies that cannot pay their debts as and when they fall due exhibit a deterioration in the ageing of their trade creditors, that is creditors are paid outside their normal credit terms.

We have prepared an analysis of SEK's creditor position using aged trade creditor ledgers provided for December 2018, April 2019, June 2019, September 2019 and October 2019. This analysis includes statutory liabilities which are included in SEK's aged ledgers.

We have not provided an analysis to the parent company creditor position as those liabilities are immaterial and within terms.

There is a deteriorating trend in SEK’s creditor position, both in terms of ageing and in quantum. The charts illustrate the extent to which creditors have consistently increased in quantum during 2019. The value and ageing of trade creditors increased consistently month by month.



SEK has consistently paid its creditors outside trade terms with at least 65% of creditors aged in excess of 60 days at the end of each month throughout the period December 2018 to October 2019.

An analysis of SEK’s major creditors and the current liability is provided below. These include creditors on a payment plan and creditors with disputed amounts.

Supplier name	Payment plan	Position at 31 October 2019
Supplier 1	Deferred US\$5.8 million to 30 June 2019 to be repaid over 12 monthly instalments. No interest. Fixed term 90 days from July 2019, 60 days from October 2019 - subject to new contract renewal.	US\$10.4 million payable including US\$6 .3 million aged +60 days
Supplier 2	Agreement to pay US\$1.5 million from October 2019 to January 2020	US\$4.9 million payable including US\$3.4 million aged +60 days
Supplier 3	Payment plans agreed clearing overdue by end of October 2019. Supplier offering 45 days max although currently at 90 days.	US\$1.3 million payable including US\$0.2 million aged +60 days
Supplier 4	Return account to 90 days by 4Q 2019 and 60 days by Q1 2020	US\$1.6 million payable including US\$1.1 million aged +60 days
Supplier name	Other agreed terms	Position at 31 October 2019
Supplier 5	Payment plan agreed for 60 days in April 2019 however SEK was unable to meet. Currently at 90 days with a return to 60 days demanded by 4Q 2019	US\$0.7 million payable including US\$0.5 million aged +60 days
Supplier 6	Current contract negotiation proposes 60 day terms	US\$0.8 million payable including US\$0.3 million aged +60 days
Supplier 7	60 day account	Immaterial
Supplier 8	60 day account	US\$0.3 million payable including US\$0.1 million aged +60 days
Supplier 9	30 day account - payments made within 90 days	US\$0.3 million payable all of which is aged +30 days
Supplier 10	Strictly 45 day account	US\$0.2 million payable, all within terms
Supplier 11	Supplier demands 45 days	US\$0.1 million payable, all within terms
Supplier 12	Supplier will stop supply if not paid <45 days	Balance payable immaterial
Supplier 13	60 day terms	Balance payable immaterial
Supplier 14	30 day terms or less than US\$120k credit limit	Within terms
Supplier 15	Terms strictly per contract as signed in January 2019 - 30 days	Within terms
Other suppliers	60 day terms per SEK's terms and conditions	SNEL described as disputed, US\$0.2 million payable
Government entity	Nature of offset claimed	Position at 31 October 2019
Direction Generale des Recettes Administratives et Domaniales ("DGRAD") AUTRES TAXES	Offset by VAT	US\$2.9 million payable
DGRAD CDF	Partially offset by VAT	US\$0.7 million payable

Supplier name	Payment plan	Position at 31 October 2019
Gecamines Royalties	Partially offset by VAT	US\$0.9 million payable, US\$0.6 million aged +60 days

Supplier name	Nature of dispute	Position at 31 October 2019
Supplier 16	Commercial agreement received, in discussions. 2018 order.	US\$0.5 million payable

Due to the confidentiality of the Group's suppliers and the terms of payment, we have redacted the names of the suppliers.

It is evident from the above analysis that SEK has been managing the payment of its creditors.

Management advise that the Group is in discussions with its creditors and that it has the ability to delay payment in order to remain solvent until the Scheme is completed (if it is approved). Management has provided a short term cash flow model which delays capital expenditure amounts, which supports management's representation regarding its ability to delay the payment of its creditors.

### Cash available to pay overdue creditors

A summary of the cash available to pay overdue creditors is provided below. The analysis is at 31 October 2019 and includes adjustments to reflect the terms of the Scheme.

Overdue debts are considered to be all liabilities aged greater than 60 days.

	31-Oct-19
	US\$'000
Cash	1,301
<i>Adjustments</i>	
Rawbank cash	(2,006)
New funding	48,000
<b>Adjusted cash</b>	<b>47,295</b>
Trade and tax creditors	62,528
<i>Adjustments</i>	
Deduct creditors with ageing less than 60 days	(10,361)
<b>Creditors overdue for payment</b>	<b>52,167</b>
<b>Cash deficit after payment of overdue creditors and taxes</b>	<b>(4,872)</b>

The total of trade creditors and tax payable at 31 October 2019 was US\$62.5 million, with US\$10.4 million aged less than 60 days. We note that included in the US\$62.5 million is the US\$22 million disputed amount with Megatron and some amounts which can be offset against VAT liabilities in the future. Considering the adjusted cash available of US\$47.3 million, less liabilities of US\$52.2 million considered to be overdue (i.e. + 60 days), the cash deficit is US\$4.9 million after the payment of all overdue creditors.

No allowance has been made for VAT refunds to offset the tax liabilities, which is discussed further below.

The new funding of US\$48 million includes the US\$30 million facility that the Company is discussing with financiers, as well as the US\$18 million from QMetco.

### Other indicators of insolvency

Area	Observation	Comment
Overdue taxes - Australia	<p>The Company's ATO running account statement for January 2019 to October 2019 demonstrates a track record of on-time lodgements and payments.</p> <p>The Company's Australian 2018 income tax return has been lodged with the Australian Taxation Office and no tax liability exists.</p> <p>Management have advised that all Australian state taxes including land tax and payroll tax have been paid. They have also advised all superannuation is up to date.</p>	<p>No overdue taxes have been identified in Australia and there is no evidence of any historical non-compliance.</p> <p>Bank statements evidencing payment of superannuation for October 2019 were provided.</p>
Overdue taxes - DRC	<p>Overdue government fees and taxes are payable to DGRAD and overdue royalties are payable to GECAMINES. Management advised these debts are partially offset by VAT refunds due.</p>	<p>A total of US\$4.5m is due to various government authorities in the DRC based on the payables ledger.</p> <p>These liabilities appear to be overdue and there is no payment plan in place for their repayment.</p> <p>Management reports note that the DRC government has allowed VAT refunds to offset these liabilities. The extent of the offset has not been quantified.</p>
Special arrangements with creditors	<p>The standard terms for suppliers is 60 days. In some circumstances suppliers have demanded shorter payment terms.</p> <p>Four creditors have entered into payment plans and those creditors had liabilities payable totalling US\$18.2 million at 31 October 2019.</p>	<p>We note there are a number of instances where payment plans have not been complied with and circumstances where suppliers have been tightening payment terms as a result of historical non-payment.</p>
Suppliers placing the company on COD terms	<p>There is no evidence of suppliers placing the Company on stop supply or on COD terms.</p>	



Area	Observation	Comment
Solicitors' letters, summonses, judgements	There is a legal dispute with one of the Group's anode suppliers. Management advised that the debt is disputed and there is a legal demand but the Group is currently negotiating an outcome.	US\$0.5m is overdue to this anode supplier. The liability has been disputed.
Round figure creditor payments	We have reviewed bank statements and cashbooks to identify whether any creditors have been round sum payments or regular amounts that do not reconcile to specific invoices.	No material round figure payments were identified.
Inability to produce financial information	Records are sufficient to produce financial information.	
Funding and borrowing capacity	<p>Throughout the calendar year the Company has borrowed US\$22.2 million, repaid debt of US\$1.1 million and reduced its overdrafts by US\$0.6 million.</p> <p>Furthermore, through the scheme of arrangement, it is proposed that existing debt will partially be converted to shares, partially have its terms extended and also raise an additional US\$60.0 million.</p> <p>Tiger has been suspended from quotation on the ASX since February 2017. This would cast doubt over whether Tiger could obtain funding through an equity raise.</p>	The Company has demonstrated an ability to refinance existing debt and borrow additional funds as required.
Other indicators	For the year ended 31 December 2017, the Company's auditor outlined the existence of material uncertainty relating to the ability of the Company to continue as a going concern. For the year ended 31 December 2018, the auditor has not expressed an audit opinion on the basis that the auditor has not been	The short term cash flow shows the timing and quantum of future cash outflows and how those outflows will be funded from drawing down on existing finance facilities. We have adjusted the forecast model consistent with the adjustments made to the forecast model in Section 7.2.2 of this report. Our

Area	Observation	Comment
	<p>able to obtain sufficient appropriate audit evidence to provide a basis for the audit opinion on the financial report. The inability to obtain appropriate audit evidence is a result of the uncertainty around the Company's ability to reach agreement with the Senior Lenders on its restructuring plans and forbearance requirements.</p> <p>The above reasons have also led to the auditor not being able to obtain sufficient appropriate audit evidence to provide a basis for a review conclusion for the half year ended 30 June 2019.</p> <p>Management has prepared a short term cash flow model which is updated on a weekly basis. That forecast model is for the period ending December 2021.</p>	<p>analysis indicates that the Company will require funds to become available from late February 2020 of US\$4.1million. This cash funding requirement continues to increase and peaks during 2020 at US\$39.9 million in December 2020. During 2021 it peaks at US\$48.7m in December 2021. Management have advised that they are currently in discussions with new and existing financiers to bridge this funding requirement through a US\$30.0 million financing facility.</p>

## Conclusion

Testing of financial statements and other information demonstrates indicators of insolvency throughout 2019 including balance sheet, cash flow and profitability. There are also indicators of insolvency from interactions with creditors including statutory authorities and financiers.

It appears ultimately that the build-up of overdue trade creditors and statutory liabilities together with the short term nature of borrowings could no longer be "managed". As a result, through a scheme of arrangement, the Company has sought to consolidate its borrowings, convert certain borrowings to shares, extend the maturity date of all remaining debt, draw down on remaining facility limits and obtain urgently needed new funds to allow it to attend to its legacy trade creditors and statutory liabilities.

In conclusion, the Company does not appear to be insolvent upon the successful implementation of the proposed scheme of arrangement and the raising of additional capital. Notwithstanding, the Company remains loss making in the short term and has an urgent cash requirement of US\$4.1 million from late February 2020, peaking during 2020 at US\$39.9 million in December 2020. Management are aware of this funding requirement and are in discussions with financiers to secure a US\$30.0 million loan facility. On this basis there is estimated to be a cash shortfall of c. US\$10.0 million in December 2020.

## 9. Expected dividend that would be available if the Scheme does not proceed

In preparing this analysis we have identified three categories of creditors: secured, priority and unsecured.

1. A secured creditor is someone who holds a security interest, such as a mortgage, in some or all of the company's assets, to secure a debt owed by the company. We have assumed that the secured lenders receive a dividend from non-circulating assets before all other creditors.
2. Priority creditors are employees. We have assumed their outstanding entitlements are paid in priority to the claims of other creditors from the realisations of circulating assets.
3. An unsecured creditor is a creditor who does not hold a security interest in the company's assets and is not entitled to any priority in advance of employees.

Our analysis also considers the return available for shareholders, but considers the funds available to be distributed to secured, priority and unsecured creditors first.

Non-circulating assets are typically categorised as non-current assets on a balance sheet. These are assets that a company may not dispose of without the consent of the secured creditor. We have assumed non-circulating assets comprise all of the exploration assets of the Group including mine properties and development, and plant and machinery.

Circulating assets are typically categorised as current assets on a balance sheet. These are assets such as inventory and debtors that a company is able to use, dispose, and deal with in the ordinary course of business without the need to obtain the secured creditor's consent. We have assumed circulating assets to comprise all of the cash, inventories, trade and other receivables.

### Overall approach

	Book value	Low Value	High Value
	US\$'000	US\$'000	US\$'000
Secured debt	(245,115)	(245,115)	(245,115)
Circulating asset realisations	32,434	12,613	17,510
Priority creditors	-	(6,198)	(1,867)
<b>Circulating asset realisations available for secured debt</b>	<b>32,434</b>	<b>6,415</b>	<b>15,643</b>
Non-circulating asset realisations	148,922	78,300	157,500
Assets available for secured debt	181,356	84,715	173,143
<b>Shortfall on secured debt</b>		<b>(160,400)</b>	<b>(71,972)</b>
Secured debt return	%	34.56%	70.64%
	\$	84,715	173,143

We have prepared the above estimated dividend that would be expected if the Scheme does not proceed and the Group is wound-up within six months. The above table shows that if the Scheme does not

proceed, the shortfall (between the secured debt balance at 31 October 2019 and the value of the assets available to distribute to the secured lenders) is between US\$71.97 million and US\$160.40 million.

Based on the assumptions made, we note the following:

- There will be a shortfall on the Secured Debt from the realisation of the Group's assets after allowing for priority creditors and the costs of realisation.
- Priority creditors would be paid in full.
- Other liabilities including the Unsecured Debt would not receive any return.
- Shareholders would not receive any return.

In any winding-up, the major risk relates to the timing and quantum of any return to creditors, including in relation to the Secured Debt.

This assessment has been prepared at a consolidated Group level only given the secured debt is cross-guaranteed by all legal entities in the Group.

### Important caveats

It is important to note the following:

- Our assessment involves an element of subjectivity based on our experience of issues that have arisen in similar businesses.
- We have not reviewed the loan documentation in relation to the Secured Debt but have assumed that it is properly executed and enforceable.

### High and low case scenarios

We have set out our estimate of the dividend available on the basis of two broad scenarios:

- High case scenario: 71% of the amount owing to the secured lenders, 100% return to priority creditors, 0% return to other creditors including the unsecured debt and 0% return to shareholders.
- Lower case scenario: 35% of the amount owing to the secured lenders, 100% return to priority creditors, 0% return to other creditors including the unsecured debt and 0% return to shareholders.

The above percentage returns represent the percentage of the amounts owing as at 31 October 2019, before any proposed debt restructure.

There is no precise definition of these scenarios but in broad terms the high case scenario assumes a sale of the Company's assets in an orderly manner within six months with the assets realised at the high end of the valuation detailed in section 7 of this report. The lower case scenario assumes the business ceases to trade with the assets realised at the low end of the valuation detailed in Section 7 of this report.

Based on the assumptions made, it appears that there will be a shortfall to creditors from a winding-up if the proposed Scheme does not proceed in either a high or low scenario. As such, the major opportunity for creditors to reduce their exposure would rest with the implementation of the Scheme with an ongoing business.

The areas where fluctuation occurs is in relation to:

- The additional premium which can be secured if assets can be sold at going concern values or as part of a sale of the business as a going concern; and
- The extent of retrenchment entitlements.

	Note	Book value at 31-Oct-19 US\$'000	Adj. US\$'000	Estimate to realise	
				Low US\$'000	High US\$'000
<b>NON-CIRCULATING ASSETS</b>		148,922			
Value of the Kipoi Project - SEK (100% basis)					
Estimated valuation	a)			72,500	141,500
<i>Less estimated costs of realisation (at 10%)</i>				(7,250)	(14,150)
Other Exploration Assets - Tiger (100% basis)					
Estimated valuation	b)			14,500	33,500
<i>Less estimated costs of realisation (at 10%)</i>				(1,450)	(3,350)
<b>Proceeds available for secured debt</b>		<b>148,922</b>		<b>78,300</b>	<b>157,500</b>
<b>Secured debt</b>		<b>(245,115)</b>		<b>(245,115)</b>	<b>(245,115)</b>
<b>Residual secured debt claim</b>		<b>(96,193)</b>		<b>(166,815)</b>	<b>(87,615)</b>
<b>CIRCULATING ASSETS</b>					
Inventories	c)	24,413	(10,658)	13,755	13,755
Trade and other receivables	d)	3,148		1,071	3,148
<i>Less estimated costs of realisation (at 10%)</i>				(107)	(315)
Non-current receivables	e)	3,572		-	3,572
Cash at bank and in hand	f)	1,301	(2,006)	(705)	(705)
				<b>14,014</b>	<b>19,455</b>
<i>Less estimated costs of realisation (at 10%)</i>				(1,401)	(1,946)
<b>Available to priority creditors</b>		<b>32,434</b>		<b>12,613</b>	<b>17,510</b>
Preferential creditors					
Wages and superannuation	g)			-	-
Leave				(435)	(435)
PILN and redundancy				(1,432)	(1,432)
SEK termination costs				(4,331)	-
<b>Priority creditors</b>				<b>(6,198)</b>	<b>(1,867)</b>
<b>Available for residual secured debt</b>				<b>6,415</b>	<b>15,643</b>
<b>Shortfall on secured debt</b>				<b>(160,400)</b>	<b>(71,972)</b>
<b>Available for unsecured creditors</b>				<b>Nil</b>	<b>Nil</b>
Secured debt recoupment		\$		84,715	173,143
Percentage of balance recouped		%		34.56%	70.64%

The above table shows that if the Scheme does not proceed, secured lenders will receive a dividend of between US\$84.72 million and US\$173.14 million, which implies a shortfall of between US\$71.97 million and US\$160.40 million.

## Assumptions

### Note a) Value of the Kipoi Project - SEK

The valuation included in a high and low scenario is consistent with our calculation in Section 7.2.2 and 7.2.3 of this report. Given there is a large shortfall we have not separately considered the non-controlling interest held by the DRC Government.

### Note b) Value of other exploration assets - Tiger

The valuation included in a high and low scenario is consistent with our calculation in Section 7.3.6 of this report. Given there is a large shortfall we have not separately considered the non-controlling interest held by the DRC Government.

#### Note c) Inventories

Inventories of US\$24.4 million included consumables of US\$10.7 million. We have not attributed any realisation to consumables. The remaining balance of US\$13.8 million includes ore stockpiles, copper in circuit and finished goods. We have assumed the full balance is realisable in a high and low scenario.

#### Note d) Trade and other receivables

Accounts receivable balance of US\$3.1 million includes net trade debtors after provision for doubtful debts of US\$1.1 million. We have assumed this net balance will be fully recoverable in a high and low scenario.

The remaining accounts receivable balance of US\$2.1 million includes restricted cash (e.g. security and bank guarantee deposits), prepayments and tax balances (receivables and payables). We have assumed in a high scenario the net balances will be recoverable but attributed Nil value in a low scenario.

#### Note e) Non-current receivables

Non-current receivables balance of US\$3.6 million is in relation to SEK for the over payment of tax to the DRC government. Management has advised that the government declined a refund request but has instead allowed SEK offset this against other future taxes to be incurred.

We have assumed this balance is fully realisable in a high scenario but attributed Nil value in a low scenario.

#### Note f) Cash at bank and in hand

Cash at bank is based on the balance as at 31 October 2019. We have assumed that cash at bank is a circulating asset and is not subject to set-off against any of the secured debt. Cash has been adjusted downwards by US\$2.0 million. The Group maintains an account with BCDC, in November 2019 BCDC withdrew this amount from the Group's bank at the instruction of DRC central bank. The Group is challenging this and expects to have it refunded.

#### Note g) Preferential creditors

Priority is afforded to employee entitlements over circulating assets. Our assessment of those liabilities is as follows:

- Wages and superannuation - These balances have been paid up to date and we have assumed no arrears.
- Leave - We have included the full amount of the accrued liability for Tiger, being US\$0.4 million as per the annual leave and long service leave provisions on the balance sheet.
- Pay in lieu of notice and redundancy - Management has prepared a calculation for each employee of Tiger and we have included the full amount in a low scenario. We consider it appropriate to include this amount under the low and high scenario because if the Company is wound up, the potential acquirer is likely to have its own management team.
- SEK termination costs - Management has calculated the retirement package liability for all SEK employees. We have included the full amount in a low scenario. No liability has been included in a high scenario on the basis that under a going concern sale, the site related staff are likely to be retained.

We note that we have been provided with advice from BDO Tax which confirms that the DRC and Australian tax implications of winding up the Group would not have a material impact on the expected dividend to be received by Senior Lenders.

## 10. Expected dividend that would be paid immediately following the implementation of the Scheme

Our engagement requires us to determine the expected dividend that would be paid to Senior Lenders and shareholders immediately following the implementation of the Scheme. Following implementation of the Scheme, the Senior Lenders will have reduced a portion of their debt and will have received new shares in Tiger. The realisable value of Tiger's assets following the implementation of the Scheme is presented below:

Realisable value	Note	Book value at 31-Oct-19		Going concern basis	
		US\$'000	Adj. US\$ 000s	Low US\$'000	High US\$'000
<b>NON-CIRCULATING ASSETS</b>		148,922			
Value of the Kipoi Project- SEK					
Estimated valuation	a)			68,875	134,425
Less estimated costs of realisation	b)			Nil	Nil
Value of other exploration assets - Tiger					
Estimated valuation	c)			13,775	31,825
Less estimated costs of realisation	b)			Nil	Nil
Less: estimated corporate costs	d)			(29,821)	(23,857)
<b>Proceeds available for secured debt</b>		<b>148,922</b>		<b>52,829</b>	<b>142,393</b>
<b>Secured debt</b>		<b>(95,753)</b>		<b>(95,753)</b>	<b>(95,753)</b>
<b>Shortfall/surplus following secured debt claim</b>		<b>53,169</b>		<b>(42,924)</b>	<b>46,640</b>
<b>CIRCULATING ASSETS</b>					
Inventories	e)	24,413	(10,658)	13,755	13,755
Trade and other receivables	f)	3,148		3,148	3,148
Non-current receivables	g)	3,572		3,572	3,572
Cash at bank and in hand	h)	1,301		1,301	1,301
<b>Available to preferential creditors</b>		<b>32,434</b>		<b>21,776</b>	<b>21,776</b>
Preferential creditors					
Wages and superannuation	i)			Nil	Nil
Leave	i)			Nil	Nil
PILN and redundancy	i)			Nil	Nil
SEK termination costs	i)			Nil	Nil
Preferential creditors				Nil	Nil
<b>Proceeds available for secured debt claim</b>				<b>21,776</b>	<b>21,776</b>
<b>Shortfall/surplus following residual secured debt claim</b>				<b>(21,148)</b>	<b>68,416</b>
<b>Available for unsecured creditors</b>				<b>Nil</b>	<b>68,416</b>
<b>Unsecured creditors</b>	j)	<b>(82,428)</b>			<b>(82,428)</b>
<b>Shortfall following unsecured creditor claim</b>					<b>(14,012)</b>
<b>Proceeds available to distribute to shareholders</b>				<b>Nil</b>	<b>Nil</b>
Secured debt recoupment		\$		74,605	95,753
		%		77.9%	100.0%
Unsecured debt recoupment		\$		Nil	68,416

Realisable value	Note	Book value at 31-Oct-19		Going concern basis	
		US\$'000	Adj. US\$ 000s	Low US\$'000	High US\$'000
		%		0.0%	83.0%

We note that if the Scheme is approved and implemented, the secured debt will reduce to a balance of approximately US\$95.75 million. The table above indicates that the secured lenders would be paid in full under a high scenario, however under a low scenario secured lenders would only recoup approximately 78% (US\$74.6 million) of the outstanding amount owed following the implementation of the Scheme. However, we note that following the implementation of the Scheme, the secured lenders will collectively hold approximately 99.2% of the Company's issued capital and will therefore be able to participate in a greater proportion of any upside in relation the Company's project, should it eventuate. Unsecured creditors would recoup approximately 83% of the outstanding amount owed under a high scenario, however under a low scenario they would recoup nil. Under a high and a low scenario there would be nil funds available to be distributed to shareholders.

## Assumptions

### Note a) Value of the Kipoi Project - SEK

The valuation included in a high and low scenario is consistent with our calculation in Section 7.2.2 and 7.2.3 of this report, however we have reduced the value to account for the 5% non-controlling interest held by the DRC Government.

We note that our DCF valuation in Section 7.2.2 is on an unfunded basis. The funding shortfall following the implementation of the Scheme is approximately US\$40 million. Management advise that the Company is in discussions regarding a financing facility for US\$30 million and that it may be able to fund the remaining shortfall with bridging facilities from the Senior Lenders. The financing discussions are not sufficiently advanced for us to have reasonable grounds for assuming the terms of this financing. Further, these financing discussions remain confidential and any disclosure of the terms may impact the negotiation process. However, based on our discount rate, the Company's cost of debt on existing facilities and our research of other funding arrangements entered into by comparable mining companies, we do not consider the valuation impact of this funding to be material.

### Note b) Estimated costs of realisation

Estimated costs of realisation, adopted in our Section 9 analysis, are incurred as a result of the Company being wound up. Following the implementation of the Scheme, it is not intended for the Company to be wound up, therefore we have adopted a realisation costs of Nil in our assessment.

### Note c) Value of other exploration assets - Tiger

The valuation included in a high and low scenario is consistent with our calculation in Section 7.3.6 of this report, however we have reduced the value to account for the 5% non-controlling interest held by the DRC Government.

### Note d) Value of corporate costs

Immediately following the implementation of the Scheme, it is intended that Tiger will continue to operate. Given this, we have included the present value of corporate costs in our assessment of the



dividend paid following the Scheme, as these costs will be incurred while the Kipoi Project continues to operate. As part of our corporate costs analysis, we have considered the corporate costs that Tiger has incurred historically, as well as management forecasts and corporate costs incurred by other ASX listed companies of a similar size and scale of operation as Tiger. Based on our analysis, we consider corporate costs of approximately US\$4.0 million to US\$5.0 million per annum on a real basis to be reasonable. The present value of these costs over the life of the Kipoi Project, is approximately US\$23.8 million and US\$29.8 million, respectively.

#### Note e) Inventories

Inventories of US\$24.4 million included consumables of US\$10.7 million. We have not attributed any value to consumables as these are incorporated in the DCF valuation. The remaining balance of US\$13.8 million includes ore stockpiles, copper in circuit and finished goods. We have assumed the full balance is realisable in a high and low scenario.

#### Note f) Trade and other receivables

Accounts receivable balance of US\$3.1 million includes net trade debtors after provision for doubtful debts of US\$1.1 million. We have assumed this net balance will be fully recoverable in a high and low scenario.

The remaining accounts receivable balance of US\$2.1 million includes restricted cash (e.g. security and bank guarantee deposits), prepayments and tax balances (receivables and payables). We have assumed under both scenarios that these net balances will be recoverable.

#### Note g) Non-current receivables

Non-current receivables balance of US\$3.6 million is in relation to SEK for the over payment of tax to the DRC Government. Management has advised that the government declined a refund request but has instead allowed SEK to offset this against other future taxes to be incurred.

We have assumed this balance is fully realisable under both scenarios.

#### Note h) Cash at bank and in hand

Cash at bank is based on the balance as at 31 October 2019. We have assumed that cash at bank is a circulating asset and is not subject to set-off against any of the secured debt. The Group maintains an account with BCDC. During November 2019 BCDC withdrew this amount from the Group's bank at the instruction of Congo central bank. The Group is challenging this and expects to have it refunded. We have assumed that following the Scheme, the Company will continue negotiations with BCDC, therefore we have not adjusted our assessment for the disputed amount.

#### Note i) Preferential creditors

Preferential creditors discussed in Section 9 relate to employee entitlements that would arise as a result of the Company being wound up. Following the implementation of the Scheme, it is not intended for the Company to be wound up, therefore we have adopted a nil value in our assessment.

We note that our tax assumptions are detailed in section 7.2.2.1, which have been confirmed by BDO Tax on a going concern basis, therefore we do not consider it appropriate to make any further tax adjustments in assessing the expected dividend that would be paid to Senior Lenders and shareholders if the Scheme is implemented.

## Note j) Unsecured creditors

We note that a creditor of approximately US\$19.35 million is included in the unsecured creditors balance, however this amount is currently under dispute as management do not consider that the supplier has been able to perform its obligations under the contract. The Company has noted a contingent asset in its financial statements for the half year ended 30 June 2019, relating to the potential write off of this amount payable.

## Valuation on a 100% basis at a SEK level

In order to provide a comparable basis for the expected dividend that would likely be received by Senior Lenders and shareholders under the scenario that the Scheme does and does not proceed, we have presented the expected dividend analysis assuming a 100% ownership interest in the operating assets, being SEK's interest in the operating assets. We consider this to be a relevant assessment because our analysis above indicates that there are nil funds available to distribute to shareholders, therefore the non-controlling interest in SEK can be ignored in the below analysis.

Realisable value	Note	Book value at 31-Oct-19		Going concern basis	
		US\$'000	Adj. US\$ 000s	Low US\$'000	High US\$'000
<b>NON-CIRCULATING ASSETS</b>		148,922			
Value of the Kipoi Project- SEK					
Estimated valuation	a)			72,500	141,500
<i>Less estimated costs of realisation</i>	b)			Nil	Nil
Value of other exploration assets - Tiger					
Estimated valuation	c)			14,500	33,500
<i>Less estimated costs of realisation</i>	b)			Nil	Nil
Less: estimated corporate costs	d)			(29,821)	(23,857)
<b>Proceeds available for secured debt</b>		<b>148,922</b>		<b>57,179</b>	<b>151,143</b>
<b>Secured debt</b>		<b>(95,753)</b>		<b>(95,753)</b>	<b>(95,753)</b>
<b>Shortfall/surplus following secured debt claim</b>		<b>53,169</b>		<b>(38,574)</b>	<b>55,390</b>
<b>CIRCULATING ASSETS</b>					
Inventories	e)	24,413	(10,658)	13,755	13,755
Trade and other receivables	f)	3,148		3,148	3,148
Non-current receivables	g)	3,572		3,572	3,572
Cash at bank and in hand	h)	1,301		1,301	1,301
<b>Available to preferential creditors</b>		<b>32,434</b>		<b>21,776</b>	<b>21,776</b>
Preferential creditors					
Wages and superannuation	i)			Nil	Nil
Leave	i)			Nil	Nil
PILN and redundancy	i)			Nil	Nil
SEK termination costs	i)			Nil	Nil
<b>Preferential creditors</b>				<b>Nil</b>	<b>Nil</b>
<b>Proceeds available for secured debt claim</b>				<b>21,776</b>	<b>21,776</b>
<b>Shortfall/surplus following residual secured debt claim</b>				<b>(16,798)</b>	<b>77,166</b>
<b>Available for unsecured creditors</b>				<b>Nil</b>	<b>77,166</b>
<b>Unsecured creditors</b>	j)	<b>(82,428)</b>			<b>(82,428)</b>
<b>Shortfall following unsecured creditor claim</b>					<b>(5,262)</b>
<b>Proceeds available to distribute to shareholders</b>				<b>Nil</b>	<b>Nil</b>
Secured debt recoupment		\$		78,955	95,753
		%		82.46%	100.00%

Realisable value	Note	Book value at 31-Oct-19	Adj. US\$ 000s	Going concern basis	
		US\$'000		Low US\$'000	High US\$'000
Unsecured debt recoupment		\$		Nil	77,166
		%		0.00%	93.62%

The table above indicates that in the event that the Scheme proceeds, based on a 100% interest in SEK's operating assets, Senior Lenders realise between approximately US\$79 million (82%) and US\$96 million (100%) and unsecured creditors realise between nil and US\$77 million (94%). There are nil funds available for distribution to shareholders. We note that the above analysis has been added to our Report after providing a complete draft IER to the commissioning entity. We have included this analysis to provide additional information to Senior Lenders to show that under both approaches, there is nil funds available to distribute to shareholders. The above changes provide additional information only, and do not alter our conclusions.

## 11. Consequences of not approving the Scheme

The consequences of not approving the Scheme relate to the Company's inability to meet its debt commitments as and when they fall due. As detailed in section 8, we consider there to be indicators of insolvency throughout 2019 based on the Company's balance sheet, cash flow and profitability. There are also indicators of insolvency from interactions with creditors including statutory authorities and financiers. Therefore, if the Scheme is not implemented, the Company is likely to be insolvent, the consequences of which are detailed below.

We note that we have not been instructed to consider whether there are any alternatives to the Company being wound up or to the Scheme being put into effect as proposed and as such express no opinion in relation to this. Further, we have not been instructed to advise or comment on the likelihood of the Senior Lenders enforcing their security in relation to the debts. Therefore, our analysis of the consequences of not approving the Scheme are limited to the consequences of the Company being wound up.

### 11.1 The Group will be insolvent

The Company has received written confirmation from both Taurus and QMetco that they will not provide any additional funding to the Group if the Scheme is not approved or implemented. Therefore, in the event that the Scheme is not implemented or approved and the Company is unable to obtain additional funding, the Group will be insolvent and will need to enter applicable insolvency procedures in the various jurisdictions of the companies within the Group.

The process involved with the Company appointing administrators and each of the companies in the Group entering the applicable domestic insolvency procedures, is detailed in the Scheme Booklet.

### 11.2 Reduced return for Senior Lenders

In the event that the Scheme is not approved or implemented, assuming that the Group is wound up within six months, as detailed in section 9, the expected shortfall for Senior Lenders is between US\$71.97 million and US\$160.40 million.

As detailed in section 10, immediately following the implementation of the Scheme, the expected dividend that would be paid to Senior Lenders would be between US\$74.61 million and US\$95.75 million.

This represents a shortfall of approximately US\$42.9 million under the low scenario, with a surplus being available under the high scenario.

We note that this dividend is based on a reduced secured debt balance, the Senior Lenders will receive shares in the Company such that they will collectively hold approximately 99.2% of the Company's issued capital following the implementation of the Scheme.

### **11.3 The Company will face delisting from the ASX by February 2020**

The Company has been suspended from trading on the ASX since 22 February 2017. However, if the Scheme is not implemented or an alternative capital restructure is not conducted, Tiger will be delisted from the ASX in February 2020. Notwithstanding the Company's shares have been suspended since 2017, if the Company is delisted from ASX, the Senior Lenders and other shareholders will not be able to trade the Company's shares on an open market. This is likely to reduce the value of each holders' investment in Tiger.

## **12. Independence**

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$150,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Tiger in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Tiger, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Tiger and the Senior Lenders and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Tiger and its Senior Lenders and their respective associates.

A draft of this report was provided to Tiger and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

## **13. Qualifications**

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes, Adam Myers, Andrew Sallway and Ashton Lombardo of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Andrew Sallway is a Partner in the Business Restructuring Division of BDO in Sydney with more than 20 years' experience. Andrew assists financial institutions when one of their borrowers is experiencing financial difficulties. Andrew assists regulatory authorities, shareholders and company directors when businesses are financially stressed or distressed. In these situations, Andrew works with all stakeholders to identify the financial and operational issues impacting the business and to prepare a plan to restructure the company and turnaround its financial performance. In the most extreme circumstances, Andrew acts as the appointed insolvency practitioner to the distressed company including liquidations, voluntary administrations and receiverships.

Ashton Lombardo is a member of the Australian Institute of Chartered Accountants. Ashton has over eight years of experience in Corporate Finance and has facilitated the preparation of numerous independent expert's reports and valuations. Ashton has a Bachelor of Economics and a Bachelor of Commerce from the University of Western Australia and has completed a Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

## 14. Disclaimers and consents

This report has been prepared at the request of Tiger for inclusion in the Scheme Booklet which will be sent to the Senior Lenders. Tiger engaged BDO Corporate Finance (WA) Pty Ltd and provided specific instructions through its legal advisers, for us to prepare an independent expert's report to consider the proposed Scheme.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to the Scheme. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by Tiger and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved.

With respect to taxation implications it is recommended that the Senior Lenders and any other users of our Report, obtain their own tax advice, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Senior Lenders, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Tiger. The valuer engaged for the mineral asset valuation, CSA Global Pty Ltd, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or Scheme implementation date.

Yours faithfully

**BDO CORPORATE FINANCE (WA) PTY LTD**



**Sherif Andrawes**

Director



**Adam Myers**

Director

# Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
Additional Forbearance Arrangements	The Senior Lenders have been asked to agree to additional forbearance arrangements in relation to certain defaults which have arisen under the financing arrangements. Without these arrangements any defaults under the facility documents may give the Senior Lenders the right to accelerate their loans, which Tiger (as guarantor of those loans) would not be in a position to repay in full
the Adjusted Model	The BDO adjusted cash flow model of the Kipoi Project
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
Assumed debt	Senior debt, of approximately US\$149.63 million being assumed by Tiger under a Deed of Assumption (governed by English law)
ASX	Australian Securities Exchange
BCDC	Banque Commerciale Du Congo SA
BDO	BDO Corporate Finance (WA) Pty Ltd
BDO Tax	BDO Corporate Tax (WA) Pty Ltd
CAGR	Compound Annual Growth Rate
CAPM	Capital Asset Pricing Model
Cash Line of Credit	US\$5.0 million Cash Line of Credit provided to Tiger by Banque Commerciale Du Congo SA which is due and payable by 31 December 2020
CFADS	Cash Flow Available For Debt Service
The Company	Tiger Resources Limited
Congo Minerals	Congo Minerals SARL
Corporations Act	The Corporations Act 2001 Cth
CSA Global	CSA Global Pty Ltd

Reference	Definition
DCF	Discounted Future Cash Flows
DFS	Definitive Feasibility Study
DoF	Deed of Forbearance with the Lenders to waive repayment of principal and to capitalise interest on secured debt facilities from 3 October 2018 to 31 October 2019
DRC	Democratic Republic of Congo
DSCR	Debt Service Cover Ratio
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
GDP	Gross Domestic Product
Gecamines	La Générale des Carrières et des Mines
Gerald Metals	Gerald Metals SA
The Group	Tiger and its subsidiaries
HMS	Heavy media separation
IBC	Independent Board Committee
ICSG	International Copper Study Group
IFC	International Finance Corporation
ILS pond	Intermediate Leach Solution pond
Independent Technical Assessment and Valuation Report	Independent technical assessment and valuation report provided by CSA Global, confirming the reasonableness of the technical assumptions underpinning the DCF model
IS214	Information Sheet 214 Mining and resources - Forward-looking statements



Reference	Definition
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
JV	Joint Venture
Kipoi Project	Kipoi Copper Project
Km	Kilometres
Km <sup>2</sup>	Square kilometres
KWM	King & Wood Mallesons
La Patience Permit	La Patience Copper Permit
Long Term Facility	US\$10 million Long Term Credit Facility
Lupoto Project	Lupoto Copper Project
Megatron	Megatron DRC SARL
The Model	Detailed cash flow model for the Kipoi Project prepared by the management of Tiger with the assistance of advisors
NAV	Net Asset Value
NewPro Consulting	NewPro Consulting & Engineering Services Pty Ltd
OSR	Option Selection Report
P.a.	Per annum
QMetco	QMetco Limited
QMP	Quoted market price
RBA	Reserve Bank of Australia
RCF	Resource Capital Funds
Regulations	Corporations Act Regulations 2001 (Cth)
Our Report	This Independent Expert's Report prepared by BDO
RG 60	Schemes of arrangement (September 2011)
RG 111	Content of expert reports (March 2011)

Reference	Definition
RG 112	Independence of experts (March 2011)
RG170	Prospective Financial Information
Royalty Deed	Royalty Deed with Sinomine HK for the sale of 100% of its shares in Tiger's subsidiaries
the Scheme	The proposed scheme of arrangement with Senior Lenders
Section 411	Section 411 of the Corporations Act
SEK	Societe d'Exploitation de Kipoi S.A.
Senior Facility	Finance facility with Senior Lenders
Senior Lenders	Resource Capital Finance VI L.P., International Finance Corporation, and QMetco
Shareholders	Shareholders of Tiger
Sinomine HK	Sinomine Fuhai (Hong Kong) Overseas Resource Investment Co., Ltd.
SPA	Share Purchase Agreement with Sinomine HK for the sale of 100% of its shares in Tiger's subsidiaries
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
SXEW	Solvent extraction and electro-winning
Taurus	Taurus Mining Finance Fund L.P
Tiger	Tiger Resources Limited
U.S. Geological Survey	United States Geological Survey
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VAT	Value added tax

Reference	Definition
WACC	Weighted Average Cost of Capital

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The Directors

BDO Corporate Finance (WA) Pty Ltd

38 Station Street

SUBIACO, WA 6008

Australia

## Appendix 2 - Sources of Information

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This report has been based on the following information:

### Provided by Tiger's management

- [1] Business Structure.pdf
- Company searches and PPSR searches
  - [2a] ASIC Current and Historical Extract - TIGER RESOURCES LIMITED ACN 077 110 304 (14.11.19).PDF
  - [2b] PPSR Search summary ACN 077 110 304 (14.11.19).PDF
  - [2c] PPSR Comprehensive - TIGER RESOURCES LIMITED (14.11.19).PDF
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  - [2f] PPSR Search Cert - Account - 201611020018073 (14.11.19).PDF
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- Audited financial statements of Tiger for the year ended 31 December 2017 ;
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  - [4a] Dec 18 TGS Group Financial Statements.pdf
  - [4b] Mar 19 TGS Group Financial Statements.pdf
  - [4c] June 19 TGS Group Financial Statements.pdf
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- [5d] SEK BCDC Oct 19 cdf.pdf
- [5e] SEK BCDC Oct USD.pdf
- [5f] SEK Rawbank USD Oct19.pdf
- [5g] SEK Rawbank-cdf Oct19.pdf
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- [5i] SEK Standard Bank Congo.USD.pdf
- [5j] SEK Standard Bank Mauritius USD.pdf
- [5k] SEK Standard Bank Oct.USD.pdf
- [5l] TGS AUD Account.pdf
- [5m] TGS USD Account.pdf
- Aged creditor ledgers at 31 October 2019
  - [6a] Supplier Statement 31 12 2018.xlsx
  - [6b] Age Analysis 31 01 2019.xlsx
  - [6c] Age Analysis 28 02 2019.xlsx
  - [6d] Age Analysis 31 03 2019.xlsx
  - [6e] Age Analysis 30 04 2019.xlsx
  - [6f] Age Analysis 31 05 2019.xlsx
  - [6g] Age Analysis 30 06 2019.xlsx
  - [6h] Age Analysis 31 07 2019.xlsx
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  - [6m] Aged Payables as at 31 December 2018.pdf
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  - [6o] Aged Payables as at 30 June 2019.pdf
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- Aged debtor ledgers
  - [10] AGED DEBTORS LEDGER SEK.xlsx
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- Debt working capital facilities
  - [18] TGS Debt Snapshot 31 Oct 2019.xlsx

- Financiers correspondence
  - [20] IFC Loan Agreement(43944130\_1)\_.PDF
  - [20] QMetco Loan Agreement (Dated 14 August 2019).pdf
  - [20] Taurus Loan Agreement(43944163\_1)\_.PDF
- Fixed asset listing
  - [21a] SEK Fixed Asset Register 31 Oct 19.xlsx
  - [21b] TGS Fixed asset listing 31 October 2019.xlsx
- Property leases
  - [22a] SEK Lubumbashi Office Lease Contract.pdf
  - [22b] TGS Golder - Variation of Sublease and Sublicence.pdf
- Intercompany loans
  - [23] Interco Loan Matrix October 2019.xlsx
- Contingent liabilities
  - [25a] SEK 2019 09 Retirement Provision V1.xlsx
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  - TGS Solvency BDO.xls
- Tax advice
  - [26] TIGER01P\_Tiger Resources COT Report\_Updated for AFBAP.pdf
- Company's loan position
  - [27] TGS Debt Snapshot 31 Oct 2019.xlsx
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  - 29a. Common Terms Agreement - A&R Agreement (Dated 20 January 2016).PDF
  - 29b. Intercreditor and Security Sharing Agreement - A&R Agreement (Dated 14 August 2019).PDF
  - 29c. Guarantee, Share Retention and Subordination Deed (Dated 18 January 2016).PDF
  - 29d. TMFF Loan Agreement - A&R Agreement (Dated 17 April 2019).PDF
  - 29e. IFC Loan Agreement - A&R Agreement (Dated 24 September 2017).PDF
  - 29f. QMetco Loan Agreement (Dated 14 August 2019).PDF
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  - 29h. Revised Funding Proposal Letter Agreement (Dated 24 October 2016).PDF
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  - 29j. Tranche C Letter (Dated 24 September 2017).PDF
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  - 29m. Second Forbearance Letter (Dated 3 October 2018).pdf
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  - 29o. Second Forbearance Letter - Second Amendment (Dated 18 January 2019).pdf
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  - STCF Model v39.xlsm
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- Aged Debtors Ledger SEK v1.xlsx
- Inter company loan balances: 10 October 19 Interco recs.xlsx
- Running Balance of Shares (Substantial Shareholders) 22 August 2019.xlsx
- Redundancy and termination costs
- 20191124TGS Solvency updated IG.xlsx
- TGS Report to the audit committee 10.12.19 DRAFT.pdf
- Appendix B - draft audit report Year end 31 December 2018.pdf
- Appendix C - draft review report Half year 30 June 2019.pdf

### Other Source Information

- Independent Technical Assessment and Valuation Report dated 19 December 2019 performed by CSA Global;
- Draft Scheme Booklet and Explanatory Statement on or about the date of this report;
  - Consensus Economics - November 2019;
  - Bloomberg Intelligence - Interactive Calculator New Copper Supply;
  - Reserve Bank of Australia Monetary Policy Decision 5 November 2019, 2 October 2019, and Statement on Monetary Policy November 2019;
  - The World Bank - The Democratic Republic of Congo;
  - International Copper Study Group Factbook 2019;
  - African Economic Outlook 2019; and
  - United States Geological Survey- Copper 2019; and
  - The World Bank - The Ease of Doing Business Index.
- Share registry information; and
- Discussions with Directors and Management of Tiger.

## Appendix 3 - Valuation Methodologies

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Methodologies commonly used for valuing assets and businesses are as follows:

### 1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

### 2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

### 3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.



The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

#### **4 Discounted future cash flows ('DCF')**

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

#### **5 Market Based Assessment**

The market based approach seeks to arrive at a value for a business or assets by reference to comparable transactions involving the sale of similar businesses or assets. This is based on the premise that companies or assets with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies and assets being analysed and the company or asset that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for an assets by reference to its total reported resources and to the amount paid by the acquirer in acquiring that asset.

## Appendix 4 - Discount Rate

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Determining the correct discount rate, or cost of capital, for a business requires the identification and consideration of a number of factors that affect the returns and risks of a business, as well as the application of widely accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model ('CAPM') is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business' weighted average cost of capital ('WACC'), the CAPM results are combined with the cost of debt funding. WACC represents the return required on the business, whilst CAPM provides the required return on an equity investment.

In our assessment of the appropriate discount rate for Tiger's Kipoi Project, we consider the most appropriate discount rate to use is the WACC. This is because we are assessing the value of the Kipoi Project in the Adjusted Model on a project level.

### Cost of Equity and Capital Asset Pricing Model

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity and is calculated as follows:

CAPM	
$K_e$	$= R_f + \beta \times (R_m - R_f) + R_{\alpha}$
Where:	
$K_e$	= expected equity investment return or cost of equity in nominal terms
$R_f$	= risk free rate of return
$R_m$	= expected market return
$R_m - R_f$	= market risk premium
$\beta$	= equity beta
$R_{\alpha}$	= specific risk adjustment

The individual components of CAPM are discussed below.

### Risk Free Rate ( $R_f$ )

The risk free rate is normally approximated by reference to a long term government bond with a maturity equivalent to the timeframe over which the returns from the assets are expected to be received. Given that the cash flows in the Adjusted Model are presented in US dollars we consider it appropriate to adopt a risk free rate based on US government bond yields for our CAPM calculation. We have considered current and forecast yields for the 10-year US Government Bonds, together with historical long term average bond yields. Based on our analysis, we have adopted a long term estimate of the 10-year US Government Bond yield of 2.00%.

### Market Risk Premium ( $R_m - R_f$ )

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice. The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 500 Index minus the risk free rate. We have used the S&P 500 Index as a proxy for a global index. For the purpose of our report we have adopted a market risk premium of between 5.5% and 6.5%. In forming our view, we have taken into consideration Aswath Damodaran's estimated risk premium of 5.96% (obtained by calculating the implied premium for the S&P 500), together with other research which supports our adopted range.

### Equity Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market as a whole; a beta greater than one implies that an investment's return will outperform the market's average return in a bullish market and underperform the market's average return in a bearish market. On the other hand, a beta less than one implies that the business' return will underperform the market's average return in a bullish market and outperform the market's average return in a bearish market.

Equity betas are normally estimated using either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future, and is hence derived from historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into consideration the industry risk factors, which make the operating risk of the company greater or less risky than comparable listed companies.

It is important to note that it is not possible to compare the equity betas of different companies without having regard to their gearing levels. It is generally accepted that a more valid analysis of betas can be achieved by 'ungearing' the equity beta to derive an asset beta ( $\beta_a$ ) by applying the following formula:

$$\beta_a = B / (1 + (D/E \times (1-t)))$$

In order to assess the appropriate equity beta for the Kipoi Project, we have had regard to the equity beta of listed companies with projects similar in nature to the Kipoi Project, with respect to commodity type and location. Given that the Kipoi Project is already in production, our analysis primarily includes companies with operating mines. Given that Tiger has been suspended from official quotation since 22 February 2017, we have not included Tiger in our data set, as there is no liquid and active market for Tiger shares.

The betas below have been calculated against the S&P 500 Index, using weekly data over a three year period from 1 November 2016 to 1 November 2019.

Company	Market Capitalisation 01-Nov-19 (A\$m)	Gearred Beta (B)	Gross Debt/Equity (%)	Ungearred Beta ( $\beta_a$ )	R <sup>2</sup>
Nzuri Copper Limited (ASX:NZC)	98	0.87	18%	0.77	0.01
OZ Minerals Limited (ASX:OZL)	3,271	0.97	0%	0.97	0.15
Sandfire Resources NL (ASX:SFR)	1,027	1.03	0%	1.03	0.14

Company	Market Capitalisation 01-Nov-19 (A\$m)	Gearred Beta (B)	Gross Debt/Equity (%)	Ungeared Beta (Ba)	R <sup>2</sup>
Aeris Resources Limited (ASX:AIS)	26	1.36	73%	0.90	0.06
Ivanhoe Mines Ltd. (TSX:IVN)	3,968	1.47	2%	1.45	0.15
Taseko Mines Limited (TSX:TKO)	133	1.90	102%	1.11	0.21
Imperial Metals Corporation (TSX:III)	245	1.36	226%	0.53	0.06
Copper Mountain Mining Corporation (TSX:CMMC)	122	1.40	93%	0.85	0.10
Atalaya Mining Plc (AIM:ATYM)	265	0.91	0%	0.91	0.06
Central Asia Metals plc (AIM:CAML)	373	0.97	44%	0.74	0.13
<b>Mean</b>	<b>953</b>	<b>1.22</b>	<b>56%</b>	<b>0.92</b>	<b>0.11</b>
<b>Median</b>	<b>255</b>	<b>1.19</b>	<b>31%</b>	<b>0.90</b>	<b>0.11</b>

Source: Bloomberg and BDO analysis

In selecting an appropriate beta for the Kipoi Project, we have considered the similarities and differences between the comparable companies set out above. The comparable similarities and differences noted are:

- the comparable companies all have copper operations or are evaluating copper projects;
- the comparable companies' mining and development assets have varying risk profiles depending on the assets maturity, stage of production and location;
- the companies may be subject to different market risks as some are listed on the ASX, Toronto Stock Exchange ('TSX') and the sub-market of the London Stock Exchange, the Alternative Investment Market ('AIM'); and
- the comparable companies tend to have more diversified operations and are located in countries with less political and economic risk, compared to the Kipoi Project, which is located in the DRC.

Having regard to the above, we consider an appropriate ungeared beta to apply to the Kipoi Project to be between 0.90 and 1.10.

### Gearing

Before a discount rate can be determined, the proportion of funding provided by debt and equity (i.e. gearing ratio) over the forecast period must be determined. As Tiger has a negative book value of equity, we have used an average debt to equity ratio of the comparable listed companies used in the wider dataset above. We have used this as a proxy for the debt to equity ratio of Tiger over the forecast period. Of the companies with debt, the average debt to equity ratio is 80%. We have therefore regressed Tiger's assessed ungeared beta to be between 1.40 and 1.72.

### Adjustment for additional risk factors (Specific Risk Adjustment)

We have adjusted the discount rate to reflect additional sovereign risk faced by Tiger relative to the comparable companies identified.

### Country Risk Premium

We have adjusted the discount rate to reflect the sovereign risk of operating in the DRC. In determining an appropriate adjustment to apply to our discount rate, we have considered the following:

- The World Bank ranked the DRC 183 out of 190 countries globally in its 2019 Ease of Doing Business Survey, which measures which countries have the most business friendly regulation.
- There has been several recent changes to the DRC Mining Code, including an increase in royalties and the creation of a mining ‘super profits’ tax. This has the potential to undermine foreign investors and lenders’ willingness to maintain a presence in the country.
- In June 2019, Moody’s downgraded the Government of the DRC issuer rating from B3 to Caa1. The downgrade reflected Moody’s assessment that the capacity of the policymaking institutions and economy to respond to economic and political shocks is very weak.

The comparable companies identified, have projects located in the following regions:

Company	Location of Operations	Ease of Doing Business Ranking	Moody’s Sovereign Rating	S&P Sovereign Rating
OZ Minerals Limited	Australia & Brazil	14 & 124	Aaa & Ba2	AAAu & BB-
Sandfire Resources NL	Australia	14	Aaa	AAAu
Ivanhoe Mines Limited	DRC & South Africa	183 & 84	Caa1 & Baa3	CCC+ & BB
Taseko Mines Limited	Canada	23	Aaa	AAA
Copper Mountain Mining Corporation	Canada	23	Aaa	AAA
Atalaya Mining Plc	Spain	30	Baa1	Au
Central Asia Metals plc	Kazakhstan & North Macedonia	25 & 17	(P) Baa3 & N/A*	BBB- & BB-

Source: Bloomberg and BDO analysis

\*N/A - no rating recorded

Based on the analysis above, we consider the comparable listed companies (with the exception of Ivanhoe Mines Limited), to face less sovereign risk than Tiger, which operates in the DRC. We therefore consider it appropriate to adjust the discount rate to reflect the additional risk of operating in the DRC, when compared with the countries in which the comparable listed companies operate. We have applied a country risk premium of 9.0% for the DRC, based on Aswath Damodaran’s 2019 ‘Country Default Spreads and Risk Premiums’ analysis for the DRC.

### Cost of Equity

Our assessment of the cost of equity is as follows:

	Low	High
Risk free rate of return	2.00%	2.00%
Equity market risk premium	5.50%	6.50%
Country risk premium (DRC)	9.00%	9.00%
Beta (ungeared)	0.90	1.10
Beta (regeared)	1.40	1.72
<b>Cost of Equity (rounded)</b>	<b>18.72%</b>	<b>22.15%</b>

Source: BDO analysis

### Weighted Average Cost of Capital

The WACC represents the market return required on the total assets of the undertaking by debt and equity providers. WACC is used to assess the appropriate commercial rate of return on the capital invested in the business, acknowledging that normally funds invested consist of a mixture of debt and equity funds. Accordingly, the discount rate should reflect the proportionate levels of debt and equity relative to the level of security and risk attributable to the investment.

In calculating WACC there are a number of different formulae which are based on the definition of cash flows (i.e., pre-tax or post-tax), the treatment of the tax benefit arising through the deductibility of interest expenses (included in either the cash flow or discount rate), and the manner and extent to which they adjust for the effects of dividend imputation. The commonly used WACC formula is the post-tax WACC, without adjustment for dividend imputation, which is detailed in the below table:

WACC	
WACC	$= \frac{E}{E+D} K_e + \frac{D}{D+E} K_d (1- t)$
Where:	
$K_e$	= expected return or discount rate on equity
$K_d$	= interest rate on debt (pre-tax)
T	= corporate tax rate
E	= market value of equity
D	= market value of debt
(1- t)	= tax adjustment

### Gearing

Before WACC can be determined, the proportion of funding provided by debt and equity (i.e., gearing ratio) must be determined. The gearing ratio adopted should represent the level of debt that the asset can reasonably sustain (i.e., the higher the expected volatility of cash flows, the lower the debt levels which can be supported). The optimum level of gearing will differentiate between assets and will include:

- the variability in earnings streams;
- working capital requirements;
- the level of investment in tangible assets; and
- the nature and risk profile of the tangible assets.

As described earlier, we have regearred the beta having regard to the average capital structure of ASX listed comparable companies to Tiger, being approximately 44% debt and 56% equity.

### Cost of Debt

Tiger has interest bearing debt, which comprises secured borrowings with Senior Lenders, and unsecured credit facilities with Rawbank and BCDC. Based on the interest rates associates with each of these facilities, we have adopted a cost of debt ranging from 10% to 12% in our calculation of the Kipoi Project's WACC. We note that under the lending agreements, Tiger is also subject to arranger fees, royalties, front end fees and commitment fees. Given these additional costs, we have assumed a higher cost of debt than the p.a. interest rate payable on Tiger's secured borrowings. Further details of the interest rates on Tiger's facilities can be found in section 4.3 of our report.

## Calculation of WACC

We have calculated the WACC of the Kipoi Project to be as follows:

Input	Low	High
Cost of Equity	18.72%	22.15%
Cost of Debt ( $K_d (1 - t)$ )	10.00%	12.00%
Proportion of Equity ( $E/(E+D)$ )	55.56%	55.56%
Proportion of Debt ( $D/(D+E)$ )	44.44%	44.44%
<b>WACC</b>	<b>13.51%</b>	<b>16.04%</b>

Source: BDO analysis

Based on the above inputs, we have determined the post-tax WACC for the Kipoi Project to be between approximately 13.5% and 16.0%, with a rounded midpoint of 15%. We have adopted the midpoint of 15% as our preferred discount rate with which to discount the life of mine cash flows to their present value.

## Comparable Listed Companies

Descriptions of comparable listed companies are summarised as follows:

Company Name	Business Description
Nzuri Copper Limited (ASX:NZC)	Nzuri Copper Limited is developing its flagship project, the Kalongwe Copper-Cobalt Project, located in the Democratic Republic of Congo. The company was formerly known as Regal Resources Limited and changed its name to Nzuri Copper Limited in January 2017. The company is based in Daglish, Australia.
OZ Minerals Limited (ASX:OZL)	OZ Minerals Limited owns and operates the Prominent Hill copper gold mine located in South Australia; the Carrapateena copper gold project located in South Australia; and the Antas copper gold mine located in the state of Pará in Brazil. The company also holds interests in the West Musgrave copper-nickel project located in Western Australia; Pedra Branca project located in Brazil; and the CentroGold project located in Brazil. The company was founded in 2008 and is headquartered in Adelaide, Australia.
Sandfire Resources NL (ASX:SFR)	Sandfire Resources NL owns and operates the DeGrussa copper-gold mine located in the Bryah Basin mineral province of Western Australia. Sandfire Resources NL was incorporated in 2003 and is based in West Perth, Australia.
Aeris Resources Limited (ASX:AIS)	Aeris Resources Limited produces and sells copper, gold, and silver products. The company also explores for copper ores. Its flagship asset is the Tritton Copper Operations located in New South Wales. The company was formerly known as Straits Resources Limited and changed its name to Aeris Resources Limited in December 2015. Aeris Resources Limited was incorporated in 2010 and is headquartered in Brisbane, Australia.
Ivanhoe Mines Ltd. (TSX:IVN)	Ivanhoe Mines Ltd is a Canadian mining company focused on advancing its three principal projects in Southern Africa: the development of new mines at the Kamoakakula copper discovery in the Democratic Republic of Congo (DRC) and the Platreef platinum-palladium-nickel-copper-gold discovery in South Africa; and the extensive redevelopment and upgrading of the historic Kipushi zinc-copper-germanium-silver mine, also in the DRC. Ivanhoe also is exploring for new copper discoveries on its 100%-owned exploration licences in the DRC, near the Kamoakakula Project. The company was formerly known as Ivanplats Limited and changed its name to Ivanhoe Mines Ltd. in August 2013. Ivanhoe Mines Ltd. was incorporated in 1993 and is based in Vancouver, Canada.
Taseko Mines Limited (TSX:TKO)	Taseko Mines Limited, a mining company, acquires, develops, and operates mineral properties in Canada and the United States. The company holds a 75% interest in the Gibraltar copper-molybdenum mine located in south-central British Columbia. The company also has interests in the Aley niobium, Harmony gold, and New Prosperity copper-gold projects situated in British Columbia; and the Florence copper project located in Arizona. Taseko Mines Limited was founded in 1966 and is headquartered in Vancouver, Canada.
Imperial Metals Corporation (TSX:III)	Imperial Metals Corporation acquires, explores, develops, mines, and produces base and precious metals in Canada. The company owns and operates the Red Chris copper/gold

Company Name	Business Description
Copper Mountain Mining Corporation (TSX:CMC)	mine, covering approximately 23,142 hectare; and the Mount Polley mine that covers approximately 20,113 hectares. The company was founded in 1959 and is based in Vancouver, Canada.  Copper Mountain Mining Corporation holds a 75% interest in the Copper Mountain mine that comprise 135 crown granted mineral claims, 156 located mineral claims, 14 mining leases, and 12 fee simple properties covering an area of 6,702.1 hectares located to the south of Princeton, British Columbia. The company was founded in 2006 and is headquartered in Vancouver, Canada.
Atalaya Mining Plc (AIM:ATYM)	Atalaya Mining Plc, together with its subsidiaries, explores for and develops metal properties, primarily copper in Europe. The company's principal property is the Proyecto Riotinto project, an open-pit copper mine located in the Andalusia region of Spain. It produces copper concentrates, including silver by-products. The company was formerly known as EMED Mining Public Limited and changed its name to Atalaya Mining Plc in October 2015. Atalaya Mining Plc was incorporated in 2004 and is based in Nicosia, Cyprus.
Central Asia Metals plc (AIM:CAML)	Central Asia Metals plc, together with its subsidiaries, mines and explores for mineral properties. The company holds a 100% interests in the solvent extraction-electro winning copper plant located near the city of Balkhash in central Kazakhstan; and Sasa mine located in north eastern Macedonia. It also owns an 80% interest in the Shuak exploration project located in northern Kazakhstan. The company was founded in 2005 and is headquartered in London, the United Kingdom.

Source: S&P Capital IQ, Damodaran's 'Country Default Spreads and Risk Premiums', and BDO analysis





# Appendix 5 - Independent Valuation Report

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**CSA Global**  
Mining Industry Consultants



## INDEPENDENT TECHNICAL ASSESSMENT AND VALUATION REPORT

**Kipoi Project, DRC**

**CSA Global Report N° 447.2019  
19 December 2019**

**[www.csaglobal.com](http://www.csaglobal.com)**

## Report prepared for

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## Executive Summary

CSA Global Pty Ltd (CSA Global), an ERM Group Company, was commissioned by BDO Corporate Finance (WA) Pty Ltd (BDO) to prepare an independent Technical Specialist's Report and Valuation of Tiger Resources Limited's ("Tiger" or the "Company") mineral assets in the Democratic Republic of Congo (DRC).

This independent technical assessment and valuation report (the "Report") was prepared for BDO. The Report provides an opinion to support an Independent Expert's Report to be prepared by BDO for distribution to creditors of the Company, and has been prepared as a public document, in the format of an independent technical specialist's report and has been prepared in accordance with the VALMIN Code.

The Report provides a technical assessment of Tiger's Kipoi, Lupoto and La Patience properties in the DRC, including the Kipoi Copper Mine. It also provides an independent opinion on the market value of the mineral assets that are not included in the current Kipoi mine plan. CSA Global has used a range of valuation methods to reach a conclusion on the value ranges of these assets. Note that the valuations are of the Mineral Assets, and not of the value of Tiger as a company. The report also provides an independent opinion of the market value, based on an analysis of comparative transactions, of the resources included in the mine plan. This is to be used by BDO as a secondary check method on the valuation of the resources in the life of mine (LOM) plan based on the cash flow models.

The statements and opinions contained in the Report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 18 November 2019 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

CSA Global's valuations are based on information provided by Tiger, and public domain information. CSA Global has endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which the Report is based. No audit of any financial data has been conducted.

It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

CSA Global Associate Consultant Geologist, Dr Simon Dorling, has visited the Kipoi Project at numerous times over the past five years, and is very familiar with the region in general, and these deposits in particular.

### Tiger's Mineral Assets in the DRC

Tiger's mineral assets include the Kipoi, Lupoto and La Patience properties in the Katanga Copperbelt in the DRC, with the currently operating Kipoi Copper Mine situated on the Kipoi property.

The Kipoi Copper Project, operated by Société d'Exploitation de Kipoi SA (SEK), a 95%-owned subsidiary of Tiger, is located approximately 75 km northwest of Lubumbashi, the provincial capital of Katanga Province of the DRC.

The Lupoto licence is situated 10 km south of Kipoi, and the La Patience licence is situated approximately 10 km southeast of Kipoi.

The Kipoi Project covers a granted tenure (Exploitation Permits) of 56 km<sup>2</sup>, and includes the Kipoi Mine production asset, as well as Pre-Development assets in the form of declared Mineral Resources not included in the Kipoi Project mine plan, and Advanced Exploration assets in the form of the contiguous tenure surrounding the production and pre-development assets.

As at 30 June 2019, the Kipoi Project had a total Mineral Resource base of 70.8 million tonnes (Mt) with a grade of 1.1% Cu, comprising three current Mineral Resources. It had a current total Ore Reserve base of 16.8 Mt with a grade of 1.7% Cu, comprising three Mineral Resources (in three separate pits) and associated stockpiles.

The Lupoto Project comprises a single Exploitation Permit covering 121 km<sup>2</sup>, and includes the Pre-Development Sase deposit, as well as the Advanced Exploration asset comprising the remaining area covered by the permit.

The Sase deposit has a Mineral Resource of 12.4 Mt with a grade of 1.35% Cu.

The La Patience Exploration Permit covers an area of 13 km<sup>2</sup> and represents an Advanced Exploration asset.

All project areas are underlain mainly by sub-cropping, deformed, mineralised but deeply weathered, copperbelt ground, and thus the entire area can be considered prospective for discovery of extensions to the known mineralisation, and for new zones of mineralisation within similar geological-structural settings. With more drilling, the exploration potential for expanding the area of known mineralisation that is hosted in structural corridors is good.

### Mineral Resource Reviews

CSA Global conducted high-level reviews of the Mineral Resource estimates (MREs) for the five declared Mineral Resources. The reviews of the Kipoi Central, Kipoi North and Kileba Mineral Resources (the Mineral Resources that feed the mine plan) included a document review and check reporting of the resources from the block models, whereas the reviews of the Judeira and Sase Mineral Resources (not considered in the mine plan) were limited to a document review.

In CSA Global's opinion as the VALMIN Practitioner, based on the technical review of all the MREs, the Kipoi Central, Kipoi North and Kileba MREs provide a reasonable basis for input into the mine plan and to support the use of income-based valuation methods. The Judeira and Sase Mineral Resources which were not part of the mine plan, were assessed and valued using a market comparable approach which CSA Global consider appropriate for lower confidence estimates.

Although further domaining of the **Kipoi Central, Kipoi North and Kileba** Mineral Resources may have been possible following more detailed assessment of the impact of structure, lithology and weathering on the mineralisation, supported by statistical analysis, CSA Global considers that the manner in which the Mineral Resource models were prepared is not likely to represent a material risk to the ongoing development, mining or global value of the project.

Following review of the Mineral Resource report, CSA Global considers Cube Consulting's discussion of sample quality, deposit geology, statistical analyses, grade interpolation and classification for the **Judeira** Mineral Resource sufficiently supports the MRE, with no material omissions or flaws noted.

Following review of the Mineral Resource report, CSA Global considers Cube Consulting's discussion of sample quality, deposit geology, statistical analyses, grade interpolation and Mineral Resource classification for the **Sase** MRE sufficiently supports the MRE, with no material omissions or flaws noted.

### Mining (Ore Reserves and LOM Plan) Review

CSA Global has reviewed several documents to assess the quality of information used in the development of the Kipoi Project mine plan and financial model. The basis of this review focuses on mining three deposits in the Kipoi project:

- Kipoi Central
- Kipoi North
- Kileba.

CSA Global considers that ongoing hydrogeological investigations are important to confirm the geotechnical design parameters applied to the mine designs. The current wall angles of approximately 30-degrees is relatively conservative. The risk to the project outcomes is not considered material.

CSA Global considers the mining schedule to be reasonable based on the vertical advance rates.

The mine is mostly established and has been in full production until 2017. Support infrastructure such as workshop, fuel bay, magazine and roads already exist. There is no allocation of capital funds for refurbishment to bring this infrastructure back into productive use after being idle for several years.

CSA Global recommends that a sum of \$2 million be added to the initial mining capital profile to account for the costs to return the mining infrastructure to productive use.

CSA Global considers that the mining costs applied in the model are reasonable when compared to similar operations in an African environment and are within acceptable tolerances to be used in the financial analysis of the Kipoi project.

A transport cost of \$255/t has been estimated for the road transport of product (copper cathode, copper concentrate or cobalt). In the available documentation, there is a general statement that a freight allowance has been made for product shipped to both Zambia and China via Dar es Salaam. No further specific information is available of a transport route, destination nor distance, by which the estimate can be assessed. CSA Global considers that the estimate is in excess of what is required for transport to Zambia and is reasonable for transport to Dar es Salaam in Tanzania.

CSA Global considers that the amount allowed for closure and rehabilitation is reasonable.

### Metallurgical Review

A high-level metallurgical review was performed on the inputs to the mine plan and financial models, with production options for Kipoi Central and Kileba ores.

In summary, the following comments were made:

- The LOM model appeared well constructed, albeit complex for the objective, with inputs clearly separated from the calculations within the model. A basis for most inputs was provided that was extremely useful given the overall complexity of the model. A number of modifications were recommended, and key issues are summarised below:
  - Modifications and clarifications to heap and tank leach recoveries for both deposits based on limited analytical and testwork data as well as benchmarking similar operations. A minor reduction of 5% absolute to the Kipoi Central Fresh heap and tank leach recoveries are recommended. This may be addressed in the financial model sensitivity analysis, as it is expected to reduce recovered copper over the life of the project by only 70 tonnes or approximately US\$500,000 revenue.
  - Modifications to Kileba recoveries are not material (less than 5% impact to recovered Cu grade) and do not require update for the purposes of the review. However, it is recommended this be addressed going forwards.
  - The sulphuric acid consumptions applied in the LOM financial model vary from those reported in the modifying factors memos. It is recommended that the memos be updated for consistency.
  - Modification of sulphuric acid cost format for solvent extraction and electrowinning from a fixed to variable cost to account for the increasing copper production proposed in the LOM model.
  - Agreement with the modification of the electrowinning power consumption based on a more realistic current efficiency.
- The LOM financial model capital expenditure (Scenario 2) for the expansion and optimisation required for processing the Kipoi Central and Kileba deposits, is reasonable in CSA Global's opinion. US\$4.3 million of Other Capital costs were not able to be located in the LOM financial model.
- The LOM financial model operating costs, incorporating the modifications recommended above, are reasonable.
- A number of general risks were also identified. Although no recommendations were made to change specific parameters within these models based on these risks, they provide useful supporting information. There risks relate to:
  - Heap leach operating parameters

- Limited sequential leaching data
- Operating cost predictions based on 2017 data
- Sulphuric acid cost and supply.
- There was limited testwork data or suitable existing plant data provided to support some of the key metallurgical parameters used in these models. Therefore, it was necessary to consider whether metallurgical parameters were plausible based on benchmarking and the experience of the reviewers.

### Valuation of Tiger’s Mineral Assets Outside of the Current Kipoi Mine Plan

In forming an opinion on the Valuation Range and Preferred Value for the Tiger mineral assets outside of the current Kipoi mine plan (Table 1), CSA Global considered the outcomes of valuations based on the Comparative Transactions method. This was crosschecked using the Yardstick Order of Magnitude crosscheck for the declared Mineral Resources outside of the mine plan, and the Geoscientific Factor method for the remaining exploration ground.

Table 1: CSA Global’s opinion on the market value of Tiger’s mineral assets outside of the Kipoi mine plan as at 18 November 2019 (100% basis)

	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi and Kileba Resources outside of mine plan	22.5	41.5	32.0
Judeira and Sase	10.0	20.0	15.0
Exploration ground	4.5	13.5	9.0
<b>TOTAL</b>	<b>37.0</b>	<b>75.0</b>	<b>56.0</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

Considerations that have informed CSA Global’s view on the valuation range and the preferred value within the range include the following:

- The declared Mineral Resources are located in close proximity to the operating Kipoi Copper Mine, operated by Tiger’s 95% held subsidiary, SEK
- Market sentiment appears to be generally positive for copper-cobalt projects located in the Central African Copperbelt
- In CSA Global’s opinion, resource risk falls within the uncertainties implied by our valuation range and does not require additional discounting.

### Valuation of Mineral Resources included in the Current Kipoi Mine Plan (Ore Reserves)

CSA Global was additionally tasked with forming an opinion on the market value of the Ore Reserves included in the LOM plan based on comparative transactions, which could be used as a crosscheck to the value implied by the cash flow models.

CSA Global’s technical assessment of the Ore Reserves, and the technical inputs to the mine plan from which the Ore Reserves were derived, is documented in Section 7 of this report, and summarised above. On this basis, CSA Global considers the Ore Reserve to be reasonable, and of sufficient quality to form the basis of an opinion on value.

CSA Global’s opinion on the market value of the Ore Reserves, on a 100% basis, is summarised in Table 2.

Table 2: CSA Global’s opinion on the market value of Tiger’s Ore Reserves as at 18 November 2019 (100% basis)

	Low (US\$M)	High (US\$M)	Preferred (US\$M)
Kipoi and Kileba Ore Reserves	35.0	110.0	85.0

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.



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# 1 Introduction

## 1.1 Context, Scope and Terms of Reference

Tiger Resources Limited (ASX: TGS) (“Tiger” or the “Company”) is an Australian Securities Exchange (ASX)-listed, Australian-based company focused on the discovery, development and exploration of copper/cobalt deposits in the Katanga Copperbelt in the Democratic Republic of the Congo (DRC). Tiger’s mineral assets include the Kipoi, Lupoto and La Patience properties, with the currently operating Kipoi Copper Mine situated on the Kipoi property. Tiger’s key asset is the Kipoi Copper Project.

The Kipoi Copper Project is operated by Société d’Exploitation de Kipoi (SEK), a 95%-owned subsidiary of Tiger, and located 75 km northwest of Lubumbashi, the capital of Katanga Province, in the central part of the Katanga Copper Belt. The Kipoi Mining Licence covers an area of 55 km<sup>2</sup> and contains a 12 km-long extensively copper-cobalt mineralised segment (ecaille) of Upper Roan (R2, R4) sediments. The project hosts five known copper deposits: Kipoi Central, Kipoi North, Kileba, Judeira and Kaminafitwe.

Tiger is undertaking a recapitalisation (“Transaction”) that requires the preparation of an Independent Expert’s Report (IER) to inform the Company’s creditors.

The Company has engaged BDO Corporate Finance (WA) Pty Ltd (BDO) to prepare an IER to be sent to creditors of the Company.

BDO has in turn commissioned CSA Global Pty Ltd (CSA Global), an ERM Group Company, to prepare an independent technical assessment and valuation of the mineral assets for inclusion in the IER. The review and valuation report, or a summary of it, is to be appended to the IER, and as such, will become a public document.

The Independent Expert will require an independent opinion on the market valuation of the Company’s mineral assets, notably the Kipoi Project. BDO has also requested assistance in assessing the validity and appropriateness of the inputs to discounted cash flow (DCF) models for the project that it will use to form a view of the overall value of the Company.

CSA Global’s brief was to conduct a detailed technical assessment of the Company’s Project by appropriately qualified and experienced technical experts, concentrating on:

- Geological understanding and prospectivity, including (i) potential for mine life extensions at the Kipoi project; and (ii) mining and processing of ore from Lupoto and the valuation impact of this
- Review of the Mineral Resource estimates (MREs)
- Review of mining and infrastructure treatment in the life of mine (LOM) Plan
- Review of metallurgy and processing treatment in LOM Plan
- Assessing how the cash flow model deals with the technical inputs.

Should the Technical Assessment find there are material quantities of declared Mineral Resources that do not feed into the LOM Plan informing the cash flow models, CSA Global was requested to prepare an independent opinion on the market value of these Resources, together with any other mineral assets the Company holds, which are deemed to be material.

Dependent on the availability and quality of the supporting information, CSA Global was to undertake the valuation of the residual resources (if any portion of the defined resource is not included in the Model) and the surrounding exploration potential primarily by the market approach.

CSA Global was subsequently requested to form an opinion on the market value of the Mineral Resources included in the LOM Plan based on comparative transactions, which could be used as a crosscheck to the value implied by the cashflow models.

## 1.2 Compliance with the VALMIN and JORC Codes

The Report has been prepared in accordance with the VALMIN Code 2015<sup>1</sup>, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC Code<sup>2</sup> and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to IERs.

The authors have taken due note of the rules and guidelines issued by such bodies as ASIC and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

## 1.3 Principal Sources of Information

The Report has been based upon information available up to and including 18 November 2019. The information was provided to CSA Global by Tiger or has been sourced from the public domain and includes both published and unpublished technical reports prepared by consultants, and other data relevant to Tiger's projects.

The authors have endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which this Report is based.

CSA Global Associate Consultant Geologist, Dr Simon Dorling, has visited the Kipoi Project at numerous times over the past five years, and is very familiar with the region in general, and these deposits in particular. CSA Global has utilised his knowledge and expertise in conducting our technical assessment of the mineral assets. In CSA Global's professional judgement, a further site visit is not likely to materially add to our understanding of the project, as the site is brownfields with existing infrastructure and local capability, and both the process engineer (Lisa Park) and the mining engineer (Chris Parry) undertaking the technical assessments have previously visited this area of the DRC. CSA Global is of the opinion that the information currently available to CSA Global is sufficient to inform our technical assessments.

With regards to the current status of the tenements, CSA Global has relied on the opinion of Risasi & Associés, an independent law firm with offices in the DRC, as stated in their report titled, "Limited due diligence report in respect of the mining assets held by S.E.K., SASE and Tiger Congo in the DRC" and dated 15 November 2019. CSA Global makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

## 1.4 Authors of the Report – Qualifications, Experience and Competence

The Report has been prepared by CSA Global, a privately-owned consulting company that has been operating for over 30 years; with its headquarters in Perth, Western Australia.

CSA Global provides multi-disciplinary services to a broad spectrum of clients across the global mining industry. Services are provided across all stages of the mining cycle from project generation, to exploration, resource estimation, project evaluation, development studies, operations assistance, and corporate advice, such as valuations and independent technical documentation.

The information in this Report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Dr Simon Dorling, who is a Member of the AIG, and Mr Trivindren Naidoo, who is a Member of the AusIMM. Dr Dorling and Mr Naidoo are not related parties or employees of Tiger. Dr Dorling and Mr Naidoo have sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which they are undertaking to qualify as Practitioners as defined in the 2015 Edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Dr Dorling and Mr Naidoo consent to

<sup>1</sup> *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets. The VALMIN Code, 2015 Edition.* Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

<sup>2</sup> *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition.* Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

the inclusion in the Report of the matters based on their information in the form and context in which it appears.

The valuation of Mineral Resources and Exploration Properties was completed by CSA Global Principal Geologist – Valuation, Mr Trivindren Naidoo, MSc (Exploration Geology), Grad.Cert (Mineral Economics), FGSSA, MAusIMM, and Pr.Sci.Nat. (Geology). Mr Naidoo is an exploration geologist with over 20 years' experience in the minerals industry, including 14 years as a consultant, specialising in project evaluations and technical reviews as well as code-compliant reporting (JORC, VALMIN, NI43-101 and CIMVAL) and valuation. His knowledge is broad-based, and he has wide-ranging experience in the field of mineral exploration, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation, including the assessment of operating mines. Mr Naidoo is part of CSA Global's Corporate team and has completed independent evaluations and valuations of numerous mineral assets ranging from early stage exploration properties to projects with multiple operating mines, across various commodities and jurisdictions. He has the relevant qualifications, experience, competence, and independence to be considered a "Specialist" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

The technical assessment of the properties and their exploration potential was completed by CSA Global Associate Consultant Geologist, Dr Simon Dorling, PhD, MSc (Geology), MAIG. Dr Dorling has over 26 years' experience in exploration, development and the mining of base metals (Cu, Zn, Pb, Fe, Sn), precious metals (Au, Ag), energy minerals (U, coal) and industrial minerals (K, P, F) in mineralisation environments in a variety of global geological settings from the grass roots level to feasibility study stage. He specialises in structural geology and resource project evaluations; metals and industrial minerals projects, integrated regional to deposit-scale structural analysis of metallogenic systems in sedimentary to high grade metamorphic settings and terrain analysis in support of project evaluation and management from exploration to brown-fields work programs; expert reviews and Qualified Person reports; project and exploration concept reviews and assessments; resource and geological modelling, independent technical Competent Person/Qualified Person for public reporting.

The technical assessment of the Mineral Resources was completed by CSA Global Manager – Resources/Principal Resource Consultant, Mr Aaron Meakin, BSc (Hons) Geology, GradDipAppFin, MAppFin, MAusIMM CP (Geo), and CSA Global Principal Resource Consultant, Mr David Williams, BSc (Hons Geology), MAusIMM, MAIG.

Mr Meakin is a geologist with over 25 years' experience in mining, resource estimation and exploration; both in operational roles and as a consultant. His skills include resource estimation and Competent Person reporting, technical review and audit, grade control and project management. Mr Meakin has significant mine production experience, having worked at both underground and open pit operations. He has experience with many styles of mineralisation and can provide Competent Person sign-off for a vast array of deposits. Mr Meakin currently leads CSA Global's Resources division.

Mr Williams is a Principal Resource Geologist with over 25 years' experience in mine geology and Mineral Resource estimation. He is a Competent Person for the JORC reporting of MREs and is similarly a Qualified Person for Canadian NI 43-101 MRE reports. Mr Williams' commodity expertise is extensive, and it has been developed from working on mining and resource estimation projects in Australia, Africa, Asia and Europe. He is also a specialist on due diligence studies and has provided professional opinion for Independent Geologist Reports.

Messrs Meakin and Williams have the relevant qualifications, experience, competence and independence to be considered a "Competent Person" relevant to the style of mineralisation and type of deposit described in the Report, as defined in the JORC Code.

The assessment of the metallurgical aspects of the Kipoi Project and their treatment in the financial model was undertaken by CSA Global Associate Consultant, Ms Lisa Park, B Eng (Chemical Engineering), Masters (Applied Finance), GAICD, FAusIMM. Ms Park is a practicing process engineer with more than 25 years' experience. She has experience in project development, operations and construction. Ms Park's previous

experience in copper projects includes the Silangan project (Philippines), Pebble project (Alaska, USA), Waisoi project (Fiji), Didipio project (Philippines) and many other projects in Africa in various capacities over the years.

The assessment of the technical inputs in the Kipoi mining studies was undertaken by CSA Global Principal Mining Engineer, Mr Chris Parry, MSc Mining Geology; BSc(Hons) Mining Engineering, MCSM, MIMMM, FGS, CEng. Mr Parry is a mining engineer with over 35 years' experience in planning, development and operation of assets globally, in particular Africa, South America and the Arctic region. Adopting a versatile, hands-on and results-driven approach to mining, he has extensive experience in open pit mine planning, project and study management, project development and country manager roles, leading multi-disciplined teams from grassroots exploration to mine construction. Mr Parry possesses a strong business acumen and understands the key drivers for mining projects to deliver successful operational strategies.

The reviewer of the Report is CSA Global Manager Corporate, Principal Geologist Mr Graham Jeffress, BSc (Hons) Applied Geology, FAIG, RPGeo (Mineral Exploration), FAusIMM, FSEG. Mr Jeffress is a geologist with over 27 years' experience in exploration geology and management in Australia, Papua New Guinea and Indonesia. He is Principal Geologist with CSA Global in Perth and manages the Exploration and Evaluation Division. Mr Jeffress has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine and resource definition), project evaluation and mining in a variety of geological terrains, commodities and mineralisation styles within Australia and internationally. He is competent in multidisciplinary exploration, and proficient at undertaking prospect evaluation and all phases of exploration – sampling, mapping, prospecting and drilling through to resource definition; as well as project management including planning, budgeting, logistics, safety, people management, landowner liaison and project presentation. Additionally, Mr Jeffress has completed numerous Independent Geologist Reports, Competent Person Reports, and Independent Valuation Reports. He was a Federal Councillor of the AIG for 11 years and joined the Joint Ore Reserves Committee in 2014.

## 1.5 Prior Association and Independence

Neither CSA Global, nor the authors of this Report, have or have had previously, any material interest in Tiger or the mineral properties in which Tiger have an interest. CSA Global's relationship with Tiger is solely one of professional association between client and independent consultant.

CSA Global has previously provided specific independent technical consulting services to Tiger, including exploration targeting, structural interpretation and mineral resource estimation, on a non-continuous basis between 2007 and 2017. CSA Global has not prepared or contributed to the current or previous MREs or ore reserve estimates, which were prepared and signed off by Cube Consulting. Until 2017, CSA Global (UK) stored and conducted validation on the Tiger resources database.

CSA Global is an independent geological consultancy. This Report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report. The fee for the preparation of this Report is approximately A\$66,000.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Tiger. No member or employee of CSA Global has, or has had, any shareholding in Tiger. There is no formal agreement between CSA Global and Tiger to CSA Global conducting further work for Tiger.

## 1.6 Declarations

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. This Report has been compiled based on information available up to and including the date of this Report. The statements and opinions are based on the reference date of 18 November 2019 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

The opinions expressed in this Report have been based on the information supplied to CSA Global by Tiger. The opinions in this Report are provided in response to a specific request from BDO to do so. CSA Global has exercised all due care in reviewing the supplied information. Whilst CSA Global has compared key supplied



data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. CSA Global does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features, as they existed at the time of CSA Global's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which CSA Global had no prior knowledge nor had the opportunity to evaluate.

CSA Global's valuations are based on information provided by Tiger and public domain information. This information has been supplemented by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data.

No audit of any financial data has been conducted. The valuations discussed in this Report have been prepared at a valuation date of 18 November 2019. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

## 2 Tiger’s Copper Projects in the DRC

### 2.1 Location and Access

The Kipoi Copper Project is located approximately 75 km northwest of Lubumbashi, the capital of Katanga Province of the DRC (Figure 1).

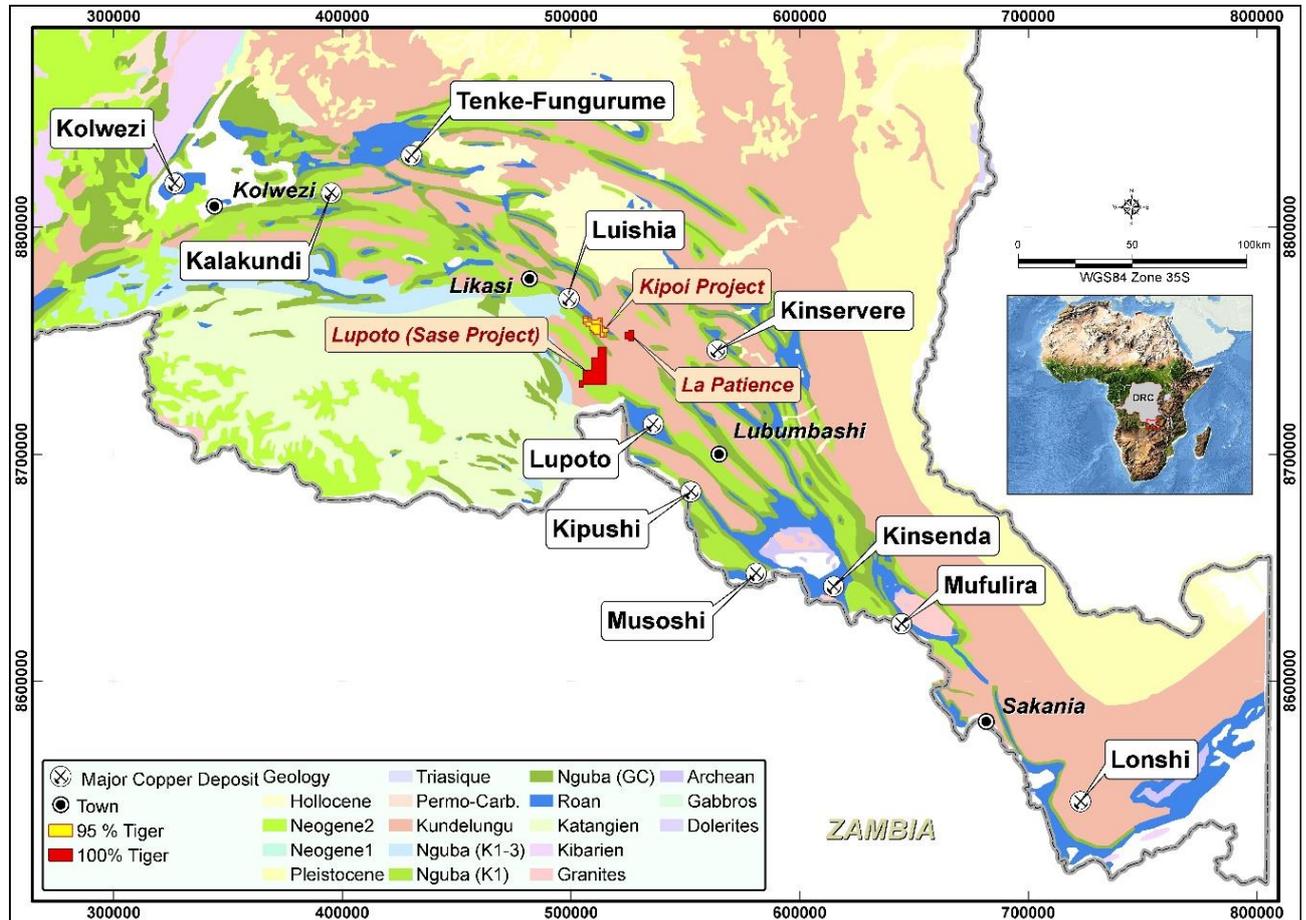


Figure 1: Location of Tiger’s ground-holding in the DRC

Access to the project is via a 6 km road leading from the bitumen sealed Lubumbashi to Likasi highway. Lubumbashi has an international airport with good commercial links to Johannesburg, which serves as a regional hub for international air travel.

Lubumbashi is the second largest city in the DRC and supports the significant mining activity in the Katanga province.

High-voltage powerlines off the national grid and the Lubumbashi–Likasi railway line pass through the project area (Figure 2).

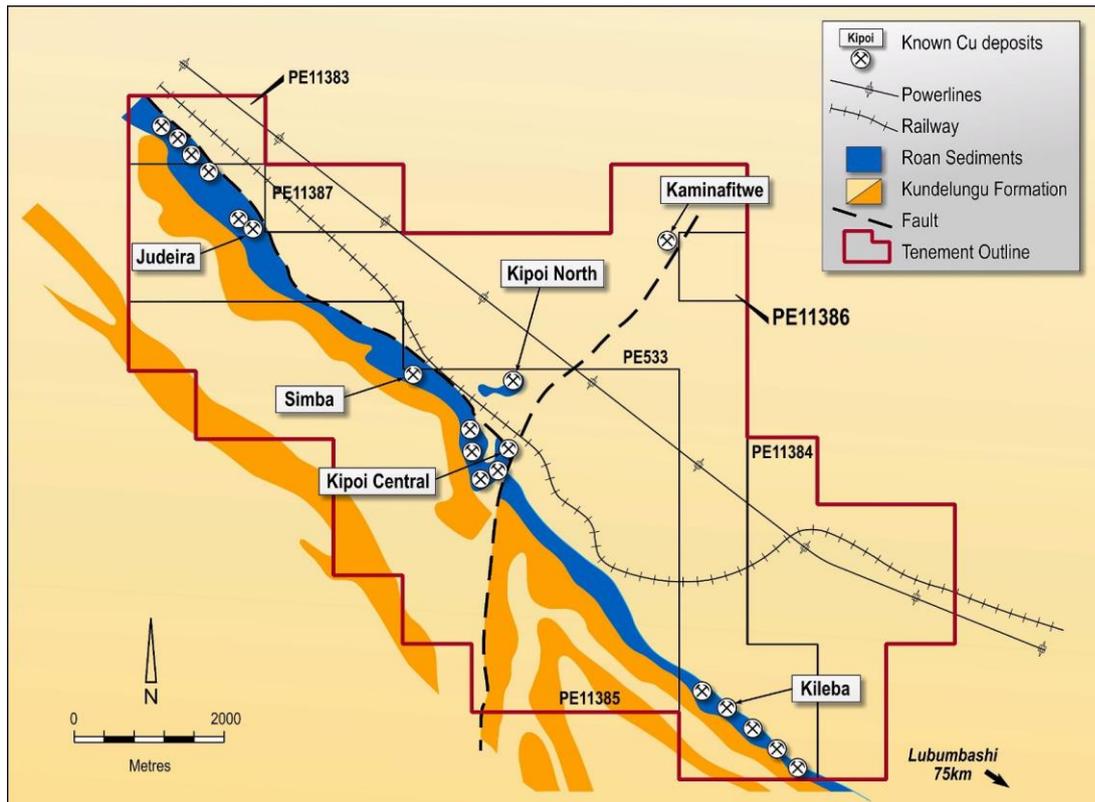


Figure 2: Resource areas and local infrastructure  
 Source: Tiger

## 2.2 Topography and Climate

The Kipoi Copper Project is situated on the Central African Plateau, on gently undulating topography at an elevation of 1,200 m above mean sea level. Vegetation in the project area generally consists of riparian and acacia vegetation though certain small areas have been cleared for cultivation and charcoal burning.

The area has a distinct dry and wet season, with the wet season commencing in October and generally finishing in April. The average rainfall in the project area is approximately 1,100 mm, though this can range from 650 mm to 1,500 mm with 90% of the rainfall occurring during the wet season. Geological fieldwork can be undertaken throughout the year.

Temperatures are generally mild and vary between 17°C and 26°C but can fall as low as 12°C during the night in July and August.

## 2.3 Mineral Tenure

With regards to the current status of the tenements, CSA Global has relied on the opinion of Risasi & Associés, an independent law firm with offices in the DRC, as stated in their report titled, “Limited due diligence report in respect of the mining assets held by S.E.K., SASE and Tiger Congo in the DRC” and dated 15 November 2019. CSA Global makes no other assessment or assertion as to the legal title of tenements, permits, approvals, etc. and is not qualified to do so.

Risasi & Associés (2019) state that, “The DRC Subsidiaries are eligible to hold the Tenements in accordance with the Mining Code. The Tenements have been validly created and are in full force and effect and currently registered in the name of S.E.K., SASE and Tiger Congo, respectively.” And “The Tenements’ areas do not overlap with protected or restricted areas.”

Risasi & Associés (2019) list numerous obligations and compliance requirements for the tenements, for which Risasi & Associés has seen documented evidence of compliance, including the payment of annual surface fees and additional taxes on the surface area of mining, as well as authorisations for land occupation, water

use, etc., regular activity reports to the Department of Mines, deforestation permits, compliance with health and safety regulations, and environmental approvals. On the basis that Risasi & Associés has seen documented evidence of compliance, CSA Global conclude that these do not have a material influence on the value of the tenements.

Tiger’s tenement holding in the Katanga Province of the DRC is summarised in Table 3 and illustrated in Figure 3.

Table 3: Tiger’s mineral tenure in the DRC

Project	Tiger’s interest	Licence	Type	Holder	Grant date	Expiry date	Area (km <sup>2</sup> )
Kipoi	95%	PE 533	Exploitation	Societe d’Exploitation de Kipoi S.A. (SEK)	04/04/2009	03/04/2024	21.23
		PE 11383	Exploitation		09/03/2010	08/03/2040	1.69
		PE 11384	Exploitation		09/03/2010	08/03/2040	7.64
		PE 11385	Exploitation		09/03/2010	08/03/2040	23.78
		PE 11386	Exploitation		09/03/2010	08/03/2040	0.84
		PE 11387	Exploitation		09/03/2010	08/03/2040	1.69
Luputo	95%	PE 2214	Exploitation	Sase Mining SARL	02/02/2015	01/02/2045	123.18
La Patience	100%	PR 10715	Exploration	Tiger Congo SARL	07/03/2014	2024 <sup>#</sup>	6.79

<sup>#</sup>Precise date subject to notification by CAMI

Source: Risasi & Associés (2019)

The Kipoi Copper Project is operated by SEK, a 95%-owned subsidiary of Tiger, with the government of the DRC owning the remaining 5%.

Luputo is held by Sase Mining SARL, in which Tiger holds a 95% interest.

The La Patience exploration licence is held 100% by Tiger Congo SARL, in which Tiger holds a 100% interest.

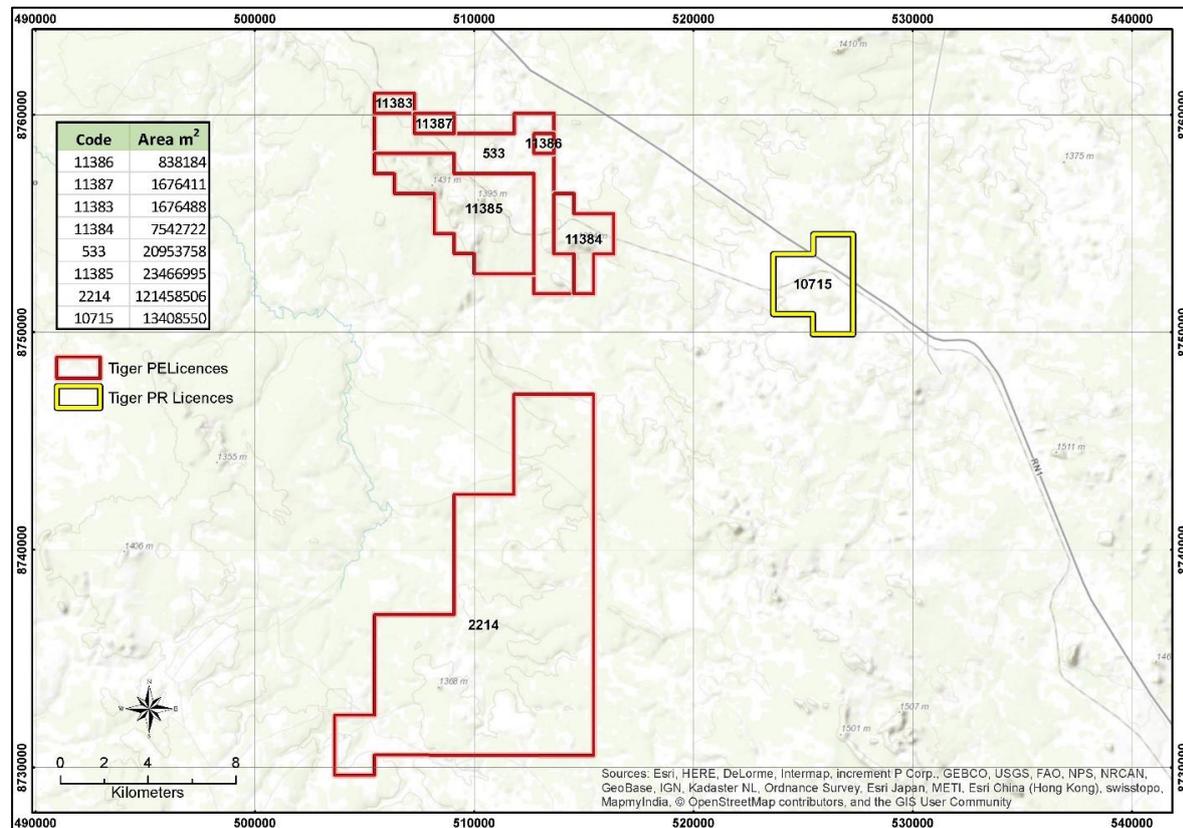


Figure 3: Tiger’s tenure

Note: Area of PR 10715 has been reduced by half and is therefore half of the area indicated. Exact shape subject to notification by CAMI.

## 3 Regional Geology

### 3.1 Geology Setting

The Neoproterozoic Central African Copperbelt (“Copperbelt”) is an almost 700 km long and 150 km wide, arcuate, deformed portion of the earth crust that extends from northern Zambia into south-eastern DRC (Figure 4). The Copperbelt, which is host to some of the world’s richest copper and cobalt deposits originated from sediments deposited in the Katanga basin. Tiger’s properties are located in the central part of the Copperbelt, in the Haute Katanga Province of the DRC.

The Copperbelt is synonymous with the orogenic domain named the Lufilian Arc, which is one of several Pan-African fold belts that fringe the Congo and Kalahari cratons (Figure 4). Each of these belts records a history of Early Neoproterozoic intra-cratonic rift development, which followed the dispersal of a Mesoproterozoic supercontinent from 1800 Ma to 1600 Ma; followed by late Neoproterozoic collisional deformation and metamorphism, which occurred during the assembly of central Gondwana (600–500 Ma).

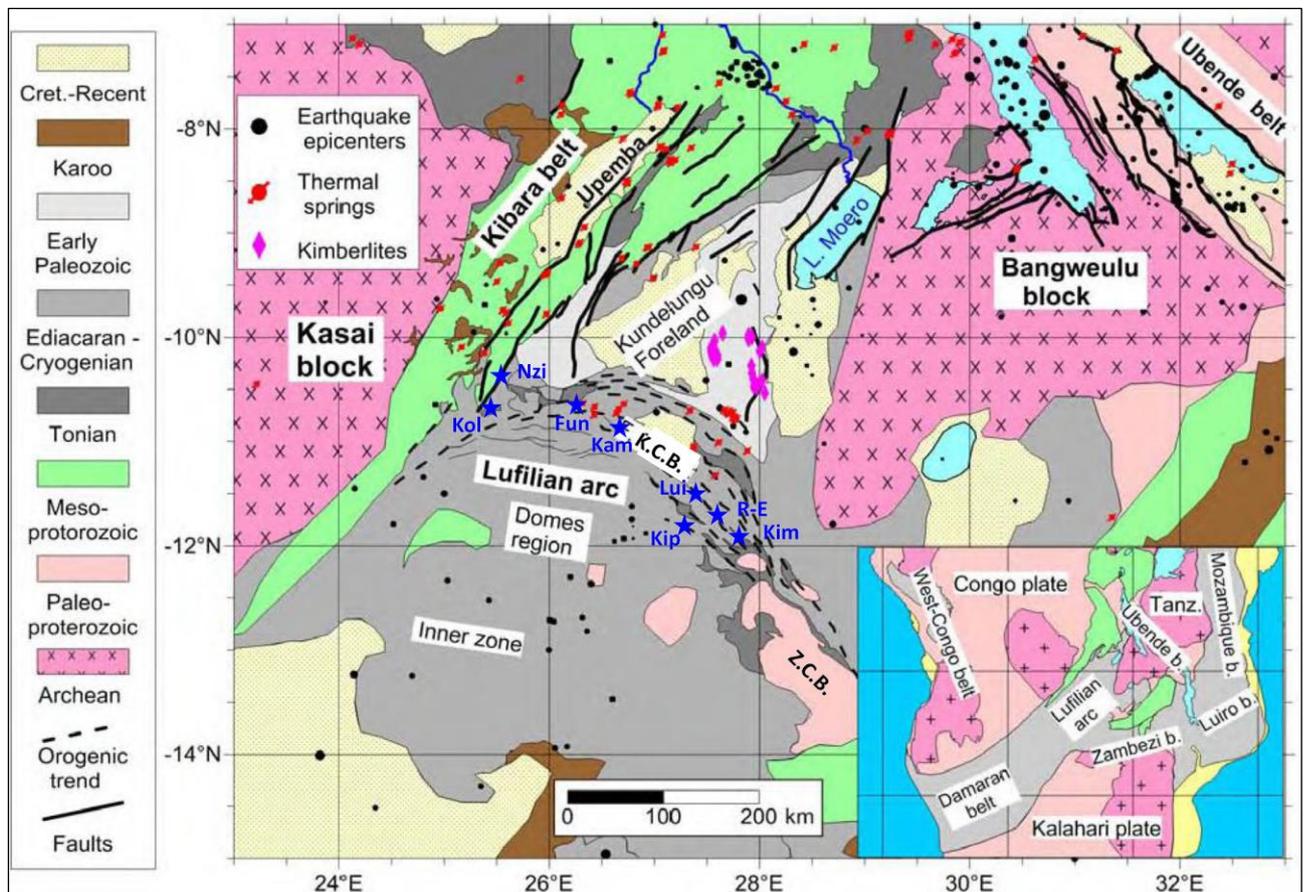


Figure 4: Simplified geological map of the Central African Copperbelt  
 Source: Cailteux et al (2018)

The Lufilian Orogeny involved north to northeast directed shortening, which resulted in an arcuate tectonic trend that strikes from north-northwest in Zambia, to northeast at Kolwezi in the DRC.

The Katangan basin sedimentary succession is about 5–10 km thick and is subdivided into three major stratigraphic units: the Roan, Nguba and Kundelungu groups (Cailteux et al., 2005; Table 4). The Roan Group is made up of siliciclastic and carbonate rocks deposited in fluvial and lacustrine environments and volcanic and plutonic rocks emplaced in an intracontinental setting. The Nguba Group (formerly known as the Lower Kundelungu) is a succession of siliciclastic and carbonate rocks that locally includes mafic igneous rocks emplaced in a proto-oceanic setting. The Kundelungu sedimentary rocks are a continental clastic molasse sequence deposited up until the Palaeozoic.

Table 4: Stratigraphy of the Katangan System

AGE (Ma)	SPGR	GROUP	SUBGROUP	FORMATION & LITHOLOGY	ENVIRONMENT	Stress regime	Metallic mineralisation	Tectonic breccia & brecciation			
~ 320	Lower Palaeozoic	<b>Karoo</b>									
542	Early Palaeozoic	<b>Kundelungu (Ku)</b> formerly "Upper Kundelungu"	Biano formerly "Plateaux"	Red arkoses, conglomerates, sandstones, shales	Foreland continental clastic, lacustrine to fluvio-deltaic (semi-arid)						
530	Ediacaran		Probable stratigraphic unconformity								
			Ngule (Ku-2)	Sampwe	Sandstones & shales						
				Kiubo	Tectonic unconformity (orogenic paroxysm)						
				Mongwe	Sandstones, carbonated siltstones & limestones						
635			Neoproterozoic	<b>Nguba (Ng)</b> formerly "Lower Kundelungu"	Gombela (Ku-1)	Lubudi	carbonated siltstones & shales	Epi-continental lagunar to marine	Cu, Zn, Pb PO mixed fluids T° 90-140°C	thrust-fault floor folded Katangan	
						Kanianga					
						Lusele					
660							Kyandamu "Petit Conglom." diamictite	Marinoan glaciation ?			
					Bunkeya (Ng-2)	Monwezi	dolomitic siliciclastics		Proto-oceanic rift platform carbonates	Cu PO mixed fluids T° 120-180°C	Zn, Cu, Pb T° 290-380°C (451 Ma)
		Katete									
	Kipushi	dolomites & limestones									
	Kakontwe	carbonated siltstones & shales									
680		Muombe (Ng-1)			Kaponda						
715					Mwale "Grand Conglom." diamictite	Sturtian glaciation ?					
	Cryogenian	<b>Roan (R)</b>	Mwashya (R-4)	Kanzadi	lenticular sandstones		Cu, Co T° 115-220°C (816/821 Ma) SO hot fluids T° ~270-385°C	shear hydraulic/shear shear brittle collapse after folding collapse hydraulic/shear hydraulic shear ?			
				Kafubu	carbonaceous shales						
				Kamoya	dolomitic siltstones (diamictic beds at base ?)						
				Kansuki	dolomites & pyroclastics						
			Dipeta (R-3)	Mofya	dolomitic siltstones & shales, dolomites ; intrusive gabbros						
				Dipeta							
				R.G.S.							
			Mines (R-2)	Kambove	dolomites, carbonated siltstones & shales ; basal chloritic dolomitic siltstone (R.A.T. Grises)						
				Dol. Shales							
			R.A.T. (R-1)	Kamoto							
	R-1.3	haematitic muddy dolomitic siltstones									
	R-1.2	dolomitic siltstones									
			R-1.1								
			major tectonic unconformity								
			base of the R.A.T. sequence - unknown								
< 883			Basal conglomerate								
1000	Tonian	883 ± 10 Ma Nchanga Granite	Stratigraphic unconformity								
<b>Palaeo- &amp; Mesoproterozoic (basement)</b>											

The Katangan basin sediments form a series of tight anticlines that are disjointed and offset by faults and mega-breccia bodies (Figure 5). The basal part of this sedimentary succession, the Lower Roan, Mines Series (Subgroup), is host to most of the major copper-cobalt deposits, including some of the mineralisation at Kipoi (Table 4). Fragments or *écailles* (terms used interchangeably) of Roan Group rocks form mega-breccias that can measure up to 10 km in length and host the major deposits of the Katangan Copperbelt.

### 3.2 Deformation and Mineralisation

The stratiform Copperbelt copper-cobalt deposits are found primarily in the Roan Group (Mines and Mwashya Subgroups, Table 4). The Roan Group rocks vary in their facies between Zambia and the DRC. In Zambia and the southeast Congo, copper deposits are hosted in clastic rocks (conglomerates, sandstones, shales) close to the basement at the transition from oxidised to reduced facies rocks (redox-boundary). The Congolese copper-cobalt deposits are hosted in allochthonous bodies formed during the Lufilian Orogeny. The dominant lithological units are graphitic siltstones, stromatolitic dolomites and dolomitic shales, diamictites and distinctive breccias that encompass fragments of stratified rock units.

Tiger's projects lie in the central, southeast-northwest striking, branch of the Lufilian Arc. The larger Kipoi area features one of several erosional windows providing access to the Roan Group rocks. The "Kipoi Window" is surrounded by Nguba and Kundelungu litho-tectonic rocks (Figure 5 and Figure 6).

Generally, the "Roan Windows" are found in the core of anticlines and include R-1 and R-3 (Roan undifferentiated) rocks bounding the Mines Series fragments (Table 4, Figure 6). The *écailles* have consistent internal stratigraphy and are irregularly and abruptly terminated on all sides. Therefore, they can be juxtaposed with any other stratigraphic unit. Blocks are typically several tens of metres to >500 m long and 20–200 m thick. Mines Series *écailles* form tight, upright or recumbent anticlines, monoclines, or fragments



## 4 Property Geology

### 4.1 Kipoi Mining Camp (PE 533, PE 11383-7)

The Kipoi mining camp geology is diagrammatically illustrated in Figure 6. Mining and exploration occur in an area where tectonically induced salt (evaporite) mobilisation took place, followed by uplift and erosion which resulted in today’s geological framework. The bedrock map shows the intersections of northwest striking and plunging synclines and anticlines and north-striking faults (Figure 6, Figure 7 and Figure 8). The Kipoi anticline is a major structure and its core is faulted by a reverse fault or thrust which displaced the southwest flank over the northeast flank. The faulted anticline is followed north and south by synclines occupied by Nguba Group and Kundelungu Group sediments.

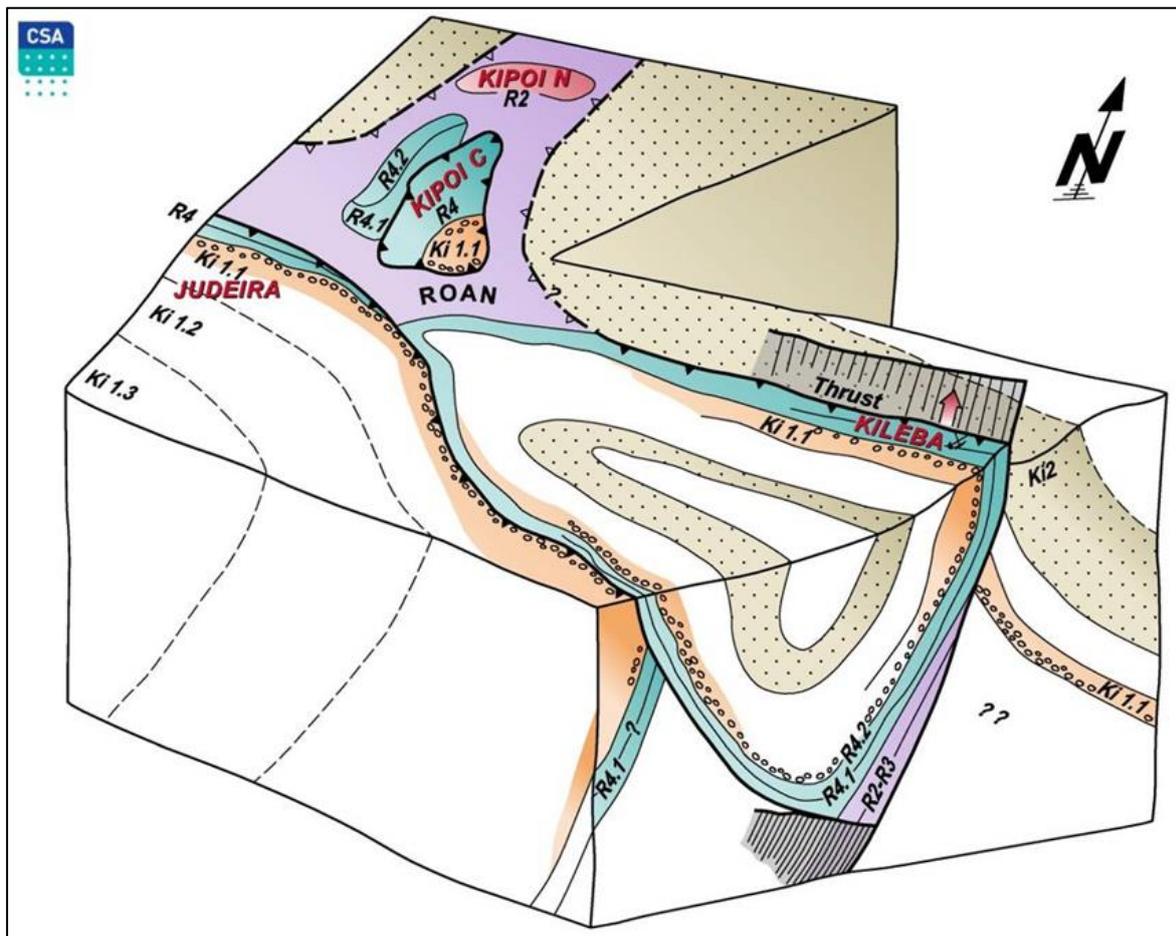


Figure 6: 3D illustration of the interpreted geological and structural setting of the Kipoi copper-cobalt mineral camp

The deformation in the Kipoi faulted anticline is the result of halokinetic (salt tectonic) processes and regional tectonic forces. The core of the anticline hosts several fragments of Roan age rocks that host mineralisation and are dragged upwards by the mobilised evaporites (Figure 7). The regional geological-structural setting is recognisable on geophysical data (TMI, Figure 8) which depict the regional structural framework based on the magnetic contrast between Roan sediments and weakly magnetic Nguba sediments.

Within the Kipoi mining camp there are four Mineral Resources and one Exploration Target delineated (Figure 8). At present, two resources are subject to mining and two await further economic assessment.



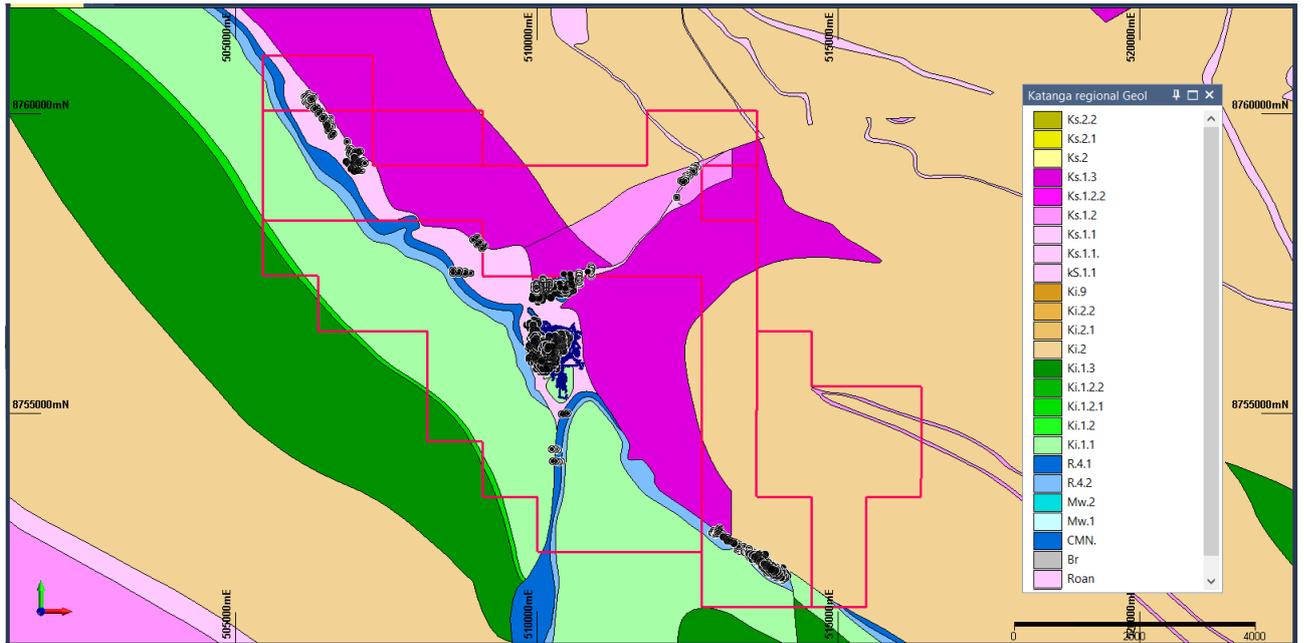


Figure 7: Geological map of the Kipoi copper-cobalt mining camp  
 Note: Clusters of drilling delineating deposits of the area.

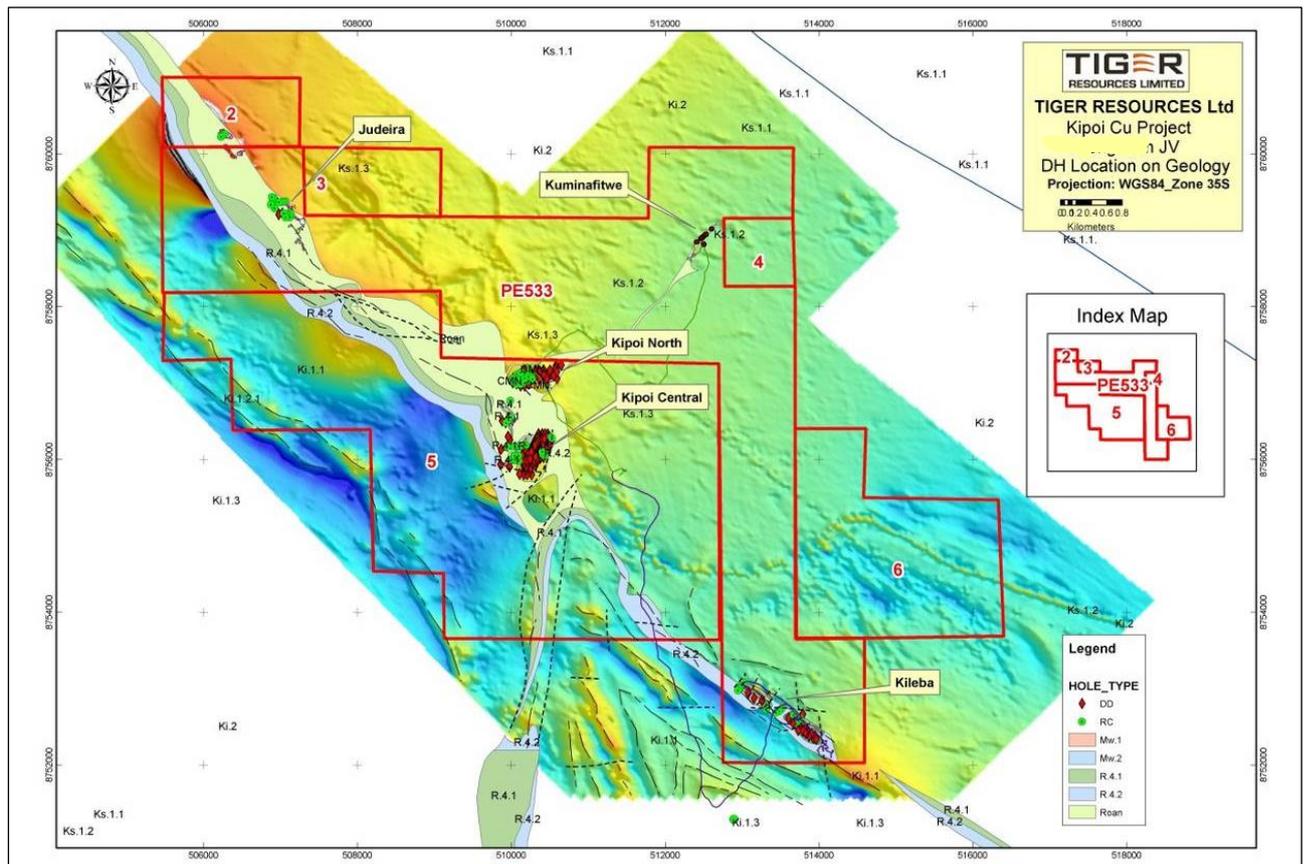


Figure 8: Kipoi Project geological map  
 Roan stratigraphy shown on TMI image background.

#### 4.1.1 Kipoi Central Copper (Cobalt-Silver) Project

##### Geology

Kipoi Central mineralisation is hosted in a fragment consisting of Mwashya Series (R-4), the youngest of the Roan Group (Table 4), overlain by diamictites of the Nguba Group. Both units form one allochthonous fragment removed from its original geological context and surrounded by breccias of the RAT (*brèche hétérogène*, or BH, Table 4).

The diamictites of the Nguba Group rest disconformably over the Mwashya Subgroup sediments and are referred to as the “*grand conglomérat*” stratigraphic formation (Table 4). The contact is tectonically overprinted. The “*grand conglomérat*” consists of a massive unstratified, poly-lithic matrix supported breccia/conglomerate including well rounded, randomly distributed pebbles and boulders of quartzite, granites and schist. Its contact with Mwashya Subgroup is a concave surface (as mapped within the pit area and interpreted from drilling) that truncates layering in the Mwashya Subgroup at high angle (Figure 9).



Figure 9: Photograph of the Kipoi Central open pit southwest highwall  
Shows the contact between “*grand conglomérat*” and the Mwashia Series rocks. Note the irregular oxidation front.

The oldest mapped unit is a thick package of medium to light green, talcose (when weathered), chloritic rock. Drill core reveals massive units, monomictic highly angular clast breccias, mass-flow deposits, turbidites, and cross-bedded sandstones. In outcrop, the unit is commonly recessive and geochemically it is characterised by elevated chromium, nickel, vanadium, titanium, iron and magnesium. The chemical signature and textural observations indicate a retrograde-altered mafic-intermediate epiclastic package. Its hangingwall is commonly marked by a narrow 1–3 m wide locally haematite horizon.

The epiclastic rocks are overlain by undifferentiated, finely laminated dolomitic siltstones with interbedded dolostone. Two such dolomitic horizons can be mapped in the pit and are both about 15–25 m thick. The siltstones are bleached near surface and moderately graphitic and sulphidic at depth.

Dolomitic siltstones grade upward into fine-laminated, parallel, thin- to medium-bedded, highly graphitic siltstones. Siltstones are generally undeformed however show strong folding and faulting near the contact with RAT breccia. Graphitic siltstone hosts about 75% of mineralisation.

The *brèche hétérogène* is developed in RAT and has a talcose, calcareous matrix with sub-angular to rounded clasts of grey-green and light-red purple calcareous siltstone. The *brèche hétérogène* “body” has very irregular contacts. It may form dykes cutting across layered strata and may incorporate large (>1 m) fragments of Mwashya Series rocks.

The contact of the Mwashya Series and *brèche hétérogène* is marked by 2–5 m of flow-banded, more uniformly sized breccia with a weak contact-parallel foliation. A discrete, grooved slip-surface is exposed in the pit, with north-side down oblique-slip movement indicators. RAT breccias can be distinguished from other rocks at Kipoi by their higher strontium, barium, magnesium, calcium and aluminium concentrations.

### *Deformation*

Bedding in the R-4 rock package consistently dips 60° to 80° towards 130°. This observation is fundamental, as it highlights the unique orientation of the Kipoi fragment within the Kipoi regional anticline (diapir). All strata outside of the diapir strike southeast-northwest.

The contacts of the R-4 rock succession with the underlying *brèche hétérogène* and the overlying diamictites are irregular, steep to upright and locally curved surfaces that have no geometrical relationships to one another.

Deformation in the Kipoi open pit includes brittle and brittle ductile features (veins, fold, and faults) that are confined to the R-4 sediments and diamictites. Deformation is limited to within 10–20 m of the contact with the RAT breccia and comprises tight folding and multiple, parallel, brittle faults.

Faults are marked by 10–40 cm wide fault-gouge zones that are sub-parallel, or at a high angle to bedding. Fault zones are separated by intervals of weakly or undeformed rocks. All fault breccias appear to have some control on mineralisation, in that they either contain mineralisation or terminate mineralised structures. Brittle faults do not extend into the underlying RAT breccia but do cut overlying diamictites.

### *Mineralisation*

At Kipoi Central, hypogene chalcopryrite, bornite and chalcocite are oxidised to malachite, azurite, pseudomalachite and chrysocolla. As is the case with most Congolese copper deposits, the wealth of many deposits is in the supergene enrichment zone of the regolith profile.

Most mineralisation is hosted in brittle and brittle-ductile trap sites in graphitic, sulphidic, or dolomitic siltstones and dolomites of the upper R-4 sediments with subordinate stratabound mineralisation. Mineralisation commonly occupies interconnecting, conjugate and bedding parallel veins, the matrix of crackle and mosaic breccias, as well as in the matrix of tectonic rubble breccias (Figure 10).

Hypogene veins contain chalcopryrite, chalcocite and pyrite with quartz-calcite gangue. In contrast, bedding-parallel replacement style and disseminated mineralisation only contain chalcopryrite. Other studies in the Congolese Copperbelt attribute chalcopryrite-only veins to a late diagenetic mobilisation of copper from local stratiform mineralisation into bedding-parallel veins. Importantly, most copper-bearing structures are extensional and interconnecting, rather than crosscutting, indicating contemporaneous formation.

Hypogene mineralisation has been affected by deep weathering, and remobilisation of copper. The predominant copper-bearing mineral at the Kipoi mine is malachite, with minor azurite, chalcocite, native copper and chalcopryrite. Oxide mineralisation occurs partly as *in situ* replacement of sulphides, as well as on bedding planes, cleavage and joint surfaces and as surface coatings and also as minor cavity infill.

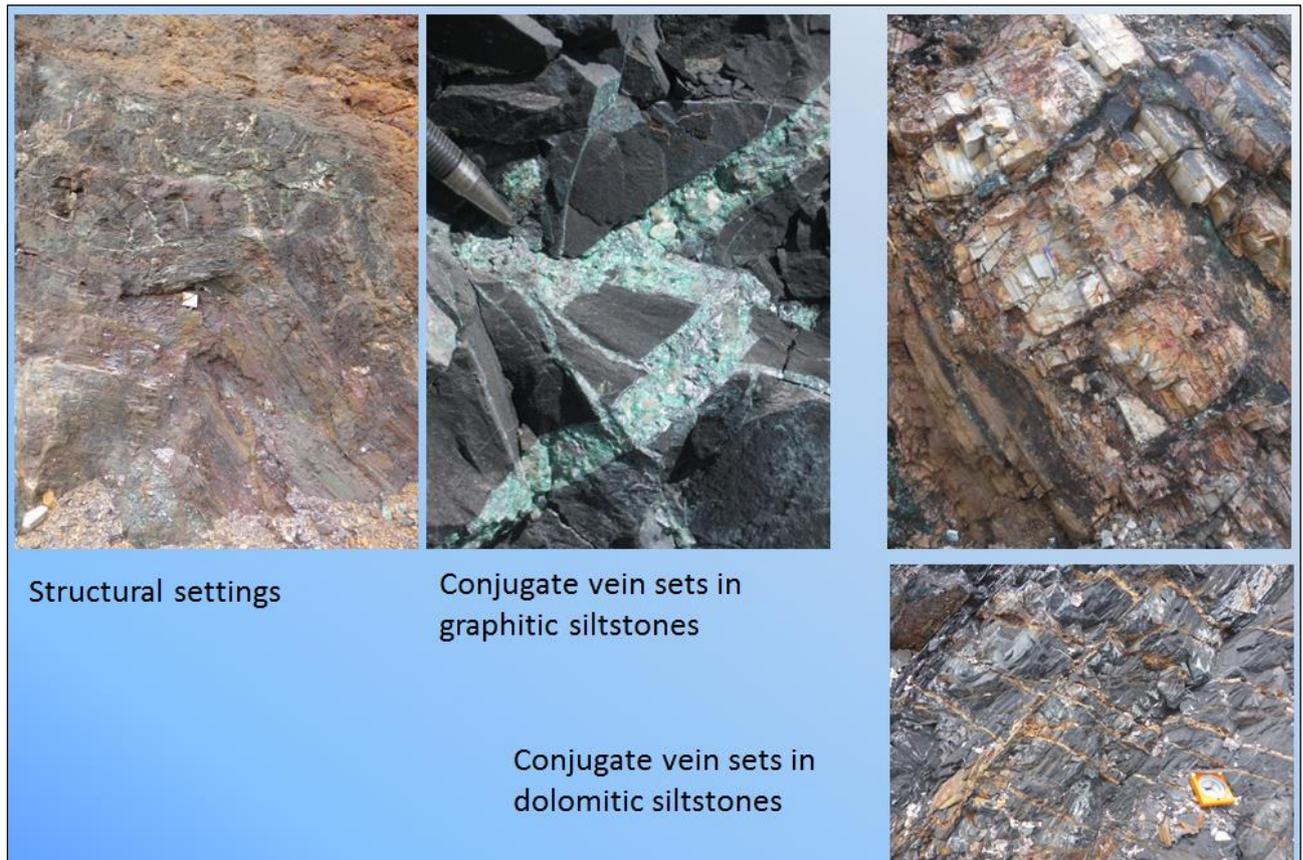


Figure 10: Photographs mineralisation styles the Kipoi Central deposit

Copper mineralisation is zoned around faults from strong mineralisation in the fault matrix, grading laterally to lower-grade mosaic and then simple vein-style mineralisation. This pattern is repeated throughout the upper R-4 sediments at Kipoi Central leading to a zonal distribution of copper mineralisation.

The origin of cobalt mineralisation is obscure. Significant secondary cobalt mineralisation is located on the contact of Upper R-4 sediments and *brèche hétérogène* as massive black, talcose, material up to several tens of metres wide. Massive botryoidal heterogenite [Co<sub>3</sub>O (OH)] is the only identifiable cobalt minerals in the field.

Hypogene mineralisation is not known in the *brèche hétérogène* however diamictites include locally copper oxide-bearing clasts after sulphides in their sandy matrix, suggesting that primary mineralisation was eroded and incorporated into the deposition of the “*grand conglomérat*”. In addition, oxidised copper-bearing veins transgress the tillite/R-4 hangingwall contact, suggesting that structural remobilisation also postdates diamictite deposition.

These observations strongly indicate that copper mineralisation at Kipoi Central is epigenetic and almost exclusively structurally controlled.

#### 4.1.2 Kipoi North Copper Deposit

The Kipoi North deposit is located about 0.8 km north of the Kipoi Central mine (Figure 6, Figure 8). Despite this proximity, the geology at Kipoi North differs in terms of host rocks from all other deposits in the project area. Kipoi North is hosted in R-2 rocks (Mines Series, Table 4, Figure 11). The R-2 (Mines Series) is stratigraphically older than the R-4. The R-2 series rocks are known to extend for about 800–900 m in an east-west direction. The eastern limit is confirmed by drilling and the western extent is open. The R-2 rocks are not closed off at depth. The R-2 rocks of the Kipoi North deposit are preserved akin to the Kipoi Central deposit as a fragment of the Roan Group tectonically isolated from its original context.

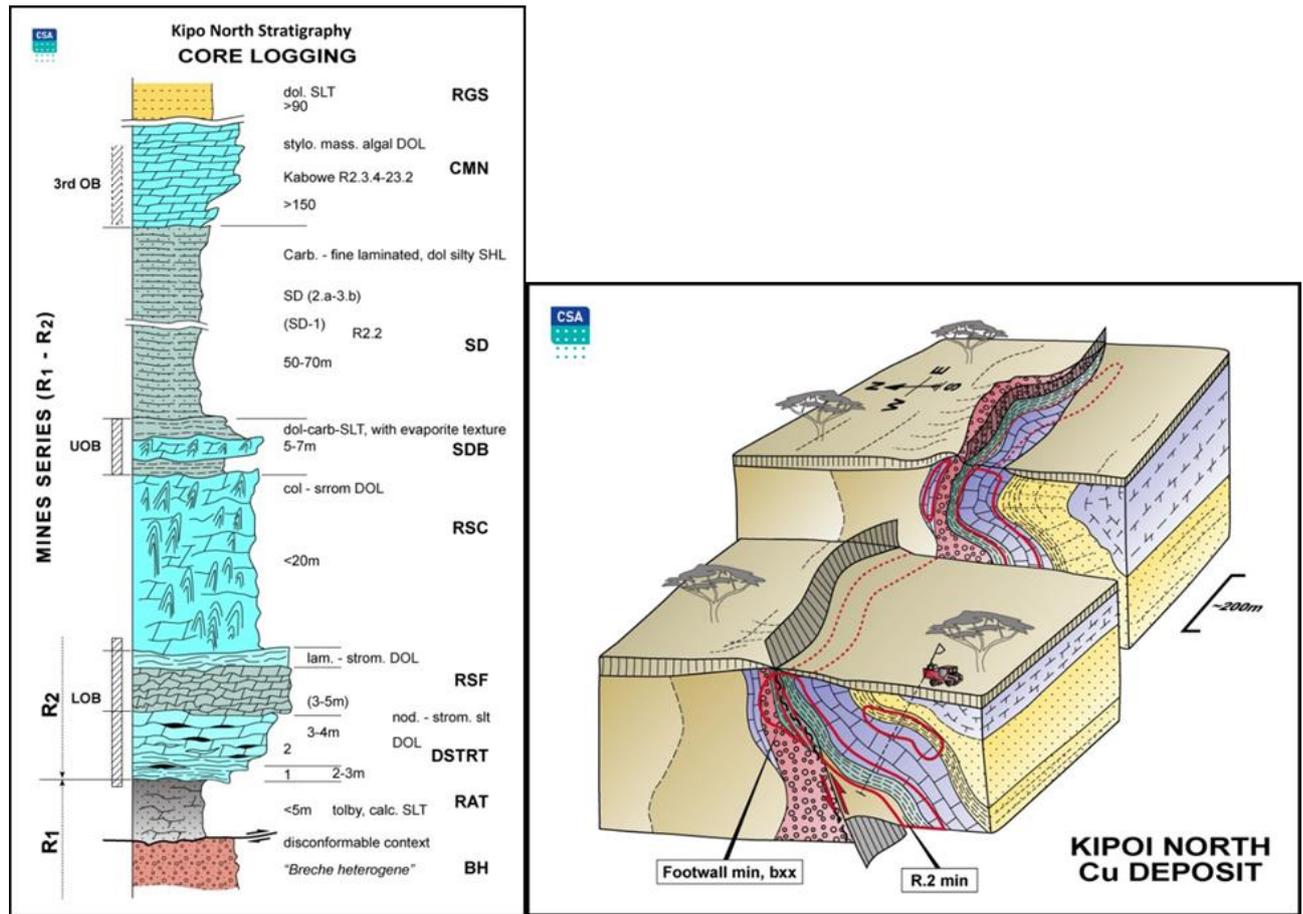


Figure 11: LHS – Kipoi North composite stratigraphic column; RHS – 3D illustration of geological setting

The Lower Mines Series (R-2) is a succession that includes, from the stratigraphically oldest to youngest (north to south at Kipoi North), a massive grey-green and red unit of graded and cross bedded, laminated calcareous siltstones and sandstones of unknown thickness referred to as the Grey RAT (Figure 11, LHS). The sandstones develop upwards into fine laminated siltstones with evaporitic textures and develop into a stratified cherty, nodular, centimetre-scale banded dolomitic unit, about 4–7 m thick ("DSTRT" or *Roche Stratifée*, Figure 11). The cherty dolomite transitions into a very finely laminated (millimetre-scale layers) of stromatolitic or cryptalgal laminated dolomite (*Roche Siliceuse Feuilletée* or "RSF"), which measures 3–5 m thick on average. There is a rapid but uninterrupted transition into the overlying vughy, cellular, massive, stromatolitic, silty dolomite (*Roche Siliceuse Cellulaire* or "RSC"). This unit can be up to 40 m thick. Its characteristic circular (tube or column-like) texture, with cement-filled inner tubes reflects formation as a bioherm under shallow, but rising, sea level conditions. Near the hangingwall, the columnar stromatolites are intermittently and temporarily, probably also locally capped by a thin ( $\approx 1$  m thick) layer of calcareous laminated siltstones interpreted to indicate a sudden change in depositional conditions (reef drawing) before the bioherm is re-established. The presence of the SD unit (dolomitic siltstone) overlying the RSC is established soon after and indicated the longer-term transition to deeper water siltstones and carbonates in the Kipoi area.

As in the case of the Kipoi Central setting, the Kipoi North R-2 rocks (Mines Series) terminate, or are disrupted, based on drilling information, to the south, at depth and along strike by RAT breccia (*Breche Heterogene*). In outcrop, the breccia flanks the R-2 sequence in the south pit wall, below surface it has been intersected in diamond drilling as intermittent dyke-like bodies, several metres wide, and in the footwall of the mineralised series of rocks. Its contact with the R-2 rocks is irregular and disconformable as is the case at Kipoi Central. Texturally, the *breche* is a similarly polymict agglomerate of oxidised red and grey-green reduced facies calcareous siltstone well rounded fragments suspended in a talcy calcareous and clayey soft matrix (Figure 11, RHS).

## *Deformation*

The artisanal pit area exposed the northern overturned limb which shows that the grey RAT is faulted to the north against the DSTRT separated by a rubble breccia up to several metres wide, with a strong penetrating shear foliation fabric that strikes about east-west and dips at about 65° to the north. These observations have been interpreted to indicate a tightly folded, possibly south-vergent fold as illustrated in the 3D diagram (Figure 11). From the drilling, the fold limbs appear partly fragmented (broken). The core of the fold structure is a zone of brittle deformation and fragmentation, suggesting that the fold axial plane has been sheared or localised slip surfaces during folding (shortening).

## *Mineralisation*

The style of mineralisation at Kipoi North differs in line with the lithology from that at Kipoi Central. The mineralisation at Kipoi North is, despite its predominantly secondary nature, primarily stratabound and concentrated in the DSTRT, RSF, and RSC units. In the DSTRT, malachite occurs parallel to the thin laminated, algal matted silty dolomite layers. In the RSF, mineralisation occurs pervasively through the thin bedded layers of the rock, while the mineralisation in the RSC is associated with the dolomitisation/dissolution vughs, veins and fractures of the rock occurring immediately above the contact with the RSF. The mineralisation extends, in places, over several tens of metres of this unit, however it tends to be variable.

Relatively significant supergene mineralisation can occur along the breccia associated with the sheared fold axial plane. In this location malachite replaces the matrix of the breccia and can form significant concentrations of mineralisation. To what extent this mineralisation represents *in situ* oxidised sulphide mineralisation or late supergene emplacement is not clear as only traces of sulphide mineralisation was encountered within R-2 sequence.

The style of mineralisation at Kipoi North is akin to the predominating style of mineralisation in the Congolese Copperbelt. By comparison, copper mineralisation in the DSTRT, RSC and RSC is interpreted to correspond to the **Lower Orebody** of Cailteux *et al.* (2005) (Table 2). This interpretation is a generalisation as there is variability in the extent of mineralisation along strike (regionally). The RSC is not a common host to mineralisation although its footwall contact with the RSF and the hangingwall contact with the SD can be mineralised (Cailteux *et al.*, 2005). These authors emphasise the significance of depositional facies in the localisation of copper mineralisation. From their regional work they recognise a strong positive correlation between reefal stromatolitic rocks with copper mineralisation versus a weaker mineralisation association with arenitic rocks along strike of the **Lower Orebody** host rock. The stromatolitic nature of the RSC at Kipoi North may represent a favourable setting.

### *4.1.3 Kileba Copper Deposit*

#### *Deposit Stratigraphy and Setting*

The host rocks of the Kileba deposit form a northwest to southeast trending ridge that extends from Judeira north of Kipoi past Kipoi Central to Kileba in the southeast. The deposit area includes two in-line ridges separated by a gap that gives access to the prospect area. The modelled and estimated Kileba mineralisation is confined to the south-eastern ridge segment (Figure 12) but extends for at least 600 m to the northwest. The ridge is a reverse faulted anticline with southwest side over northeast side (Figure 6).

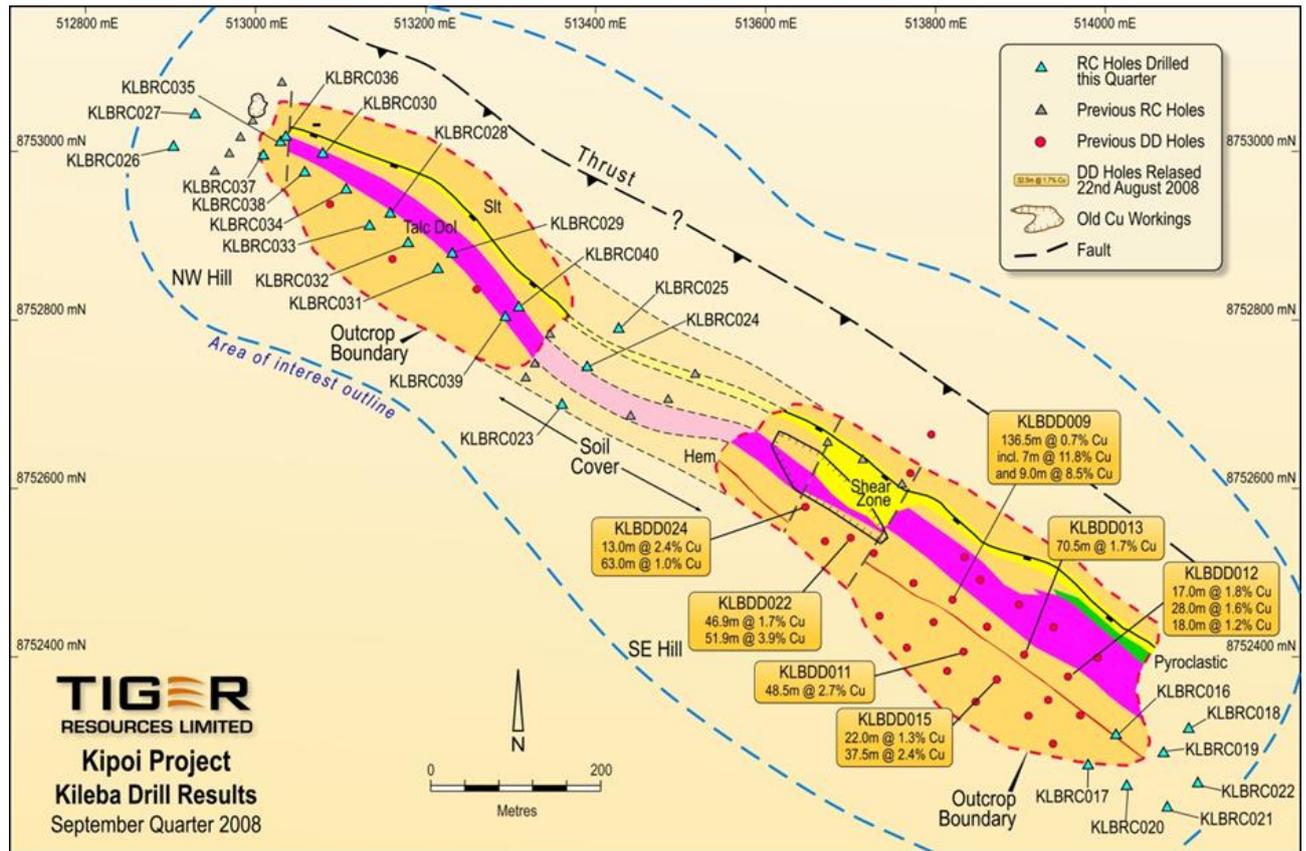


Figure 12: Kileba copper deposit simplified geological map

### Prospect Geology

The Kileba deposit is about 5 km southeast of Kipoi Central. At Kileba, the southwest flank of the ridge exposes diamictites of the Nguba Group overlying a thick interbedded dolomitic and shaley siltstones unit in contact with talcose, evaporitic calcarenite unit and interbedded cherty carbonates has been intersected in drilling. It is inferred that this succession is structurally composited. This succession has been interpreted as upper Mwashia (R-4.2) where it gradually transgresses into diamictites to the southwest and Lower Mwashia (R-4.1) in the footwall.

The sediments are well stratified with weathering resistive coarse-grained siltstone to sandstone beds separated by fine-grained recessive slaty siltstone beds. Stratigraphically below the evaporitic unit occurs a carbonaceous siltstone and graphitic carbonate unit with stratiform massive and disseminated sulphides. This section of the stratigraphic column is separated by a late brittle fault breccia (reverse fault) from underlying diamictites and pyroclastic rocks.

A laterally continuous and slightly discordant, about 2 m-wide lens of specular haematite is located within the siltstone unit, about 50 m above the contact with the evaporite unit. The haematite lens appears to be sub-parallel to bedding. In places, internal brecciation can be observed, although the material is generally laminated specular haematite.

A similar geological succession has been mapped in the north-eastern prospect area. A southwest-dipping sedimentary unit made up of dolomitic siltstones is in contact with a pyroclastic unit to the northeast. A trench near the south-western slope of the ridge exposes this contact which is highly deformed, sheared and dips to the southwest.

A sliver of haematite (less than 20 cm) occurs in a northwest-trending fault breccia (Figure 12). The fault strikes parallel to the ridge and is entirely hosted by pyroclastic rocks. The haematite lens appears to be localised in the fault gouge zone. It does not appear to be associated with the haematite marker unit in the southern ridge segment.

## *Deformation*

The sedimentary rock sequence is sub-vertical to steeply southwest-dipping in the southeast but becomes more moderately-dipping along strike to the northwest near the gap in the ridge. The drill tested rock sequence is sub-parallel to a brittle breccia zone which hosts a southwest dipping fault gouge with prominent slickenside lineations. A lack of oriented core data prevents accurate determination of the movement direction along the fault; however, the stratigraphic context suggest that the fault breccia resulted from reverse faulting.

Minor sub-vertical northeast-trending brittle faults are mapped at the northern end of the northern outcrop area. In the southeast a significant displacement along a north-striking structure is mapped by GECAMINES. The terminating (possibly displacing) effect of the fault is confirmed from drilling. The southeasternmost drill traverse intersected diamictites along strike from the R-4 strata. A dextral displacement is inferred for this juxtaposition of strata.

There has not been any testing/mapping and sampling completed further to the southeast or an evaluation of the amount of dextral displacement conducted to date to establish the potential for the continuity of mineralisation to the southeast.

The footwall structural contact between the diamictites/pyroclastic rocks and the overlying clastic sediments is near surface a brecciated and strongly sheared contact. The contact is measurable in an adit near the southeastern end of the main pit area. The penetrative shear foliation fabric is sub-parallel to the orientation of the breccia zone suggesting that the mineralisation is possibly associated with a regional structure.

Current surface mapping and interpreted regional magnetic data suggest that the Kileba deposit is located along the north-eastern, overriding and southwest-dipping limb of a regional syncline. The syncline is cored by diamictites and clastic sediment of the Nguba Group and shows fold closure to the northwest and a plunge of the fold axis to the southeast. The northeast limb is thrust onto sediment of the Nguba and Kundulungu groups to the northeast. It appears that this thrust or reverse fault and its associated fracture halo are the main control on mineralisation at Kileba.

## *Mineralisation*

Copper mineralisation is localised in a variety of brittle settings at Kileba. This includes primarily vein-hosted, disseminated and strata bound, and fault breccia-controlled mineralisation.

A significant proportion of the mineralisation occurs within the halo of strong brecciation and silicification surrounding the faulted R-4/Nguba-Kundelungu footwall contact. In the hangingwall of the fault, the strata-bound disseminated mineralisation is hosted within a graphitic, sulphidic calcarenite unit with abundant evaporite textures (gypsum needles and chicken wire texture). The siltstone unit above the calcarenite features abundant vein-controlled mineralisation (Figure 13).

In places, supergene mineralisation is present down to 200 m below surface including malachite and minor azurite. The lateral dispersion and oxidation of mineralisation has led to a broad zone of mineralisation near the surface which becomes narrower at depth. Below the base of oxidation, the mineralisation occurs predominantly at chalcopyrite (Figure 13).

Unlike Kipoi North, there is a strong correlation of mineralisation with epigenetic deformation. A combination of brittle deformed rocks adjacent to a deformation surface appears to be the favourable settings for mineralisation.

The structural-geological setting together with the control and localisation of mineralisation in the wider Kipoi area give a strong indication of the process responsible for mineralisation in the area. As with Kipoi Central, Kileba is not a “classic” type of copper deposit of the Copperbelt. The mineralisation is epigenetic and localised by deformation. The R-4/Nguba-Kundelungu contact forms a discrete exploration target in the Kileba area and has the signature and character of a regional structure.



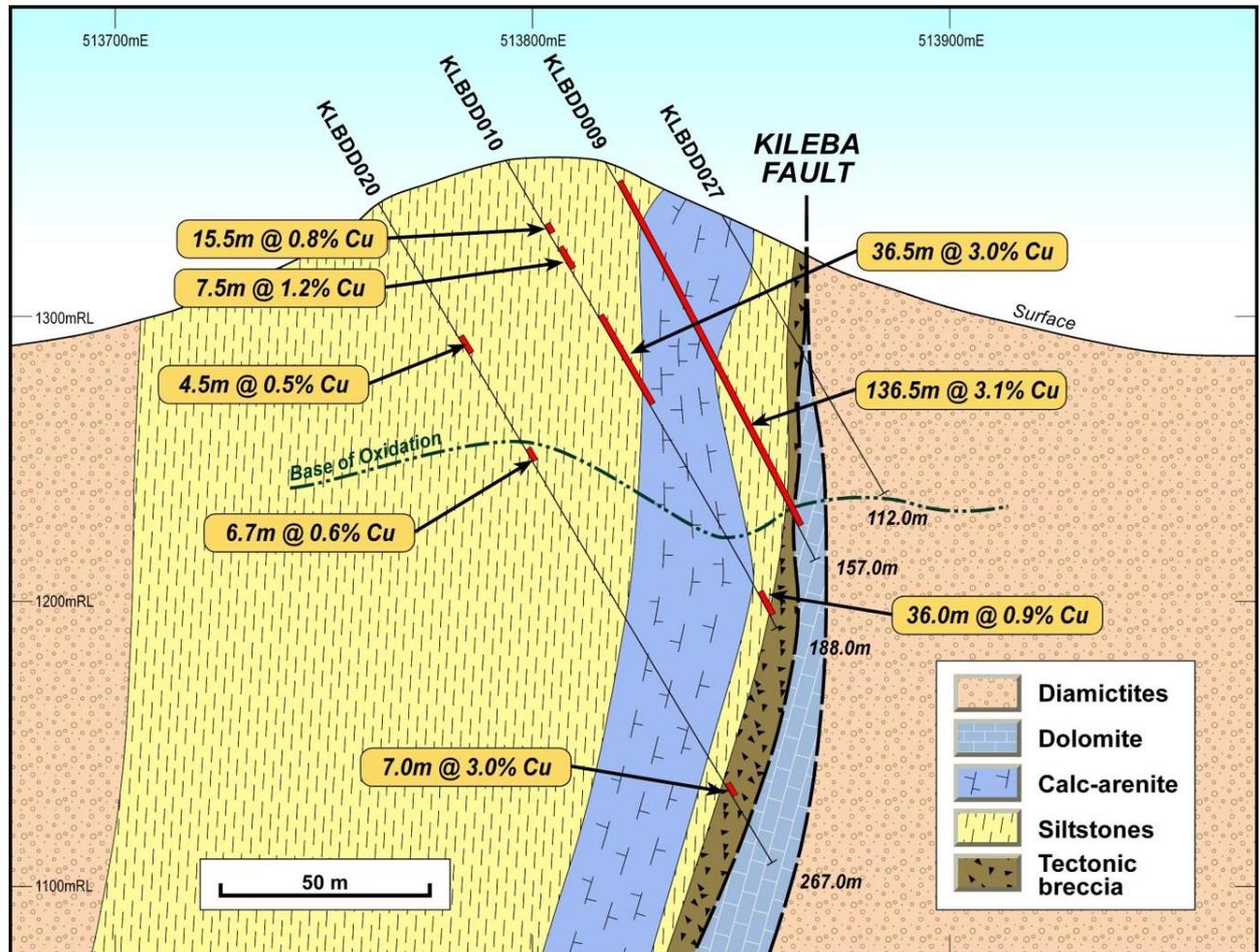


Figure 13: Kileba copper deposit simplified geological cross section

#### 4.1.4 Judeira Copper Deposit

##### Deposit Stratigraphy

The Judeira deposit area is the topographical and geological extension of the Kileba area to the northwest of the Kipoi dome (Figure 6, Figure 8). It includes two in-line northwest-trending ridges that are separated by 800 m of low-lying area. The ridges are dominated by a northwest-striking and southwest dipping rock succession that includes, from the southwest to the northeast, reworked volcanic rocks in contact with clastic sediments and carbonates. In the central area an outcrop exposes highly deformed talcose rocks.

The composite litho-stratigraphic succession includes a thick package of stacked graded bedded mass-flow deposits and turbidites. Graded bedding of turbiditic strata indicates fining upwards, suggesting the strata is normally layered.

As is the case for the Kipoi Central stratigraphy, the geochemical signature of these rocks is typified by high vanadium, titanium, magnesium, iron, nickel and chromium indicating physical subaqueous reworking and re-deposition (epiclastics). In outcrop, these rocks are generally “soft” and have a soapy feel. They are dominated by chlorite, serpentinite and talc, which are considered retrograde alteration products from a magnesium-rich (mafic) protolith. This rock type measures at least 150 m in outcrop width.

Towards the contact with the sediments, several – apparently discontinuous, and possibly *en echelon* – haematite lodes have been mapped. The haematite lodes are highly boudinaged and range in width from less than 1 m up to 10 m and appear to have a steep to upright position. The mapped haematite lodes correspond well with highly magnetic features seen in the aeromagnetic data.

The epiclastic rocks are in contact with a sedimentary rocks package that includes well stratified and massive shaley siltstones. The siltstones show multiple trough-cross bedded fine-sandstone beds topped by this mudstone layers. In places layers of rip-up clasts are intersected, indicating formation in a shallow marine to inter-tidal environment.

The contact appears to be sub-parallel to bedding suggesting that the contact is a conformable surface. This is supported by observation in the central artisanal pit area near drillhole JUDDD001. The sedimentary rocks consist of slaty fine laminated siltstone beds interbedded with more massive nodular calcareous/dolomitic siltstone. These rocks overlie massive and stratified red (haematite-altered) dolomitic sandy siltstones. The succession dips at about 35° to 55° to the southwest, and the entire sediment package measures in excess of 200 m thick.

Within the northern half of the southern outcrop area an algal laminated, thin bedded vuggy silty dolomite unit is intercalated with epiclastics and siltstone. This stratigraphic unit appears to be important in the context of the prospectivity of the area. It is host to significant supergene mineralisation and is texturally similar to the DSTRT of the R-2 sequence (Table 4). The unit measures at least 10 m in outcrop. It can be traced for about 250 m along strike to the northwest and is mineralised in all artisanal workings located along it. A rock unit with similar textural properties was intersected in drillhole d JUDD\_005. The drillhole intersected silicified columnar stromatolitic rocks akin to those of the RSC in the R-2 overlying thin bedded laminar stromatolites similar to the RSF.

Artisanal workings adjacent to JUDRC003 have exposed white and red-white, and in places black soft, soapy, serpentinised and talcy materials that shows a strong ductile strain fabric. It includes internally fragments of siltstones and sandstones. Along its contact with the adjacent rocks, rubble breccias occur including clasts of the enclosing rocks. The material also occurs in a small open cut near the artisanal miners' camp where, according to the local miners, it is exploited for its content of cobalt. The material is interpreted to be deformed *breche heterogene* material.

The northern Judeira outcrop area is geologically similar to the area described above; however, it is separated by a low lying, about 800 m wide area that lacks any outcrop. Rock exposure is confined to a few trenches and scattered sub-crop. A southwest dipping succession of epiclastic rocks including a very wide lens of haematite which occurs at the top of the hill near the western contact with the sediments. The sediments are calcareous siltstones and silty dolomites.

### *Deformation*

The Judeira deposit is located on the northeast limb of a regional syncline to the southwest or the southwest limb of the Kipoi Anticline (diapir, Figure 6). The strata strike consistently in a northwest-southeast direction; however, dip angles vary considerably locally. This general setting is in places complicated by northeast-striking sub-vertical faults with oblique slickensides as discussed for Kileba. One such fault has been mapped in the central part of the southern outcrop area and appears to have a controlling effect on stratigraphy and, as is confirmed from drilling, on mineralisation (Figure 14).

North of the fault, a mineralised stromatolitic unit has been mapped at the contact with the pyroclastic rocks as well as talcose rock facies in the centre of the outcrop area. To the south of the fault, none of these rocks are exposed, an undisturbed sequence of interbedded, shallowly dipping dolomitic siltstones occur. The fault is brittle in nature and is associated with supergene copper mineralisation.

Uncertainty exists over the structural/stratigraphic position of the columnar and laminated stromatolitic carbonate rocks. Current understanding is that this unit is strongly weathered, shows strong textural features to the R-2 (Mines Series rocks) and is sandwiched between clastic and siliciclastic sedimentary rocks.

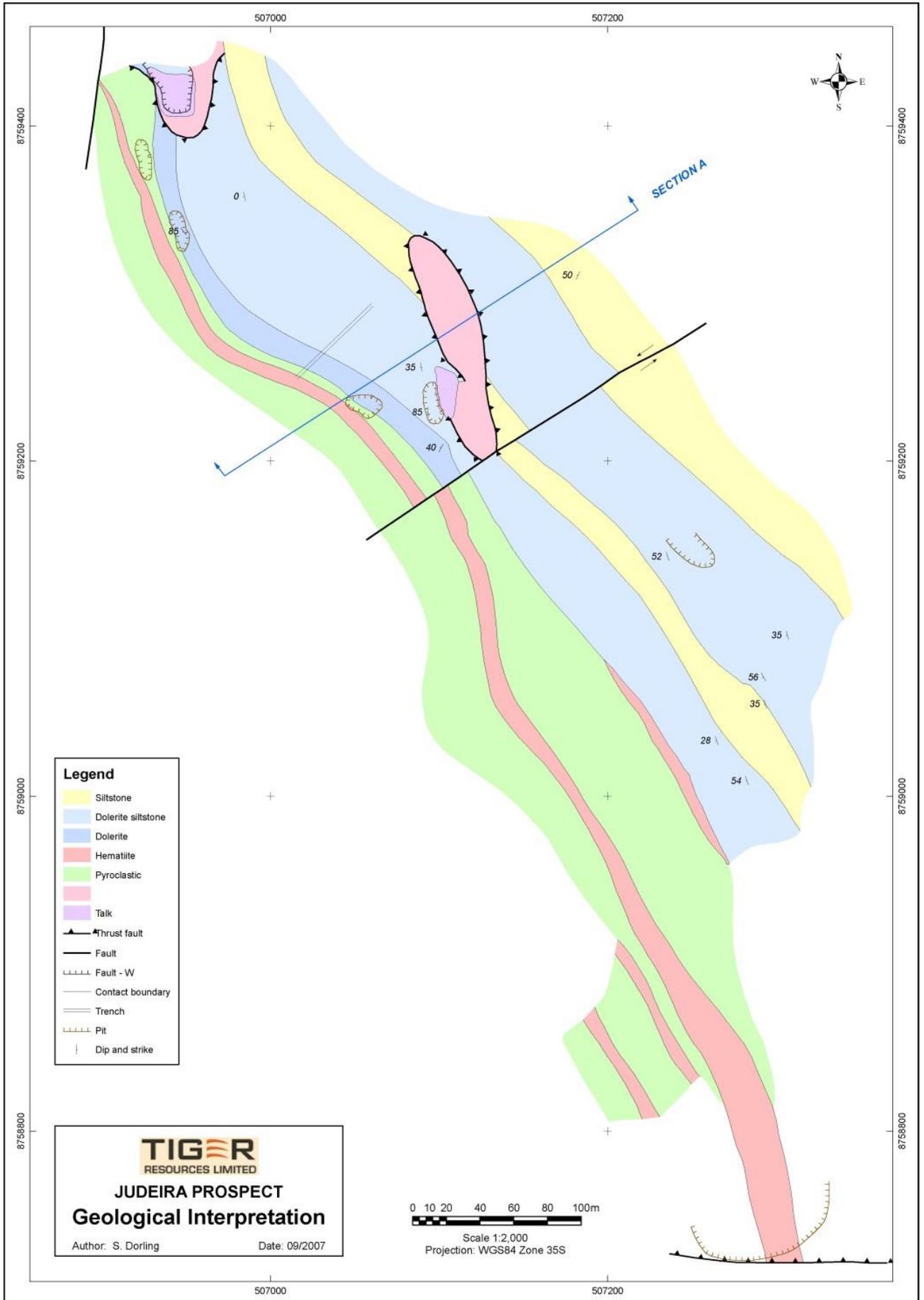


Figure 14: Judeira prospect geological map

Neither outcrop nor drill core provide sufficient information in regard of the contact relationships. The adjacent non-carbonate rocks are extremely weathered, and this obliterates any structural information.

There are two scenarios that can be considered:

- The carbonate rocks are a sliver of R-2 rocks tectonically in contact with the R-4 rocks; or
- The rocks represent an (as yet) un-intersected stromatolitic carbonate rocks of the R-4.

Given the lateral facies continuity of most stratigraphic units of the Roan sediments, it can be expected that such rocks, if present in the R-4, should have been encountered more frequently in the Kipoi Project area. Given their association with mineralisation the rare occurrence and their proximity to the core of the Kipoi regional anticline, a tectonic origin is postulated.

The talcose rocks have several characteristics in common with rocks identified as “*Breche Heterogene*” at Kipoi Central. It is conceivable that a similar geological setting can be applied for the formation of this rock type. It is suggested that the talcose rocks have intruded either into an anticlinal structure and have further facilitated the folding process or, alternatively the talcose rocks have intruded into a fold which developed into a shear along the fold hinge and axial plane and developed into a thrust or reverse fault. The thrusting front could have been compartmentalised by northeast-trending faults into tectonic stratigraphic segments that are now adjacent to one another.

### *Mineralisation*

Copper mineralisation at Judeira is only known as supergene copper-bearing minerals which do not allow an unambiguous determination of the primary controls. Copper mineralisation appears to be located predominantly within brecciated and fractured, finely laminated, vuggy, possibly stromatolitic, silty carbonates in direct hangingwall contact with the epiclastic rocks – forming a distinct structural stratigraphic target.

In the footwall, the mineralisation appears to terminate against the highly talcose rocks or extends only marginally into these. The location of mineralisation indicates proximity to planes of deformation and brittle rock types.

Outcropping copper-hosting rock units have only been observed in the centre of the southern prospect area. While the units show very encouraging mineralisation and favourable rock textures the primary source of mineralisation remains undetermined.

The mineralisation has been modelled as moderately southwest-dipping lens of supergene mineralisation. This mineralisation can be traced for about 400 m along strike and for about 200 m down dip. The mineralisation appears to be terminated or offset in the southeast and open to the northwest and at depth.

Mineralisation in the northern part of the prospect area shows similar structural and stratigraphic characteristics. It occurs in strongly oxidised and leached, deformed dolomitic siltstones in proximity of the epiclastic rock contact. The contact here is strongly sheared and is interpreted to represent a rheological contrast the localised faulting.

## **4.2 Lupoto Copper Project (PE 2214)**

### *4.2.1 Project Geology*

The Sase deposit is situated within the Lupoto Copper Project (PE2214) The northern boundary of the permit is located approximately 10 km to the south of the Kipoi Project and the project area can be accessed by a bush track from Kipoi.

The tenement of the Lupoto Project is located over a series of folded sediments of the Copperbelt that runs parallel to the Kipoi anticline and is located about 30 km southeast of Kipoi. The project area is dominated by plunging synclines and anticlines filled or cored with strata of the Nguba and Kundelungu Group sediments (Figure 15). The fold structures are open upright, kilometre-scale fold structures that are truncated by east-

west and northeast-striking brittle faults. The bedrock geometry of the Lupoto area is clearly depictable on the regional airborne magnetic data.

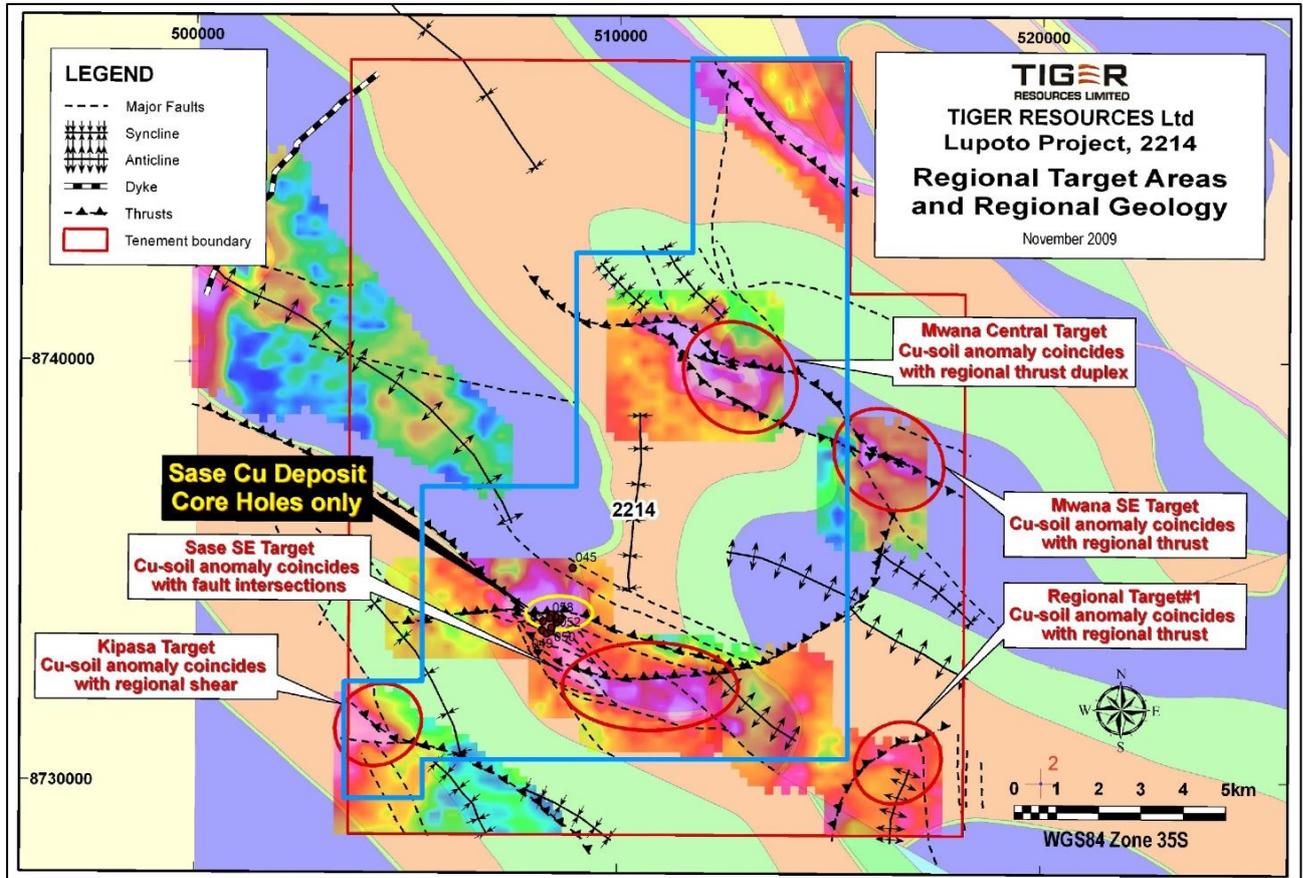


Figure 15: Geological map overlain with gridded geochemical anomalies of the Lupoto PE2214 property  
 Updated property outline (blue) and copper occurrences showing correlation between lithology and structure.

#### 4.2.2 Sase Copper Deposit

The Sase copper deposit was discovered following systematic soil sampling in 2007 to 2009 and a structural interpretation of the magnetic data. The work led to the delineation of several soil anomalies that were followed up with aircore (AC) drilling. In 2009, diamond drilling commenced targeting the Sase anomaly. The Sase Central copper-cobalt prospect is located along an east-west trending fault zone in an area of intersecting splay structures 4–5 km along the Sase Fault Zone.

#### Stratigraphy

The Sase deposit is located in an area of intersecting splay structures associated with a major east-west striking project-scale fault system, the Sase Fault Zone. The fault is a prominent magnetic discontinuity and offsets the nose of a northwest-plunging syncline by several kilometres laterally. Mineralisation at Sase is hosted in intensely brecciated sedimentary rocks, mainly carbonaceous siltstones, shales and dolomites of the lower Kundelungu Group. North of the fault, steeply dipping carbonate rocks and siltstones are intersected. To the south of the fault, predominantly silty sandstones were intersected. The fault trend is occupied by *breche heterogene* polymict breccia (Figure 16).

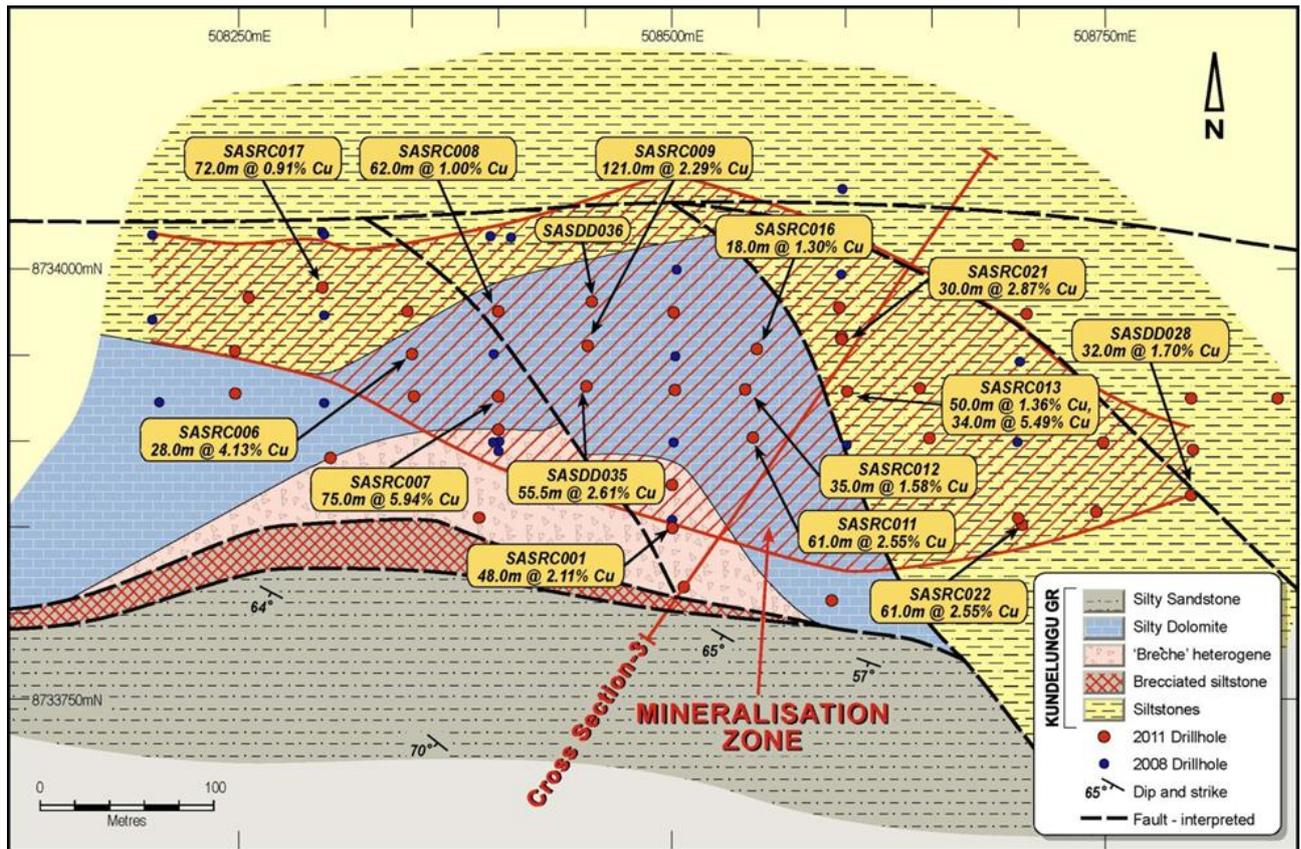


Figure 16: Geological map of the Sase copper deposit located on the Sase Fault Zone

### Mineralisation

Copper mineralisation at the Sase occurs above and below the base of oxidation. In the oxide zone, malachite and azurite to a lesser extent dominate and occupy, veins breccia matrixes and vughs. Below the base of oxidation copper occurs as chalcopyrite and to a lesser degree as chalcocite in fault breccia matrixes, veins and subordinately as stratiform mineralisation. The bulk of the mineralisation identified to date occurs in the oxide zone between 15 m and 120 m below surface.

The mineralisation delineated from diamond drilling has been interpreted to occur in three moderately north-northeast dipping lenses that, projects as an elongated, west-northwest trending tear-shaped lens to surface (Figure 17). The combined strike extent is about 600 m varying in width between 50 m and 200 m. At present, continuity of mineralisation has not been tested in a northwest and southeast orientation.

Planning for further investigation has identified the potential at Sase Central for a relatively high grade primary feeder that warrants investigation.

Fault breccias related to the fault systems represent a key exploration target. Several other analogous geological settings have been identified in other parts of the Lupoto project area.



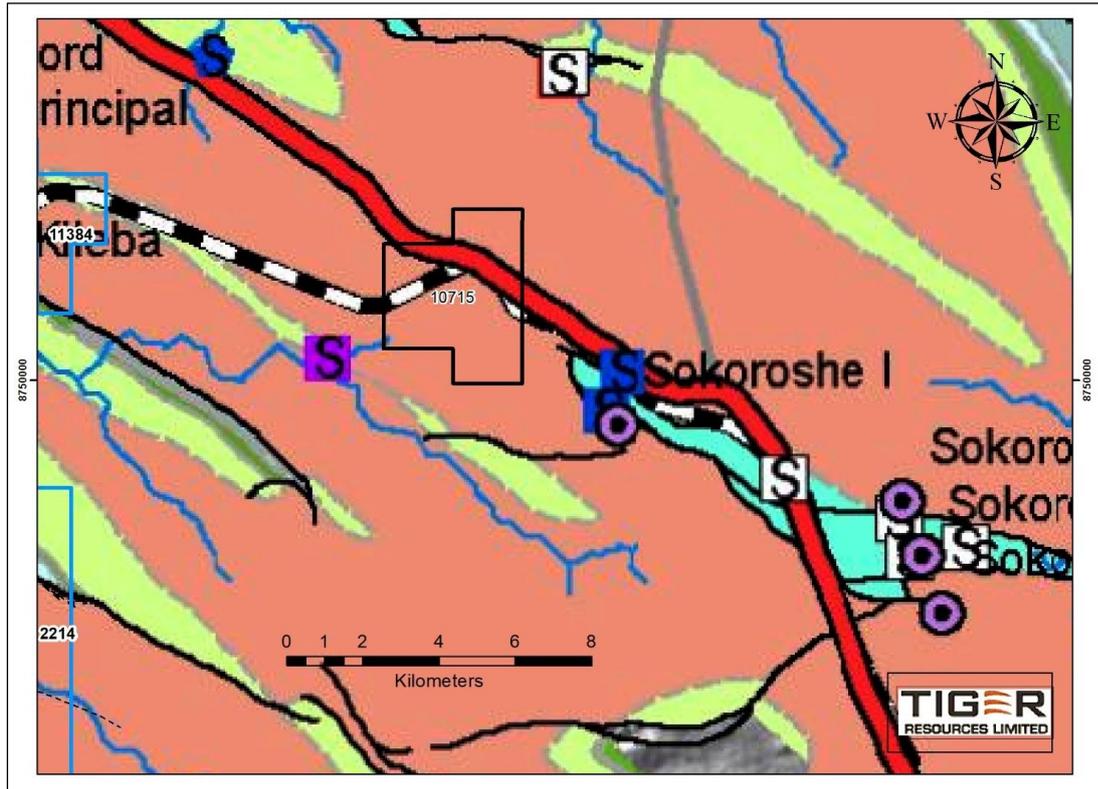


Figure 18: Regional geological map showing the location of the La Patience property



## 5 Exploration Potential

The current Tiger assets have resulted from follow-up work on historical copper anomalies and artisanal mining camps. However, Tiger has not conducted much greenfields exploration; most of its resource base is based on systematic drilling of known and new mineralised corridors (partly established by work of the predecessor of GECAMINES).

CSA Global considers the deposit models developed, and the processes and the technical strategies applied by Tiger for the Projects as appropriate to the style of mineralisation that has been identified. CSA Global recommends that Tiger also considers developing and testing conceptual models. The type of deposit explored have very limited geochemical halos unless exposed at surface. There is a tangible likelihood for discovering “blind” deposits (Figure 19).

The most unfavourable characteristics of the Copperbelt camps can be:

- Sudden termination of mineralisation (halokinetics)
- Grade variation
- Moderate to poor predictability of zone width and grade
- Unfavourable weathered host rocks.

The landholding has, in CSA Global’s view, good resource potential. There is a need to continue the systematic and targeted exploration work and aim to find more tonnes in the immediate vicinity of the mine.

In CSA Global’s view, it is important the Company accepts that a higher degree of exploration is necessary to not forgo the possibility of finding future resources.

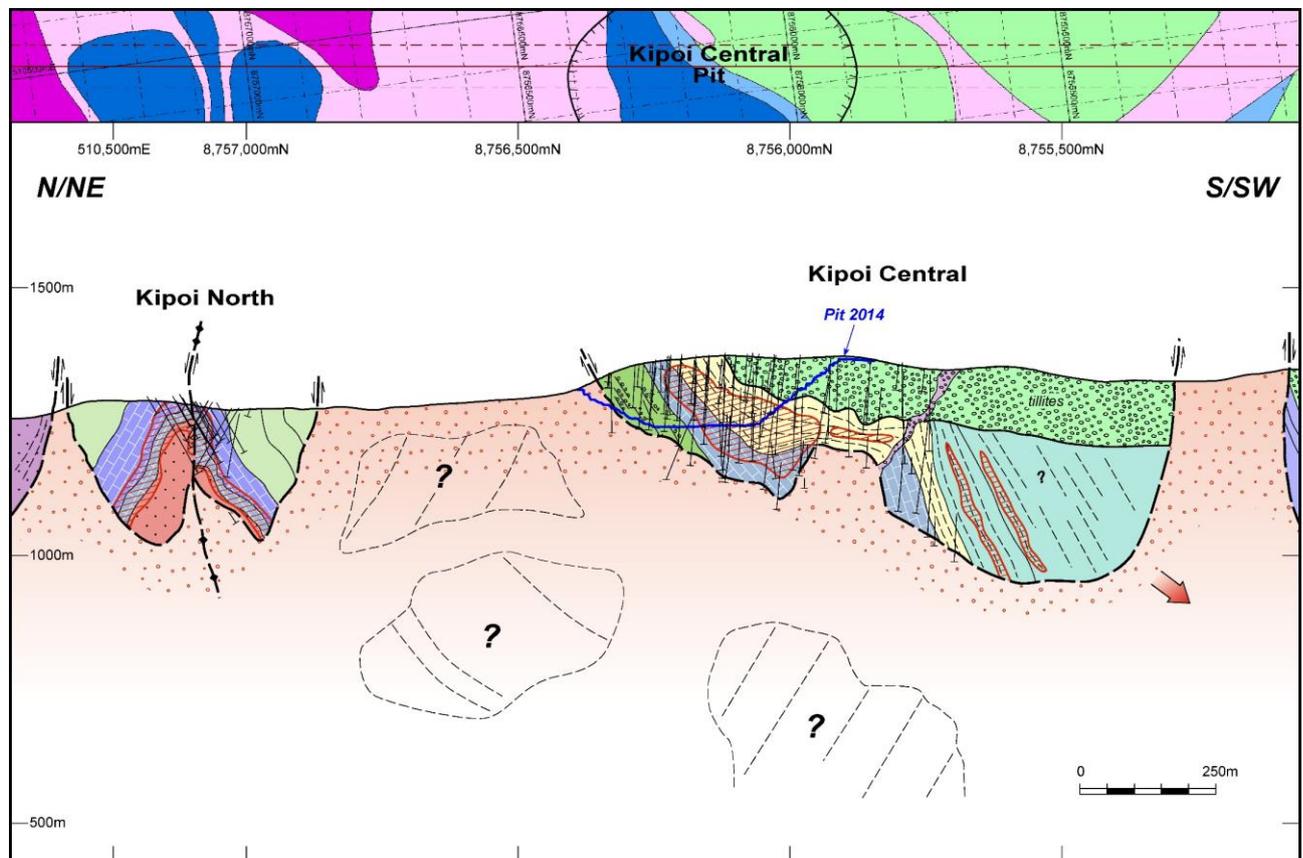


Figure 19: Exploration concept section  
 The Kipoi Central – Kipoi North mining area: possible locations for “blind” mineralised fragments.

## 5.1 CSA Global Assessment

CSA Global is of the view that the Tiger properties are located in a prospective part of the Central African Copperbelt which is host to significant copper occurrences. Tiger was successful in the implementation of systematic exploration programs that led to the discoveries of several deposits. However, Tiger's exploration activity has stagnated after the initial successes, which saw almost 100% of the activity being directed towards developing resources and mining operations. The Tiger copper deposits are largely non-conventional occurrences in that there is a significant direct structural geological control on mineralisation and only a subordinate "classic" stratabound control on mineralisation.

CSA Global is of the view that exploration upside remains across all properties, as summarised below:

- The Kipoi Central copper deposit is a significant copper deposit within the DRC. It is located in the Central African Copperbelt and is one of several operating mines of the Haute Katanga province. It is a non-typical, series of structurally controlled copper deposits with an element of stratiform mineralisation. Several of the Company's other deposits are akin to Kipoi Central.
- The Company operates its exploration activities methodically and systematically based on the structure of data provided; the quality assurance/quality control (QAQC) procedures and the capture and interpretation of the geological information appears at industry standard. Up to 2017, its data storage and validation were handled through external independent consulting group, CSA Global (UK).
- With respect to assaying, in depth documentation is provided; exploration data is handled with highest integrity and quality assurance. Fortunately, the focus is on multi-element analysis at the exploration stage. This database has enabled the Company and its consultants to undertake several geo-metallurgical assessments of the deposits.
- The exploration potential assessment of the entire landholding is at an advanced but not exhaustive stage. Most of the Company's past work has been directed towards developing and fast-tracking known occurrences, artisanal workings or old deposits. There is exploration upside within the Congolese Copperbelt and by inference in the Tiger properties. Tiger is aware of numerous anomalies which have not been followed up in the immediate vicinity of current operation and in the "brown-fields" area.
- The understanding of the deposit setting, lithologies, and geological, structural, and alteration controls on mineralisation is sufficient to provide appropriate geological control information to support the estimation of Mineral Resources and Mineral Reserves at Kipoi Central, Kipoi North and Kileba, and Mineral Resources as Judeira and Sase.
- Mineralisation within the Project areas has been defined over multiple irregularly shaped areas forming cluster of mineralised zones. The mineralisation is typically structurally controlled, and vertically zoned (weathering). The dip of the mineralised bodies and zones ranges from moderate to shallow dipping.
- The occurrence of stratigraphic and structurally controlled copper mineralisation was also seen by Dr Dorling in several nearby mining districts (e.g. Luishia area and Lupoto area).
- Commonly contaminants are not a problem for copperbelt deposits. During the drilling program Tiger assayed all its samples for a large number of potential contaminants, including arsenic, uranium and cadmium. Sporadic anomalous concentration of uranium (typically 10–100 ppm) were found in local areas where the copper mineralisation occurs in the veins. CSA Global notes that copper association with uranium has no impact on product.
- There are different areas of risk that are identified and recognised which include the degree of structural complexity, oxidation surfaces geometry; copper grade distribution and ore control variability. All of these are communicated to the Resource Geologists and, depending on the scale of observation the team makes every reasonable effort to minimise these risks or communicates the consequences to the Resource Geology teams.

## 6 Mineral Resources

### 6.1 Introduction

The MREs for Kipoi Central and Kipoi North are reported by classification in Table 5 and Table 6 respectively. The MREs for Kileba, Judeira and Sase are reported by classification in Table 7, Table 8 and Table 9 respectively, as presented in the various source documents. All resources are reported in accordance with the current version of the JORC Code (JORC 2012), and Mineral Resources are reported inclusive of Ore Reserves. CSA Global has found the Ore Reserves to be reasonable, and these are discussed in Section 7 of this Report.

The Kipoi North, Judeira and Sase MREs were sourced from the Tiger Resources ASX announcement dated 26 November 2019. The Kipoi Central and Kileba MREs were sourced from reports prepared by Cube Consulting Pty Ltd (Cube Consulting) in October 2019.

The Mineral Resources have been depleted to 30 June 2019.

CSA Global conducted high-level reviews of the five declared MREs. Reviews of the Kipoi Central, Kipoi North and Kileba Mineral Resources included a document review and inspection and check reporting from the block models using Datamine software, whereas the Judeira and Sase Mineral Resources reviews were limited to a document review, as they do not feed into the current mine plan.

Table 5: Kipoi Central Mineral Resources as at 30 June 2019 (>0.3% Cu)

JORC classification	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Measured	2.2	2.14	0.07	47	1
Indicated	26.1	1.15	0.05	299	14
Inferred	15.0	0.93	0.06	140	9
<b>Total</b>	<b>43.3</b>	<b>1.12</b>	<b>0.06</b>	<b>485</b>	<b>24</b>

Source: Cube Consulting report, October 2019

Table 6: Kipoi North Mineral Resources as at 30 June 2019 (>0.5% Cu)

JORC classification	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Indicated	2.7	1.26	0.04	34	1
Inferred	1.0	1.10	0.03	11	0

Source: Tiger Resources ASX release dated 26 November 2019

Table 7: Kileba Mineral Resources as at 30 June 2019 (>0.3% Cu)

JORC classification	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Measured	-	-	-	-	-
Indicated	12.9	1.16	0.05	150	6
Inferred	4.3	0.80	0.03	35	2
<b>Total</b>	<b>17.2</b>	<b>1.07</b>	<b>0.05</b>	<b>185</b>	<b>8</b>

Source: Cube Consulting report, October 2019

Table 8: Judeira Mineral Resources as at 30 June 2019 (>0.5% Cu)

JORC classification	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Measured	-	-	-	-	-
Indicated	-	-	-	-	-
Inferred	6.1	1.16	0.04	71	2

Source: Tiger Resources ASX release dated 26 November 2019

Table 9: Sase Mineral Resources as at 30 June 2019 (>0.5% Cu)

JORC classification	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Measured	-	-	-	-	-
Indicated	9.6	1.39	0.05	134	5
Inferred	2.8	1.21	0.03	34	1

Source: Tiger Resources ASX release dated 26 November 2019

The MREs for Kipoi Central, Kipoi North, Kileba, Judeira and Sase are reported by oxidation status in Table 10, Table 11, Table 12, Table 13, and Table 14 respectively, as presented in the various source documents. Note that the Kipoi North MRE reported in Table 11 is slightly different to the MRE reported in Table 6. This is because the grade and tonnages figures presented in Table 11 were taken from the 2012 report, and minor depletion subsequently occurred.

Table 10: Kipoi Central Mineral Resources as at 30 June 2019 (>0.3% Cu), by oxidation status

JORC classification	Type	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Measured	Oxide	0.5	1.37	0.07	6	0
	Transition	0.4	1.29	0.07	6	0
	Sulphide	1.3	2.70	0.07	35	1
	<b>Subtotal</b>	<b>2.2</b>	<b>2.14</b>	<b>0.07</b>	<b>47</b>	<b>1</b>
Indicated	Oxide	16.7	1.01	0.06	168	9
	Transition	3.9	1.18	0.04	46	2
	Sulphide	5.4	1.56	0.05	85	3
	<b>Subtotal</b>	<b>26.1</b>	<b>1.15</b>	<b>0.05</b>	<b>299</b>	<b>14</b>
Inferred	Oxide	6.1	0.86	0.07	52	4
	Transition	3.5	0.95	0.06	33	2
	Sulphide	5.5	0.99	0.05	55	3
	<b>Subtotal</b>	<b>15.0</b>	<b>0.93</b>	<b>0.06</b>	<b>140</b>	<b>9</b>
<b>Total</b>	Oxide	23.3	0.98	0.06	227	14
	Transition	7.8	1.09	0.05	85	4
	Sulphide	12.2	1.42	0.05	174	7
	<b>TOTAL</b>	<b>43.3</b>	<b>1.12</b>	<b>0.06</b>	<b>485</b>	<b>24</b>

Source: Cube Consulting report, October 2019

Table 11: Kipoi North Mineral Resources as at 30 June 2019 (>0.5% Cu), by oxidation status

JORC classification	Type	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Indicated	Oxide	2.1	1.28	0.05	27	1
	Transition	0.5	1.21	0.03	6	0
	Sulphide	0.1	1.05	0.04	1	0
	<b>Subtotal</b>	<b>2.7</b>	<b>1.26</b>	<b>0.04</b>	<b>34</b>	<b>1</b>
Inferred	Oxide	0.3	1.20	0.04	4	0
	Transition	0.4	1.06	0.03	4	0
	Sulphide	0.3	1.05	0.03	3	0
	<b>Subtotal</b>	<b>1.0</b>	<b>1.10</b>	<b>0.03</b>	<b>11</b>	<b>0</b>

Source: Tiger Resources ASX release dated 26 November 2019

Table 12: Kileba Mineral Resources as at 30 June 2019 (>0.3% Cu), by oxidation status

JORC classification	Type	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Indicated	Oxide	9.7	1.16	0.05	113	5
	Transition	2.1	1.13	0.05	23	1
	Sulphide	1.1	1.25	0.04	14	0
	<b>Subtotal</b>	<b>12.9</b>	<b>1.16</b>	<b>0.05</b>	<b>150</b>	<b>6</b>
Inferred	Oxide	1.8	0.61	0.04	11	1
	Transition	1.0	0.61	0.03	6	0
	Sulphide	1.5	1.17	0.04	18	1
	<b>Subtotal</b>	<b>4.3</b>	<b>0.80</b>	<b>0.03</b>	<b>35</b>	<b>2</b>
<b>Total</b>	Oxide	11.6	1.07	0.05	124	6
	Transition	3.0	0.96	0.04	29	1
	Sulphide	2.6	1.21	0.04	32	1
	<b>TOTAL</b>	<b>17.2</b>	<b>1.07</b>	<b>0.05</b>	<b>185</b>	<b>8</b>

Source: Cube Consulting report, October 2019

Table 13: Judeira Mineral Resources as at 30 June 2019 (>0.5% Cu), by oxidation status

JORC classification	Type	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Inferred	Oxide	5.2	1.21	0.04	63	2
	Transition	0.8	0.85	0.02	7	0
	Sulphide	0.1	0.95	0.02	1	0
	<b>Subtotal</b>	<b>6.1</b>	<b>1.16</b>	<b>0.04</b>	<b>71</b>	<b>2</b>

Source: Tiger Resources ASX release dated 26 November 2019

Table 14: Sase Mineral Resources as at 30 June 2019 (>0.5% Cu, by oxidation status

JORC classification	Type	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Indicated	Oxide	2.1	1.49	0.08	31	2
	Transition	3.9	1.49	0.04	59	2
	Sulphide	3.6	1.24	0.04	44	1
	<b>Subtotal</b>	<b>9.6</b>	<b>1.39</b>	<b>0.05</b>	<b>134</b>	<b>5</b>
Inferred	Oxide	0.2	1.47	0.05	4	0
	Transition	0.7	1.53	0.04	10	0
	Sulphide	1.9	1.09	0.03	20	1
	<b>Subtotal</b>	<b>2.8</b>	<b>1.21</b>	<b>0.03</b>	<b>34</b>	<b>1</b>

Source: Tiger Resources ASX release dated 26 November 2019

## 6.2 Kipoi Central Mineral Resource

The MRE for Kipoi Central was completed by Cube Consulting in October 2019 (Cube Project 2019\_048). The grade estimation was completed from June to July 2018, while depletion was applied subsequently using the June 2019 topographic surface. The Kipoi Central MRE has been classified and reported in accordance with the JORC Code (2012 Edition)<sup>3</sup>, and represents an update to the MRE publicly reported on 13 December 2013.

### 6.2.1 Deposit Geology

Copper at Kipoi Central occurs as stratiform, layer parallel and structurally remobilised mineralisation in fault breccias and veins. Copper sulphide minerals predominantly occur in deformed siltstones and carbonaceous siltstones and shales, but also extend into the adjacent dolomites and volcanic rocks.

<sup>3</sup> Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

The bulk of the mineralisation occurs as broad zones of malachite, best developed adjacent to zones of structurally induced porosity. Minor azurite, pseudomalachite, chalcocite, bornite, native copper and chalcopyrite are also present. Weathering has led to lateral dispersion of mineralisation and coherent zones of supergene mineralisation.

Mineralisation is predominantly associated with the Upper Roan (R-4) sediments with minor mineralisation occurring in the pyroclastic rocks or the overlying tillites.

Broadly, the controls to the copper mineralisation can be summarised as follows:

- Structures and rock fabric resulting from deformation provide the main setting for mineralisation.
- Algal laminated carbonate rocks and graphitic calcareous siltstone represent an additional control, particularly for stratiform mineralisation. The graphitic siltstone unit at Kipoi Central is preferentially enriched in copper and had largely been mined out at the time of this mineral resource update, as the primary focus of the Stage 1 phase of operations. The Stage 2 area, situated to the west and south-west of the graphitic siltstone unit, is characterised by dolomitic siltstone and pyroclastic lithologies, which host lower grade, structurally dominated copper mineralisation.
- Rock competency is interpreted to be important as the rheological contrast and response of different rock types to deformation will determine the generation and localisation of porosity in the form of veins and breccias. This may be reflected in the concentration of structures in the clastic sediments as these respond in a more brittle fashion relative to the pyroclastics.
- Secondary copper veins and irregular shaped caverns filled with supergene mineralisation extending for several meters laterally into the overlying tillites have been intersected in drilling. This mineralisation can't be traced back to structural or a primary fabric and therefore its quantification and interpretation is difficult.

The origin and style of cobalt mineralisation is more difficult to distinguish and interpret. Significant cobalt mineralisation appears to be localised near the footwall contact of the Upper R-4 sediments and the Lower R-4 pyroclastic rock. It occurs in a black talc rich, soft mass of material that ranges in width up to several tens of meters. While no cobalt minerals were recognised, it is assumed that the cobalt bearing mineral is heterogenite.

### CSA Global Assessment

Based on CSA Global's review of the mineral resource reports and supporting geological information, CSA Global considers that the controls to the mineralisation are well understood, which has set a solid foundation for Mineral Resource estimation. CSA Global considers the interpretation of the deposit geology to be reasonable.

#### 6.2.2 Data Collection Techniques

Data used to prepare the Kipoi Central MRE is sourced primarily from diamond (DD) drillholes, with limited reverse circulation (RC) drillholes used to define the shallow Mineral Resource around the artisanal workings. A limited number of AC drillholes were also completed. Drilling was completed in various campaigns from 2006 through 2018.

DD core (PQ, HQ and NQ core diameters) is geologically logged and sampled to geological contacts with a nominal sample length of 0.5 m (PQ or HQ) or 1.0 m (NQ). Larger samples were used where significant core loss occurred. Half-core was generally submitted for analysis. Core was photographed wet and dry prior to splitting. Core loss was measured on a block-to-block basis.

For the major elements, Cu and Co, "Resource Development" (RDV) drillholes were extracted from a database with an effective data cut-off date of 13 June 2018. AC and WB holes were excluded due to the poor sample quality associated with these methods. Trench (TR) samples were also excluded for estimation purposes, due to the fact that analytical readings were undertaken with a portable X-ray fluorescence (XRF) instrument. Grade control (GC) drillholes were limited. Most of the blasthole samples were excluded from the estimate, specifically from several benches in the west of the Stage 1 pit area, between the elevations of

1,340 m and 1.315 m, due to sample quality concerns. The vast majority of the retained GC samples were derived from RC drilling methods.

The minor elements (S, Ca, Mg, Mn and Fe) were estimated using all DD and RC RDV holes, where assays were available, and trench samples were included to provide additional near-surface data coverage. The GC holes were not assayed for the minor element suite.

Chip samples from RC holes (140 mm diameter) were geologically logged and sampled at 1 m intervals. Samples were riffle split before sending samples of approximately 2 kg to ALS Johannesburg for analysis.

Quality control (QC) consisted of submission of fields duplicates, stands and blanks, in addition to laboratory duplicates. A total of 222 DD, 90 RC and 167 AC holes resulting in 43,767 samples, including 2,811 certified reference materials (CRMs) and 1,256 field duplicates were submitted to various laboratories at various stages between 2006 and 2018.

The Competent Person deemed that the laboratories generally demonstrated analytical accuracy at a level that is acceptable. The Competent Person completed a review of field duplicates, coarse duplicates, pulp duplicates and umpire duplicates. Acceptable levels of precision were noted for the field DD samples, while the RC samples showed a higher than expected variance for the sample type. Coarse reject duplicates results were within acceptable ranges. Pulp duplicate results varied between programs but were generally outside the expected range for the sample type. Umpire duplicate (repeat) results were generally deemed acceptable, although some poor results were identified for follow-up investigation. The documentation prepared by the Competent Person contains a detailed summary of the QC results, noting some errors that need to be addressed in the future, and making recommendations for improvement. No material errors were identified with the data.

Drillhole collar positions were located by differential global position system (GPS), theodolite, or handheld GPS. Downhole surveys were taken with a Ranger single-shot survey instrument or equivalent tool every 30 m. The topography file was supplied by the site survey department in Surpac format to constrain and deplete the Mineral Resource. The method used to create this surface was unclear from the documentation supporting the MRE. A topography file based on aerial photography with ground survey control was used to represent the pre-mining surface.

Up until November 2007, all sample preparation was undertaken using ALS Chemex in Johannesburg. Post November 2007, sample preparation was undertaken by Tiger employees in a field facility. ALS Chemex in Johannesburg was the primary assay laboratory from 2006 through 2011. During 2008, approximately 50% of the pulps were air freighted to ALS Perth for analysis while ALS Johannesburg and, to a lesser extent, SGS Zambia analysed the remaining 50%. SGS Lubumbashi was utilised for a select period only, during 2017. Sample preparation and analysis have recently been completed at either the onsite laboratory SGS Kipoi, or external laboratory ALS Johannesburg for both sample preparation and analysis.

Grade analysis has been analysed by a multi-element analytical method (ME-ICP61) with a follow up ore grade analysis for copper (Cu) and cobalt (Co) using the ME-OG62 method on all samples. The alternative ore grade method ME-OG46 has been used intermittently for ore grade partial digestion analysis. The analytical techniques adopted are shown in Table 15. A handheld XRF instrument was used to analyse the samples to be submitted to the laboratory.

Table 15: Analytical techniques – Kipoi Central

Laboratory	Generic code	Laboratory code	Laboratory method	Description	Cu detection
ALS	4AOG_UN	ME-0G62	Ore Grade Elements by 4A digestion and ICP-AES	Decomposition by four-acid digestion and analysis by ICP with AES finish or under certain conditions AAS	0.001–40%
	AROG_UN	ME-0G46	Ore Grade Elements by 4R digestion and ICP-AES	Decomposition by aqua regia digestion and analysis by ICP with AES finish or under certain conditions AAS	0.001–40%
	4A_ICPES	ME-ICP61	Trace level by 4A digestion and ICP-AES	Decomposition by four-acid digestion, HCl leach and analysis by ICP with AES finish	1–10,000 ppm
SGS	4AOG_UN	AAS42T	Ore Grade Elements by 4A digestion and ICP-AES	Decomposition by four-acid digestion and analysis by ICP with AES finish or under certain conditions AAS	0.001–40%
	4AOG_UN	AAS42S	Ore Grade Elements by 4A digestion and ICP-AES	Decomposition by four-acid digestion and analysis by ICP with AES finish or under certain conditions AAS	0.001–40%
	4A_ICPES	ICP42S	Multi-Element Method by 4A digestion and ICP-OES	Decomposition by four-acid digestion and analysis by ICP with OES(AES) finish	0.5–50,000 ppm
Genalysis	4A_ICPES	AT/OES	Multi-Element Method by 4A digestion and ICP-OES	Decomposition by four-acid digestion and analysis by ICP with OES(AES) finish	1–50,000 ppm

Source: Cube Consulting October 2019 Kipoi Central Mineral Resource report

Density measurements are routinely taken from DD core using the water immersion method. The core is wax coated if deemed porous by site staff.

### CSA Global Assessment

CSA Global considers that data collection techniques, inclusive of drilling methods, data location methods, sampling and analytical methods and topographic control are largely consistent with industry good standard and a high confidence can therefore be placed in the data.

Data was collected by DD and RC drilling methods which both generally provide a high-quality sample. Only a very minor amount of blast hole data was included.

Sampling and analytical techniques are considered appropriate, and adequate QC data appears to have been collected to allow the quality of the data to be assessed. The Competent Person has formed the view that acceptable levels of precision and accuracy have been demonstrated. CSA Global was not provided with the raw QC results to form an independent opinion, hence cannot confirm this or otherwise. Hole location methods, inclusive of collar location and downhole survey, also appear appropriate.

Based on the information supplied, CSA Global considers that the quality of the sampling and assaying does not pose a material risk to the ongoing development, mining or value of the project.

### 6.2.3 Geological Interpretation and Modelling

3D lithological modelling was completed to support the MRE. The logged lithology was simplified and six main lithologies were modelled as shown in Table 16.



Table 16: Lithological domains – Kipoi Central

Domain code	Lithology	DTM name
RAT	Breche Heterogene	If_geology_rat_2018.dtm
COZ	Cobalt Zone	If_geology_coz_2018.dtm
SLTDOL	Dolomitic Siltstone	If_geology_sltdol1_2018.dtm
		If_geology_sltdol2_2018.dtm
		If_geology_sltdol3_2018.dtm
PYR	Pyroclastic	If_geology_pyr1_2018.dtm
		If_geology_pyr2_2018.dtm
		If_geology_pyr3_2018.dtm
		If_geology_pyr4_2018.dtm
GRAPHSLT	Graphitic Siltstone	If_geology_graphslt_2018.dtm
TIL	Tillite	If_geology_til_2018.dtm

Source: Cube Consulting October 2019 Kipoi Central Mineral Resource report

An underlying breccia (“Breche Heterogene”) was modelled, comprising a soft talc-calcareous matrix hosting sub-angular, partly rounded clasts of purple calcareous siltstones. This unit does not typically host the mineralisation. Lithological domains for cobalt mineralisation, dolomitic siltstone, pyroclastics, graphitic siltstone and tillite were also modelled. The copper mineralisation cuts across the various lithologies and occurs in fault breccias and veins.

Mineralisation outlines were created based on geological logging and drillhole grades.

Two copper domains were defined for estimation:

- A high-grade copper domain (Cu Domain 100) that is spatially associated with the graphitic siltstone (GRAPHSLT) unit. This domain was defined by a combined consideration of the boundary of this preferentially enriched lithological unit, and copper grade.
- A lower grade copper domain (Cu Domain 999) characterised by much more discontinuous mineralisation, situated mostly to the east of the graphitic siltstone unit, within the package of pyroclastic and dolomitic siltstone units. Recent surface trench mapping has revealed that the copper mineralisation is associated with sub-vertical structures striking on a bearing of 020°. Cu Domain 999 encompasses all the drill data outside of Cu Domain 100. While the breche heterogene (RAT) unit underlying the pyroclastics and siltstones is essentially barren, it was decided to deal with the RAT post-estimation by resetting all grades to a near-zero value inside a shape based largely on the RAT lithological wireframe model.

Two cobalt domains were defined for estimation:

- A high-grade cobalt domain (Co Domain 100) that is spatially associated with the COZ unit in the northeast. This domain was defined by a combined consideration of the boundary of this preferentially enriched lithological unit, and cobalt grade.
- A lower-grade cobalt domain (Co Domain 999) was defined by the same volume solid model used for Cu Domain 999, thus encompassing all drilling outside of Co Domain 100. The barren RAT unit was dealt with in the same manner as for copper.

In addition, a volume solid encompassing the grade control RC drilling undertaken in the early (Stage 1) mining area was modelled, in order to separate this densely drilled area from the less dense resource delineation drilling, since different estimation methodologies were used based on the drill spacing.

The mineralisation domains to support the MRE are shown in Table 17.

Table 17: Mineralisation domains – Kipoi Central

Domain code	Description	DTM name
Cu 100	High grade copper mineralisation	<i>Inside min_cu_hg_june18_reg.dtm</i>
Cu 999	Lower grade, discontinuous copper mineralization	<i>Inside min_cu_envelope_june18_reg.dtm and Outside of min_cu_hg_june18_reg.dtm</i>
Co 100	High grade cobalt mineralization	<i>Inside min_co_hg_june18_reg.dtm</i>
Co 999	Lower grade, discontinuous cobalt mineralization	<i>Inside min_co_envelope_june18_reg.dtm and Outside of min_co_hg_june18_reg.dtm</i>
Cu 100 GC Cu 999 GC Co 100 GC Co 999 GC	Volume defined by GC RC drilling	<i>Inside gc_volume_june_2018.dtm and intersected with the LG and HG Cu and Co domains</i>
-	Volume defined to reset RAT grades to near-zero values	<i>rat_grade_stamp_out.dtm</i>

Source: Cube Consulting October 2019 Kipoi Central Mineral Resource report

The base of oxidation and top of fresh rock were also modelled. The approach adopted to define the domains is summarised in Table 18.

Table 18: Weathering domains – Kipoi Central

Domain	Description	Logging code	Cu/S ratio	Sulphides	Position
Oxide	Rock fabric is completely oxidised	W5 to W3	Cu >>S S<0.1%	None present	Above BOCO
Transition	Partial oxidation, rock fabric may appear fresh in part	W2	Cu > S	Secondary supergene minerals present and primary sulphides may also be present	Between BOCO and TOF
Fresh	Rock fabric unaffected by weathering	W1	Cu < S (1:2)	Primary sulphides	Below TOF

Source: Cube Consulting October 2019 Kipoi Central Mineral Resource report

### CSA Global Assessment

Geological data has been collected in a consistent manner that has allowed the development of geological models to support the MRE. Lithological models were developed based on geological logging to assist with the interpretation of the mineralisation, and the relationship between the lithologies and the mineralisation was described in the Mineral Resource report. The structural framework was also described in detail in documentation supporting the MRE. The approach to model the weathering domains appears sound.

Although it was clear in the documentation that the broad mineralisation interpretation encompassed the mineralised population, the actual approach was difficult to ascertain from the report. CSA Global loaded the model into Datamine and found that the outer mineralisation envelope essentially encapsulated the entire area of drilling around the deposit, rather than representing the boundary between mineralised and non-mineralised material. Significant very low-grade copper and cobalt material is included in this envelope. CSA Global considers there may be an opportunity to further divide this broad domain into sub-domains in the future, with further understanding of the controls to the mineralisation in this area.

The high-grade copper and cobalt envelopes were found to coarsely encapsulate material approximately >1% Cu and 0.2% Co respectively, although significant internal dilution was included. The high-grade copper mineralisation was mainly contained within GRAPHSLT and COZ units, while the cobalt mineralisation was spatially coincident with the COZ unit.

CSA Global considers that interpretation and modelling procedures do not represent a material risk to the ongoing development, mining or value of the project. CSA Global loaded the data into a 3D environment to assess the reasonableness of the interpretation and consider the interpretation robust. The adopted mineralisation cut-off grade appears to be around 1% Cu and 0.2% Co for the high-grade copper and cobalt domains respectively.

#### 6.2.4 Statistical and Geostatistical Analysis

Drilling intervals within the mineralisation envelopes were assigned a “zone” code (100 – high grade or 999 – broad area around the mineralisation).

Drill samples within the mineralisation envelopes were composited to 3 m. A composite size of 3 m was chosen primarily to minimise sample splitting. The raw and composite mean grades for each domain compared well. Minor elements (Ca, Fe, Mg and Mn) were composited to 5 m. The reason given for the larger composite size was that these elements were estimated into larger blocks.

Univariate composite statistical analysis was completed on 3 m composites for each of the domains to determine top grade cuts. The grade cuts were chosen based on the point in the tail of the grade distribution where statistical support was observed to deteriorate. No top cuts were applied to the high-grade domains, and a top cut of 12% and 1.3% were applied to the low-grade copper and cobalt domains respectively. No top cuts were applied to the 5 m minor element data.

Composite data for copper and cobalt was de-clustered and then transformed to a Gaussian distribution prior to variogram modelling within each of the four mineralisation domains (Cu 100, Cu 999, Co 100, Co 999). The nugget effect was initially determined using omnidirectional variograms. Directional variograms were then modelled, prior to back transforming the variogram models prior to grade estimation. Minor element variography was completed within domains defined by stratigraphic unit and weathering status.

#### **CSA Global Assessment**

CSA Global considers that statistical analysis should have been completed to explore the impact of lithology on the mineralisation, to support the assertion that high-grade cobalt mineralisation is spatially correlated with the COZ unit and high-grade copper mineralisation is spatially correlated with the GRAPHSLT unit. This would also have quantified the impact of lithology on grade tenor generally, and possibly led to further domaining of the mineralisation. If this did occur, and simply was not communicated in documentation supporting the MRE, then greater transparency is recommended. CSA Global also considers that statistical analysis should have been completed to explore the impact of weathering on the copper and cobalt mineralisation. Again, if this did occur, and simply was not communicated in documentation, then again greater transparency is recommended.

The selection of a 3 m (major elements) and 5 m (minor elements) composite size also requires discussion, given that it is generally advisable to composite to as close as possible to the original sample length, which is in the order of 1 m, to retain the natural variability of the data. This has implications for Mineral Resource estimation and is discussed later in this Report.

The top cutting approach appears reasonable; however, CSA Global considers that statistical analysis should have been completed based on composite lengths which are close to the original sample length, rather than at 3 m.

Although further domaining of the Mineral Resource may have been possible, following more detailed statistical analysis, CSA Global considers that the manner in which the statistical or geostatistical analysis was completed is not likely to represent a material risk to the global MRE and ongoing development, mining or value of the project.

CSA Global does note however that the search and variogram parameters selected for the low-grade domain (copper and cobalt) will have a significant impact on the final block model grade distribution given the poorly constrained nature of the estimation in this area. Ongoing focus on understanding the controls to the mineralisation in this area is required to validate the current approach.

#### 6.2.5 Estimation of Mineral Resources

Quantitative Kriging Neighbourhood Analysis (QKNA) was completed to assist with determining an optimum sample selection strategy.

Outside the grade control area volume, grades were estimated by ordinary kriging into 25 m north x 25 m east x 5 m elevation panels using Isatis software using RDV data only. In the case of the copper and cobalt, this panel block estimate is just a precursor step to a Localised Uniform Conditioning (LUC) estimate at a smaller “selective mining unit” (SMU) block size. For the minor elements, this panel-scale estimate represents the final estimate for these variables, and the results were assigned to the final SMU-scale block model by migration. The final block model was created in Surpac format.

The search parameters for copper and cobalt estimation shown in Table 19 were adopted for grade estimation.

Table 19: Search parameters – Kipoi Central

Domain	Pass	Minimum comp.	Maximum comp.	Major (m)	Semi (m)	Minor (m)	Isatis rotation (Math Convention AZ)	Isatis rotation (Math Convention AY)	Isatis rotation (Math Convention AX)
Cu 100	1	6	16	100	50	30	-110	40	0
Cu 999	1	6	16	100	50	25	-110	20	90
Cu 999	2	6	16	220	110	55	-110	20	90
Co 100	1	6	16	120	60	36	-110	30	0
Co 999	1	8	20	100	50	25	-110	20	90
Co 999	2	8	20	220	110	55	-110	20	90

Uniform conditioning (UC) was then used for copper and cobalt to estimate the recoverable tonnage and grade based on the dimensions of the SMU, which is regarded as the minimum volume of material upon which ore/waste decisions can be made during mining. A 5 m north x 5 m east x 2.5 m elevation SMU size was chosen.

As part of the localisation of the UC estimate of copper and cobalt, ordinary kriging was used to estimate grades for both variables into SMU size blocks within each larger panel. SMU blocks were then ranked based on these grades, and the ranked average grades for each segment of the discretised grade tonnage curve for each panel (determined at SMU support via UC) were assigned to each of the ranked blocks (by a form of quantile-quantile matching). All estimation was completed in Isatis software; however, the final results were imported into a Surpac block model.

Minor elements including Cu, Fe, Mg, Mn and S were estimated with an isotropic search ellipse into the panel size blocks, using a minimum of four composites and a maximum of four composites per sector (total of four sectors). These grades were then transferred to the SMU model. Lithological and weathering domains were used to constrain estimation of these elements.

Within the GC area volume, GC and RDV data was used to directly estimate copper and cobalt grades only into 5 m north x 5 m east x 2.5 m elevation size blocks using ordinary kriging.

Mean bulk densities were assigned to each lithology, according to oxidation status, using the bulk density measurements that were taken on site.

The block model was then depleted using two digital terrain models (DTMs) representing the pre-mining topography surface and the as-mined surface at the end of January 2019.

Block model validation was then completed by comparing global sample and block grades, visual validation, by using swath plots and by an inverse distance squared check estimate.

## CSA Global Assessment

The use of ordinary kriging with application of top cuts is considered reasonable given the style of mineralisation. The block size of 25 m x 25 m x 5 m is also considered justifiable given the resource delineation drill pattern, which is approximately 50 m x 50 m. Direct estimation into 5 m north x 5 m east x 2.5 m elevation size blocks using ordinary kriging in the GC area is also defensible, given the more dense drilling in this area.

The ordinary kriged panel estimates for copper and cobalt were used as an input into the UC process which was used to estimate recoverable resources based on a SMU support. Given the output from UC is a distribution of grades at the SMU scale within a panel, it is not a particularly practical data format as the SMU location is not provided. Localisation of the UC estimate as a post-processing step was therefore used. In this process, ordinary kriging into SMU blocks was completed to rank the blocks only. Finally, grade assignment was completed by matching ranked average values of the discretisation of the SMU grade distribution derived from UC based on SMU ranking within each panel. CSA Global considers the approach well-considered and consistent with industry good practice.

The use of a 3 m composite length will result in a reduction of the variance. This distorts the cumulative distribution function upon which the anamorphosis function is applied during uniform conditioning. Essentially, any UC/LUC model based on this smoothed anamorphosis will lose the selectivity that the technique is designed to preserve, with each SMU in the panel being closer to the average panel grade than would have otherwise resulted. The impact of this is not likely to be material to the MRE.

For the minor elements, the panel-scale (25 m x 25 m x 5 m) estimate represented the final estimate (i.e. UC was not completed). The reason for not using UC remains unclear. The impact is not considered material however to the MRE.

To check the MRE, CSA Global imported the Mineral Resource block model, mineralisation wireframes and drillhole database files that were provided into Datamine. Mineralisation wireframes were assessed for correct interpretation (that they appropriately encapsulate the mineralisation) and the block model was checked to confirm if the block grades correlate well with the composited sample data.

Validation checks of the drillhole database files, such as checking for overlapping samples, revealed no material errors. The low-grade copper wireframe was found to coarsely encapsulate the entire area which has been drilled around the mineralisation, rather than represent the boundary between non-mineralised and mineralised material. Significant very low-grade copper and cobalt material was included in this envelope. The high-grade copper and cobalt envelopes were found to approximately capture >1% and >0.2% Cu and Co material respectively.

The block model grades compared well visually with the drillhole grades. Furthermore, basic validation of the block model by CSA Global revealed no absent, negative or extremely high copper or cobalt grades.

CSA Global re-reported the MRE from the block model and was able to very closely, but not exactly, reproduce the tonnage and metal estimate tabulated in the Cube Consulting report. This gives confidence in Cube Consulting's reporting procedures.

The MRE reported by Cube Consulting in their Mineral Resource report and CSA Global are shown in Table 20 and Table 21 respectively. Both are reported above a cut-off grade of 0.3% Cu.

CSA Global considers that the manner in which the Mineral Resource model was prepared does not represent a material risk to the ongoing development, mining or global value of the project. On the basis of this review, CSA Global consider the MRE to be reasonable.

Table 20: *Cube Consulting Kipoi Central MRE (>0.3% Cu)*

JORC classification	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Measured	2.2	2.14	0.07	47	1
Indicated	26.1	1.15	0.05	299	14
Inferred	15.0	0.93	0.06	140	9
<b>Total</b>	<b>43.3</b>	<b>1.12</b>	<b>0.06</b>	<b>485</b>	<b>24</b>

Table 21: *CSA Global Kipoi Central MRE check (>0.3% Cu)*

JORC classification	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Measured	2.1	2.23	0.08	46	2
Indicated	26.1	1.15	0.05	299	14
Inferred	15.0	0.93	0.06	140	9
<b>Total</b>	<b>43.2</b>	<b>1.12</b>	<b>0.06</b>	<b>485</b>	<b>24</b>

### 6.2.6 Mineral Resource Classification and Statement

The MRE has been classified and reported in accordance with the JORC Code (2012 Edition). The Mineral Resource was classified after considering a range of criteria including data integrity, available density data, geological continuity, drillhole spacing and estimation approach.

A Measured Mineral Resource is reported where GC drilling has been completed on a 10 m x 5 m pattern. An Indicated Mineral Resource is reported where exploration drilling was completed on a pattern of <50 m x <50 m, with a kriging slope of regression >0.6. An Inferred Mineral Resource is reported within the interpreted mineralisation volumes where the drill pattern is greater than 50 m x 50 m and the kriging slope of regression is <0.6.

#### CSA Global Assessment

The quality of the input data, confidence in the interpretation, sampling density and local uniform conditioning results have been considered when forming a judgement on Mineral Resource confidence.

The Competent Person has not, however, discussed metallurgical results in the Mineral Resource report. Although JORC Table 1, which was supplied as a separate document to the Mineral Resource report, indicates metallurgical testwork was completed in 2009, 2012 and 2014, and current mining activities support the results, no discussion of these results was made. This amounts to a lack of transparency. In forming a view that the mineralisation has “reasonable prospects for eventual economic extraction”, CSA Global has relied on a separate review of the metallurgical test work, as described in Section 8 of this report.

In CSA Global’s opinion, the MREs are reasonable.

## 6.3 Kipoi North Mineral Resource

The MRE for Kipoi North was completed by Cube Consulting in October 2012 (Cube Project 2011\_101). The Kipoi North MRE was originally classified and reported in accordance with the JORC Code (2004 Edition) and was re-stated in accordance with the JORC Code (2012) in April 2014 (Tiger Resources ASX release dated 3 April 2014).

### 6.3.1 Deposit Geology

Only a summary of the geology of the deposit is provided in the Mineral Resource report.

From the documentation provided, it is clear that the copper mineralisation at Kipoi North occurs within a fold and is preferentially hosted within certain lithological units. However, a description of the mineralogy is lacking, as well as discussion regarding litho-structural controls.

Geological work has been completed by CSA Global and site personnel over the project’s history, which ultimately led to an understanding of the litho-structural framework, however the relationship between lithology, structure and mineralisation is unclear from the Cube Consulting report.

## CSA Global Assessment

The broad-scale controls to the mineralisation appear to be understood, which has set a solid foundation for Mineral Resource estimation; however, discussion of the geological controls on mineralisation and mineralogy is lacking in the Mineral Resource report. CSA Global therefore based our understanding of the deposit geology and mineralogy on our technical assessment, as summarised in Section 4.1.2 of this Report.

### 6.3.2 Data Collection Techniques

Data used to prepare the Kipoi North MRE is sourced from primarily from DD and RC drillholes. The drillhole spacing varies from 25 m x 25 m to 50 m x 25 m. The drilling that supports the MRE was completed from 2007 through 2012.

Collar location, downhole surveying, and logging and sampling techniques are not described in the Mineral Resource report. CSA Global therefore reviewed the Microsoft (MS) Access drillhole database to gain an understanding of data collection techniques.

DD core was geologically logged and sampled to geological contacts, and core was cut and submitted to the laboratory for analysis. CSA Global assumes but has not verified that half-core samples were taken. RC chips (diameter unknown) were geologically logged and sampled at 1 m. Samples were riffle split before being sent to the laboratory for analysis.

Samples were sent to either ALS Chemex in Johannesburg or Perth. Grade analysis was completed using the method (lab code) ME-ICP61 with follow up “ore grade” analysis for copper and cobalt using the method ME-OG62. ME-ICP61 involved four-acid digestion, hydrochloric acid leach, and analysis by inductively coupled plasma (ICP) with atomic emission spectroscopy (AES) finish. The copper detection limit was 1%. ME-OG62 involved four-acid digestion, and analysis by ICP with AES finish. Under certain conditions determination was by atomic absorption spectrometry (AAS). The copper detection limit was 40%.

According to the MS Access database, drillhole collar positions were located by differential GPS. Downhole surveys were taken approximately every 30 m downhole. The survey method was flagged as “REFLEX” or “CAMERSHOT” in the MS Access database.

Topographic control was by aerial photography with ground survey control. The topography file was originally supplied as a DTM by Photomap of South Africa based on aerial photography with ground control. An error was identified with the elevation which resulted in the DTM being lowered 4.1 m. An additional DTM was also created covering a small area where the collar positions did not honour the corrected topography file.

Density measurements are routinely taken from DD core using the water immersion method. The core is wax coated if deemed porous by site staff.

An assessment of DD and RC sample recoveries was not provided in the Mineral Resource report. QC data is also not presented in the Mineral Resource report; however, a separate QAQC report was prepared by Cube Consulting to support the Mineral Resource update.

The QAQC report details the analysis of QC samples including standards, blanks, duplicates (field, coarse and pulp), and umpire laboratory samples that have been submitted throughout the drilling programs from 2007 through 2012. Overall, the QC samples performed satisfactorily and support the precision and accuracy of the data.

## CSA Global Assessment

Data was collected by DD and RC drilling methods which both provide a high-quality sample. Sampling and analytical techniques appear appropriate and QC data supports the precision and accuracy of the data. Hole location methods, inclusive of collar location and downhole survey, appear appropriate. Density data collection methods also appear robust.

Based on the information supplied, CSA Global considers the quality of the data does not represent a material risk to the MRE.

### 6.3.3 Geological Interpretation and Modelling

3D structural, lithological and weathering modelling was completed to support the MRE.

The mineralisation at Kipoi North is hosted within tightly folded stratigraphy. Three structural domains were modelled to represent:

- The fold hinge
- The southern limb
- The northern limb.

Four lithological units were defined/modelled, including:

- Siltstone
- “Roche Siliceuse Cellulaire”
- “Roche Siliceuse Feuilletée” and stratified dolomite
- “Breche Heterogene” of grey-green siltstone.

The base of oxidation and top of fresh rock were also modelled.

Mineralisation outlines were created based on drillhole grades, using a nominal lower cut-off grade of 0.15% Cu. One area of mineralisation was modelled which honoured the tight fold hinge. Three sub-domains were created based on the structural domains listed above.

#### CSA Global Assessment

Geological data appears to have been collected in a consistent manner that has allowed the development of lithological and structural models to support the MRE. Lithological models were developed based on geological logging to assist with the interpretation of the mineralisation, however the relationship between the lithologies and the mineralisation was not described in the Mineral Resource report. The structural framework was also not described in detail in documentation supporting the MRE; however, it is clear that a tight fold is the primary control to the mineralisation.

The use of a 0.15% Cu cut-off grade to define the limits to the mineralisation appears broadly appropriate to encapsulate the mineralisation.

Although the litho-structural controls were not adequately described in documentation supporting the MRE, CSA Global considers that interpretation and modelling procedures do not represent a material risk to the ongoing development, mining or value of the project.

### 6.3.4 Statistical and Geostatistical Analysis

Drilling intervals within the mineralisation envelopes were assigned a zonecode of “domain\_1”. Domain was set to 100 for the main domain and 400 for the western domain.

Univariate composite statistical analysis was then completed on raw, 1 m, 2 m, 2.5 m and 5 m composites. A 5 m composite length was chosen with the following reason: *“The reduction in CV is combination of the chosen estimation panel size was considered by Cube Consulting to be sufficient reason to use 5 m composite data in the estimate”*. No upper cuts were applied given no outliers were noted in the 5 m composite dataset.

Composite data for copper and cobalt were then transformed to a Gaussian distribution prior to variogram calculation using Isatis software. The nugget effect was initially determined using omnidirectional variograms. Directional variograms were then modelled, prior to back transforming the variogram data prior to grade estimation.

#### CSA Global Assessment

CSA Global considers that statistical analysis should have been completed to explore the impact of lithology and oxidation status on the mineralisation, and to also justify the use of three grade subdomains which were created in the hinge, southern and northern limbs of the fold.



The selection of a 5 m composite size does not appear appropriate, given that it is generally advisable to composite to as close as possible to the original sample length, which is in the order of 1–2 m, to retain the natural variability of the data. This has implications for Mineral Resource estimation, which is discussed later in this report.

It is considered somewhat appropriate that no upper cuts were applied to the data given that no outliers exist in the dataset; however, CSA Global considers that statistical analysis should have been completed based on composite lengths which are close to the original sample length, rather than at 5 m.

Although further domaining of the Mineral Resource may have been possible, following more detailed statistical analysis, CSA Global considers that the manner in which the statistical and geostatistical analysis was completed does not represent a material risk to the ongoing development, mining or value of the project.

### 6.3.5 Estimation of Mineral Resources

QKNA was completed to assist with determining an optimum sample selection strategy. The search parameters for copper and cobalt estimation shown in Table 22 were adopted for grade estimation.

Table 22: Search parameters – Kipoi North

Sub-domain	Attribute	Subdomain composites used	Minimum comp.	Maximum comp	Range (m)	Isatis rotation (Geologist Convention)	Major/Semi	Major/Minor
1	Cu	1, 2 and 3	4	20	140	75/0/0	2	4
2		1 and 2						
3		1 and 3						
1	Co	1, 2 and 3	4	20	100	75/0/0	2	4
2		1 and 2						
3		1 and 3						

Minor elements including were estimated with an isotropic search ellipse with a 150 m radius, using a minimum of three and a maximum of 12 composites. Lithological and weathering domains were used to constrain estimation of these elements.

Copper and cobalt grades were estimated by ordinary kriging into 15 m north x 25 m east x 5 m RL panels using Isatis software. All minor elements were estimated into 10 m north x 10 m east x 5 m RL blocks.

UC was then used to estimate the recoverable copper and cobalt tonnage and grade at SMU support; in this case, 5 m north x 5 m east x 2.5 m RL.

Localisation of the UC estimate was undertaken using the same methodology described in Section 6.2.5. All estimation was completed in Isatis software and the final results were imported into a Surpac block model.

Mean bulk densities were assigned to each lithology, according to oxidation status, using the bulk density measurements that were taken on site.

Kipoi North has been subject to limited mining in 2017. The block model was cut to the topographic surface.

Block model validation was then completed by comparing global sample and block grades, and by using swath plots.

### CSA Global Assessment

The use of ordinary kriging with no application of top cuts is considered reasonable given the style of mineralisation. The block size of 15 m x 25 m x 5 m is also considered justifiable given the resource delineation drill pattern, which is approximately 25 m x 25 m to 50 m x 25 m.

Similar to Kipoi Central, the ordinary kriged panel estimates were used as an input into the UC process which was used to estimate recoverable resources for copper and cobalt based on a SMU volume. LUC was then used whereby ranked SMU size blocks were matched to the SMU grade distribution derived from UC. CSA Global considers the approach well-considered and consistent with industry good practice.

The use of a 5 m composite length will, however, result in a reduction of the variance of the input data. This distorts the cumulative distribution function upon which the anamorphosis function is applied during UC. Essentially, any UC/LUC model based on this smoothed anamorphosis will lose the selectivity that the technique is designed to preserve, with each SMU in the panel being closer to the average panel grade than would have otherwise resulted.

To check the MRE, CSA Global imported the Mineral Resource block model, mineralisation wireframes and sample composite files that were provided into Datamine. Mineralisation wireframes were assessed for correct interpretation (that they appropriately encapsulate the mineralisation) and the block model was checked to confirm if the block grades correlate well with the composited sample data.

The wireframes were found to encapsulate the >0.15% Cu mineralisation, and the block model grades compared well with the drillhole grades. CSA Global also re-reported the MRE from the block model and was able to closely reproduce the tonnage and metal estimate tabulated in the Cube Consulting report. This gives confidence in Cube Consulting’s reporting procedures. The MRE reported by Cube Consulting in its Mineral Resource report and CSA Global are shown in Table 23 and Table 24 respectively. Both are reported above a cut-off grade of 0.5% Cu. CSA Global notes that some material was processed during 2017, leading to a slight reduction in the MRE. The depleted MRE is shown in Table 25.

Based on the review completed, CSA Global considers that the manner in which the block model was estimated and reported does not represent a material risk to the ongoing development, mining or global value of the project.

Table 23: Cube Consulting Kipoi North MRE (>0.5% Cu)

JORC classification	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Indicated	4.0	1.33	0.05	53.5	1.8
Inferred	1.1	1.10	0.03	11.6	0.4

Table 24: CSA Global Kipoi North MRE check (>0.5% Cu)

JORC classification	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Indicated	4.0	1.34	0.05	53.3	1.8
Inferred	1.0	1.11	0.03	11.5	0.4

Table 25: Cube Consulting Kipoi North depleted MRE, 31 December 2017 (>0.5% Cu)

JORC classification	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Indicated	3.8	1.3	0.05	51	1.8
Inferred	0.8	1.1	0.03	10	0.4

### 6.3.6 Mineral Resource Classification and Statement

The MRE was classified and reported in accordance with CIM guidelines (CIM 2005) and NI 43-101 and intended to comply with reporting requirements of the JORC Code (2004 Edition). It was re-stated in accordance with the JORC Code (2012) in April 2014 (Tiger Resources ASX release dated 3 April 2014).

Cube Consulting considered that several points were material in classifying the Mineral Resource, including:

- Database integrity – The drilling contained periodic intervals of significantly lower recovery.
- Density – A bias in the dataset may exist given the preference of field staff to take measurements on more competent pieces of core.
- Geological interpretation – The interpretation was considered the best possible given the information available.
- Drillhole spacing and sampling density – Resource definition drilling varied from 25 m x 25 m to 50 m x 25 m.
- LUC was completed to provide a SMU model that was suitable for mine planning.

After considering the above, an Indicated Mineral Resource was reported where resource definition drilling was completed on a pattern of 25 m x 25 m. An Inferred Mineral Resource was reported where the drill pattern was greater than 25 m x 25 m.

### **CSA Global Assessment**

In CSA Global's opinion, the MREs are reasonable.

The data is of mixed quality but remains sufficiently robust to support the MRE. Metallurgical amenity was considered on a high level to ascertain that there were sufficiently reasonable prospects for eventual economic extraction at the time the estimates were completed. Processing extractability is a critical consideration when forming a judgement on whether the mineralisation has reasonable prospects for economic extraction. In forming a view that the mineralisation has "reasonable prospects for eventual economic extraction", CSA Global has relied on a separate review of the metallurgical testwork, as described in Section 8 of this report.

## **6.4 Kileba Mineral Resource**

The MRE for Kileba was completed by Cube Consulting in October 2019 (Cube Project 2019\_048). The Kileba MRE has been classified and reported in accordance with the JORC Code (2012 Edition). The MRE is an update of the previous model created in August 2012 following additional drilling (completed in late-2012) and geological work.

### *6.4.1 Deposit Geology*

The host rocks in the Kileba area are correlatives of the R-4 sequence of rocks which host mineralisation at Kipoi Central and are overlain by Kundelungu tillite facies.

Mineralisation at Kileba localised within two northwest striking and southwest dipping zones, referred to as the Kileba South deposit and the Kileba North deposit. The two occurrences are separated by an interpreted north trending fault; however, both deposits are considered to have been connected and formed by one continuous, deeply rooted zone of deformation and mineralisation.

The Kileba South deposit exhibits a broad zone of supergene copper enrichment in the hangingwall of a mineralised shear zone, where brittle deformed rocks adjacent to a reverse fault have generated a favourable setting for primary and supergene enrichment.

Kileba South is structurally controlled, dipping steeply to the southwest with a strike length of 800 m. The mineralisation includes copper sulphide mineralisation below the base of oxidation and copper oxide mineralisation above it. The depth of weathering is to about 120 m vertical depth below surface. At depth, the sulphide mineralisation is structurally controlled and hosted by a regional northwest trending fault breccia. Above the base of oxidation, weathering of sulphides has led to lateral dispersion of secondary copper minerals, generating a supergene blanket 700 m long by up to 170 m wide, and 150 m deep.

Kileba North is interpreted to be a continuation of the structurally controlled Kileba South copper mineralisation, dipping steeply to the southwest with a strike length of 685 m. Mineralisation has currently been interpreted to a vertical depth of approximately 110 m and has typically been modelled above the base of oxidation weathering profile. A supergene blanket of mineralisation is not interpreted.

### **CSA Global Assessment**

The broad-scale controls to the mineralisation appear to be understood, which has set a solid foundation for Mineral Resource estimation.

### *6.4.2 Data Collection Techniques*

Data used to prepare the Kileba MRE is sourced primarily from DD and RC drillholes completed from 2006 through 2012.

DD core (primarily HQ core diameter) is geologically logged and sampled to geological contacts with a nominal sample length of 0.5 m for PQ and HQ holes and 1 m intervals for NQ holes. Larger intervals were used where significant core loss occurred. Half-core was generally submitted for analysis. Core was photographed wet and dry prior to splitting. Core loss was measured on a block-to-block basis.

Chip samples from RC holes (140 mm diameter) were geologically logged and sampled at 1 m intervals. Samples were riffle split before sending samples of approximately 2 kg to ALS Johannesburg for analysis.

QC consisted of submission of fields duplicates, standards and blanks, in addition to laboratory duplicates. Overall, the Competent Person deemed that the QC samples performed satisfactorily, and that the data was of an acceptable standard for Mineral Resource estimation. Summary information is provided in the Competent Persons documentation to support this view.

Drillhole collar positions were located by a licensed surveyor using total station methods. Downhole surveys were taken with a Ranger single-shot survey instrument or equivalent tool every 30 m.

Topographic string data was supplied by the site survey department on 10 August 2012 and was validated by Cube Consulting and converted to a wireframe surface. The survey included pick-up of all available collar locations.

Up until November 2007, all sample preparation was undertaken using ALS Chemex in Johannesburg. Post November 2007, sample preparation was generally undertaken by Tiger employees in a field facility.

ALS Chemex in Johannesburg was the primary assay laboratory from 2006 through 2011. During 2008, approximately 50% of the pulps were air freighted to ALS Perth for analysis while ALS Johannesburg and, to a lesser extent, SGS Zambia analysed the remaining 50%. Subsequent to 2011, sample preparation and analysis continue to be completed at either the onsite laboratory, SGS Kipoi or ALS Johannesburg for both sample preparation and analysis.

Grade analysis has been analysed by a multi-element analytical method (ME-ICP61) with a follow up ore grade analysis for copper and cobalt using the ME-OG62 method on all samples. The alternative ore grade method ME-OG46 has been used intermittently for ore grade partial digestion analysis. The analytical techniques adopted are shown in Table 26.

Table 26: Analytical techniques – Kileba

Laboratory	Generic code	Laboratory code	Laboratory method	Description	Cu detection
ALS	4AOG_UN	ME-0G62	Ore Grade Elements by 4A digestion and ICP-AES	Decomposition by four-acid digestion and analysis by ICP with AES finish or under certain conditions AAS	0.001–40%
	AROG_UN	ME-0G46	Ore Grade Elements by 4R digestion and ICP-AES	Decomposition by aqua regia digestion and analysis by ICP with AES finish or under certain conditions AAS	0.001–40%
	4A_ICPES	ME-ICP61	Trace level by 4A digestion and ICP-AES	Decomposition by four-acid digestion, HCl leach and analysis by ICP with AES finish	1–10,000 ppm
SGS	4AOG_UN	AAS42T	Ore Grade Elements by 4A digestion and ICP-AES	Decomposition by four-acid digestion and analysis by ICP with AES finish or under certain conditions AAS	0.001–40%
	4AOG_UN	AAS42S	Ore Grade Elements by 4A digestion and ICP-AES	Decomposition by four-acid digestion and analysis by ICP with AES finish or under certain conditions AAS	0.001–40%
	4A_ICPES	ICP42S	Multi-Element Method by 4A digestion and ICP-OES	Decomposition by four-acid digestion and analysis by ICP with OES(AES) finish	0.5–50,000 ppm
Genalysis	4A_ICPES	AT/OES	Multi-Element Method by 4A digestion and ICP-OES	Decomposition by four-acid digestion and analysis by ICP with OES(AES) finish	1–50,000 ppm

Source: Cube Consulting October 2019 Kileba Mineral Resource report

### CSA Global Assessment

CSA Global considers that data collection techniques, inclusive of drilling methods, data location methods, sampling and analytical methods and topographic control are largely consistent with industry good standard and a high confidence can therefore be placed in the data.

Data was collected by DD and RC drilling methods which both generally provide a high-quality sample. Only a very minor amount of blast hole data was included.

Sampling and analytical techniques are considered appropriate, and adequate QC data appears to have been collected to allow the quality of the data to be assessed. The Competent Person has formed the view that the data is acceptable for Mineral Resource estimation. CSA Global was not provided with the raw QC results to form an independent opinion, hence cannot confirm this or otherwise. Hole location methods, inclusive of collar location and downhole survey, also appear appropriate.

Based on the information supplied, CSA Global considers that the quality of the sampling and assaying does not pose a material risk to the ongoing development, mining or value of the project.

### 6.4.3 Geological Interpretation and Modelling

3D lithological modelling was completed to support the MRE. The logged lithology was simplified and six main lithologies were modelled as shown in Table 27.

Table 27: Lithological domains – Kileba

Domain code	Lithology	DTM name
DOLT	Dolomite	kileba_dolt_2019.dtm
PYC	Pyroclastic	kileba_pyc_2019.dtm
SLT	Siltstone	kileba_sl_2019.dtm
SLTDOL	Silty Dolomite	kileba_sltdo_2019.dtm
TALC	Talc	kileba_talc_2019.dtm
TIL	Tillite	kileba_til_2019.dtm

Source: Cube Consulting October 2019 Kileba Mineral Resource report

Clay interpretations were also completed. Two clay interpretation wireframes representing highly abundant clay (A4) and abundant clay (A3) were used to flag the block model field “clay”. Cube Consulting also coded any material with the lithology wireframe “kileba\_talc\_2019” as “A4” given the dominance of clay in this unit.

The mineralised copper domains were interpreted using a combination of geological logging and assayed copper grade. The overall interpretation encompassed the complete mineralised distribution. The mineralised domain outline was based on a nominal lower cut-off grade of approximately 0.25% Cu which extends the full strike length of the known Kileba mineralisation. This domain is referred to as “100” and represents both the copper and cobalt mineralised material. A sub-domain (referred to as “400”) has been included to represent the mineralisation associated with the tillite. This sub-domain is poorly mineralised for the most part but does still include some re-worked and/or re-mobilised mineralisation.

The mineralisation domains are shown in Table 28.

Table 28: Mineralisation domains – Kileba

Domain code	Description	DTM name
Cu 100	Main copper mineralisation	Inside: cube_kil_min_june_2019.dtm
Cu 400	Low grade mineralisation within the tillite	Inside: cub_kil_min_june_2019.dtm and Inside: cube_kil_til_subdomain_400.dtm
Co 100	Main cobalt mineralisation	Inside: cube_kil_min_june_2019.dtm
Co 400	Low grade cobalt mineralisation within the tillite	Inside: cube_kil_min_june_2019.dtm and Inside: cube_kil_til_subdomain_400.dtm

Source: Cube Consulting October 2019 Kileba Mineral Resource report

## CSA Global Assessment

Geological data appears to have been collected in a consistent manner that has allowed the development of lithological models to support the MRE. Lithological models were developed based on geological logging to assist with the interpretation of the mineralisation; however, the relationship between the lithologies and the mineralisation was not described in the Mineral Resource report.

The use of a 0.25% Cu cut-off grade to define the limits to the mineralisation appears broadly appropriate to encapsulate the mineralisation.

CSA Global considers that interpretation and modelling procedures do not represent a material risk to the ongoing development, mining or value of the project.

### 6.4.4 Statistical and Geostatistical Analysis

Drilling intervals within the mineralisation envelopes were assigned a “zone” code (100 – main mineralisation or 400 – lower grade).

Major elements copper and cobalt within the mineralisation envelopes were composited to 3 m. A composite size of 3 m was chosen to minimise sample splitting (99% of the raw samples are 3 m in length or less) and also to approximate the vertical dimension of the SMU size (2.5 m). The raw and composite mean grades for each domain compared well. Minor elements (Ca, Fe, Mg, Mn and S) were also composited to 3 m; however, the results were stored on a separate string file to copper and cobalt.

Univariate composite statistical analysis was completed on 3 m composites for each of the domains to determine top grade cuts. No top cuts were applied given no outliers existed in the data.

Composite data for copper and cobalt was de-clustered and then transformed to a Gaussian distribution prior to variogram modelling within each of the two mineralisation domains for copper and cobalt (Cu 100, Cu 400, Co 100, Co 400). The nugget effect was initially determined using omnidirectional variograms. Directional variograms were then modelled, prior to back transforming the variogram models prior to grade estimation. Minor element variography was completed within domains defined by stratigraphic unit and weathering status.

CSA Global considers that statistical analysis should have been completed to explore the impact of lithology and oxidation status on the mineralisation.

The selection of a 3 m composite size is questionable, given that it is generally advisable to composite to as close as possible to the original sample length, which is in the order of 1 m, to retain the natural variability of the data. This has implications for Mineral Resource estimation, which is discussed later in this report.

It is considered somewhat appropriate that no upper cuts were applied to the data given that no outliers exist in the dataset; however, CSA Global considers that statistical analysis should have been completed based on composite lengths which are close to the original sample length, rather than at 3 m. As discussed in the next section, the impact of this is not likely to be material.

Although further domaining of the Mineral Resource may have been possible following more detailed statistical analysis, and the use of a 3 m composite length is questionable, CSA Global considers that the manner in which the statistical and geostatistical analysis was completed does not represent a material risk to the ongoing development, mining or value of the project.

### 6.4.5 Estimation of Mineral Resources

QKNA was completed to assist with determining an optimum sample selection strategy.

Copper and cobalt grades were estimated by ordinary kriging into 25 m north x 25 m east x 5 m elevation panels using Isatis software. This panel block estimate is just a precursor step to a LUC estimate at a smaller “SMU” block size. For the minor elements, a smaller panel size of 10 m north x 10 m east x 5 m elevation was used. These panel-scale estimates represent the final estimate for these variables, and the results were

assigned to the final SMU-scale block model by migration. The final block model was created in Surpac format.

Dynamic local rotation of the variogram model and search neighbourhood was implemented using surfaces constructed in Surpac and exported to Isatis. These surfaces represented the internal grade trends within the mineralisation envelope.

The search parameters for copper and cobalt estimation shown in Table 19 were adopted for grade estimation.

Table 29: Search parameters – Kileba

Domain	Pass	Minimum comp.	Maximum comp.	Major (m)	Semi (m)	Minor (m)	Isatis rotation (Math Convention AZ)	Isatis rotation (Math Convention AY)	Isatis rotation (Math Convention AX)
Cu 100	1	6	24	250	100	55	Dynamic anisotropy		
Cu 400	1	6	24	250	85	60	Dynamic anisotropy		
Co 100	1	6	24	250	80	40	Dynamic anisotropy		
Co 400	1	6	24	250	140	80	Dynamic anisotropy		

UC was then used for copper and cobalt to estimate the recoverable tonnage and grade based on the dimensions of the SMU, as described in earlier chapters of this report. Similarly, localisation of the UC estimate was completed using the same methodology as described in section 6.2.5. All estimation was completed in Isatis software; however, the final results were imported into a Surpac block model.

Minor elements including Fe, Mg, Mn and S were estimated with an isotropic search ellipse into the panel size blocks, using a minimum of four composites and a maximum of four composites per sector (total of four sectors). These grades were then transferred to the SMU model. Lithological and weathering domains were used to constrain estimation of these elements.

Mean bulk densities were assigned to each lithology, according to oxidation status, using the bulk density measurements that were taken on site.

No mining has been undertaken at Kileba, other than some minor historical workings which are honoured in the topography file.

Block model validation was then completed by comparing global sample and block grades, visual validation, by using swath plots and by an inverse distance squared check estimate.

### CSA Global Assessment

The use of ordinary kriging with no application of top cuts is considered reasonable given the style of mineralisation. The block size of 25 m x 25 m x 5 m is also considered justifiable given the resource delineation drill pattern, which is approximately 50 m x 50 m.

Similar to Kipoi Central and North, the ordinary kriged panel estimates were used as an input into the UC process which was used to estimate recoverable resources for copper and cobalt based on an SMU volume. Localisation of the UC estimate was then undertaken. CSA Global considers the approach well-considered and consistent with industry good practice.

The use of a 3 m composite length, however, will result in a reduction of the sample variance. It is generally advisable to composite the sample data to an interval close to the modal sample length (around 1 m) to maintain the natural variability of the data; however, the impact of this is not likely to be material.

For the minor elements, a smaller block size was used (10 m x 10 m x 5 m), which represented the final estimate (i.e. UC was not completed). The reason for not using UC remains unclear. The impact is not considered material however to the MRE.

To check the MRE, CSA Global imported the Mineral Resource block model, mineralisation wireframes and drillhole database files that were provided into Datamine. Mineralisation wireframes were assessed for

correct interpretation (that they appropriately encapsulate the mineralisation) and the block model was checked to confirm if the block grades correlate well with the composited sample data.

Validation checks of the drillhole database files, such as checking for overlapping samples, revealed no material errors. The mineralisation envelopes were found to approximately capture >0.25% Cu material.

The block model grades compared well visually with the drillhole grades. Furthermore, basic validation of the block model by CSA Global revealed no absent, negative or extremely high copper or cobalt grades.

CSA Global re-reported the MRE from the block model and was able to exactly reproduce the tonnage and grade estimate tabulated in the Cube Consulting report. The metal estimates are slightly different which probably results from the rounding approach. Table 30 and Table 31 show the Cube Consulting and CSA Global results respectively. This gives confidence in Cube Consulting's reporting procedures.

CSA Global considers that the manner in which the Mineral Resource model was prepared does not represent a material risk to the ongoing development, mining or global value of the project.

Table 30: Cube Consulting Kileba MRE (>0.3% Cu)

JORC classification	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Measured	-	-	-	-	-
Indicated	12.9	1.16	0.05	150	6
Inferred	4.3	0.80	0.03	35	2
<b>Total</b>	<b>17.2</b>	<b>1.07</b>	<b>0.05</b>	<b>185</b>	<b>8</b>

Table 31: CSA Global Kileba MRE check (>0.3% Cu)

JORC classification	Tonnage (Mt)	Cu (%)	Co (%)	Cu metal (kt)	Co metal (kt)
Measured	-	-	-	-	-
Indicated	12.9	1.16	0.05	150	6
Inferred	4.3	0.80	0.03	34	1
<b>Total</b>	<b>17.2</b>	<b>1.07</b>	<b>0.05</b>	<b>185</b>	<b>8</b>

#### 6.4.6 Mineral Resource Classification and Statement

The MRE has been classified and reported in accordance with the JORC Code (2012 Edition). The Mineral Resource was classified after considering a range of criteria including data integrity, available density data, geological continuity, drillhole spacing and estimation approach.

No Measured Mineral Resources were reported. Indicated Mineral Resources were reported where exploration drilling was completed on a pattern of <25 m x <25 m, with a kriging slope of regression >0.6. Inferred Mineral Resources were reported within the interpreted mineralisation volumes where the drill pattern is up to greater than 50 m x 50 m and the kriging slope of regression is <0.6.

#### CSA Global Assessment

CSA Global considers that industry good practice has been adopted when forming a judgement on Mineral Resource confidence. The quality of the input data, confidence in the interpretation, sampling density and local uniform conditioning results have been considered.

In CSA Global's opinion, the MREs are reasonable.

The data is of mixed quality but remains sufficiently robust to support the MRE. Metallurgical amenity was considered on a high level to ascertain that there were sufficiently reasonable prospects for eventual economic extraction at the time the estimates were completed. CSA Global has relied on a separate review of the metallurgical testwork, as described in Section 8 of this report.



## 6.5 Judeira Mineral Resource

The MRE for Judiera was estimated and reported by Cube Consulting in November 2013. The Judeira MRE has been classified and reported in accordance with the JORC Code (2012 Edition).

CSA Global reviewed the Mineral Resource report to form an opinion on the quality of the technical work carried out by Cube Consulting. CSA Global did not import the block model, drillhole database and geological interpretations into a 3D package, given the Mineral Resource was not considered material to the project value. A judgement was made on the technical merit of the work following a review of associated documentation.

The 2013 MRE was the maiden resource for the deposit and was supported by 10 DD holes and 48 RC holes drilled on a 50 m x 50 m drill pattern. No documentation was sighted by CSA Global regarding the management of the drillhole database, with Tiger providing Cube Consulting the database prior to preparation of the MRE. Cube Consulting noted errors in the collar surveys and inconsistencies in the geological logs, but these were managed appropriately by Cube Consulting with regard to the Inferred classification assigned to the Mineral Resource. CSA Global did not review any QAQC reports and can offer no opinion on the quality of the drillhole data.

The mineralisation interpretations supporting the MRE were completed by Cube Consulting, with the copper mineralisation domain based upon >0.3% Cu sample assay grades. A block model capturing the mineralisation, weathering and lithological domains was constructed using block sizes of 20 m east x 25 m north x 10 m RL. CSA Global believe the block sizes are reasonable based upon the drillhole spacing.

The block model was constrained within the copper envelopes. Drill samples were composited to 1 m intervals, and a QKNA assessment determined appropriate grade interpolation parameters. Grade was interpolated into the block model by ordinary kriging. A total of 314 density measurements were taken by Tiger from drill core billets, however Cube Consulting determined that this dataset was of insufficient number to support the MRE. Consequently, density values for the Kipoi weathering horizons were assigned to the Judeira model. There was insufficient description of density measurements in the Judeira resource report for CSA Global to form an opinion regarding the appropriateness of Cube Consulting's decision to use Kipoi data. Nevertheless, the density values assigned by Cube Consulting appear reasonable with reference to the logged geology and interpreted weathering horizons.

The block model was validated, however only swath plots were presented in the Cube Consulting report. CSA Global considers that histograms of sample and block means per domain, and a set of cross sections of the deposit with block and sample grades would provide greater validation support to the Mineral Resource estimation.

The Mineral Resource was classified as Inferred with reasonable disclosure in the report. CSA Global consider the classification approach and methodology adopted to be appropriate. The Mineral Resource was reported above a cut-off grade of 0.5% Cu and tabulated by weathering domain.

### CSA Global Assessment

CSA Global considers Cube Consulting's discussion of sample quality, deposit geology, statistical analyses, grade interpolation and classification for the Judeira Mineral Resource sufficiently supports the MRE, with no material omissions or flaws noted by CSA Global. Therefore, CSA Global considers the Judeira MRE to be reasonable.

## 6.6 Sase Mineral Resource

The MRE for Sase was estimated and reported by Cube Consulting in July 2013. The Sase MRE has been classified and reported in accordance with the JORC Code (2012 Edition).

CSA Global has largely relied upon the ASX announcement dated 12 July 2013 to complete this review, with additional reference to an NI 43-101 Technical Report published in 2011, supporting an earlier MRE. For the purposes of this technical assessment, CSA Global considers that these sources have provided sufficient

information for CSA Global to form a view. CSA Global did not import the block model, drillhole database and geological interpretations into a 3D package, given the Mineral Resource was not considered material to the project value. A judgement was made on the technical merit of the work following a review of public documentation.

The MRE was supported by 51 DD holes for 7,779 m and 50 RC holes for 4,901 m drilled on a 50 m east x 50 m north drill pattern, infilled to 25 m east x 50 m north. Two pairs of twinned drillholes (DD-RC) were noted by Cube Consulting to demonstrate satisfactory correlation between the datasets.

Cube Consulting independently validated the data as part of the MRE and found no material issues. Samples were analysed with a four-acid digest followed by ICP or AAS finish. A QAQC report prepared by Cube Consulting noted no significant issues with the sample assays.

Geological interpretations for the primary lithologies, weathering domains and mineralisation domains were prepared by Cube Consulting. The mineralisation envelopes were based upon >0.2% Cu sample assays, and the cut-off grade was used as “an attempt to encompass the complete mineralised distribution and produce a model that reduced the risk of conditional bias that could be introduced where the constraining interpretation and data selection is based on a significantly higher grade than the natural geological grade cut-off” (Tiger, ASX, 2013). CSA Global believes this is a reasonable approach considering the grade interpolation strategy subsequently adopted by Cube Consulting.

Drill samples were composited from their raw 1 m intervals to 5 m. The 5 m composite interval was chosen to support the grade interpolation into the block model with panel size of 25 m east x 25 m north x 5 m RL. Compositing will smooth the drill sample data and without a detailed statistical review of the data and grade interpolation sensitivities to varying sample lengths, CSA Global cannot offer critique of the choice of composite length. Any variation in local block grade estimate for copper and cobalt due to different sample lengths, is not likely to be material.

Ordinary kriging was used to interpolate copper and cobalt into each panel within the block model, with estimation parameters determined from QKNA. CSA Global considers the adopted parameters to be reasonable. The panel estimates were post-processed using LUC to derive a recoverable MRE on an SMU support of 6.25 m north x 6.25 m east x 5 m RL blocks.

The NI 43-101 Technical Report supporting the 2011 Mineral Resource details the assigned densities per weathering and lithological domain. CSA Global believes these are reasonable.

The MRE was classified as Indicated and Inferred with a reasonable disclosure provided by Cube Consulting in support of their decisions. The Indicated volumes are supported by the closer spaced drilling, and CSA Global considers the classification approach and methodology adopted to be appropriate. The Mineral Resource was reported above a cut-off grade of 0.5% Cu and tabulated by Mineral Resource classification and weathering domain.

### **CSA Global Assessment**

CSA Global considers Cube Consulting’s discussion of sample quality, deposit geology, statistical analyses, grade interpolation and Mineral Resource classification for the Sase MRE sufficiently supports the MRE, with no material omissions or flaws noted by CSA Global. Therefore, CSA Global considers the Sase MRE to be reasonable.

# 7 Mining (Ore Reserves and LOM Plan) Review

## 7.1 Basis of Review

CSA Global has completed a high-level review of the Kipoi Copper Project in the DRC. The basis of the review are the following documents:

- Kipoi Copper Project – LOMP, Option Selection Report - Tiger Resources
- 190930\_Production Forecast For Cashflow WC 190930\_LF (Mine schedule and mining cost estimate model) – Cube Consulting
- TigerR-LOM Model Staged\_v4.32 (for CSA) (Life of Project Financial Model) – Tiger Resources
- 20191010 TGS IER Financial Model Update (Presentation) – Tiger Resources
- Technical Report, Ore Reserves Estimate on the Kipoi Central and Kileba Deposit, Kipoi, DRC – Cube Consulting.

CSA Global has been requested to provide an independent opinion on the technical inputs underpinning the financial model titled TigerR-LOM Model Staged\_v4.32.xlsx (“Model”), including:

- Mining physicals (including tonnes of ore mined, ore processed, recovery and grade)
- Operating costs (including but not limited to mining, processing, haulage, general site costs/administration, penalties, transport, contingencies and royalties)
- Capital expenditure (including but not limited to project capital costs, sustaining capital expenditure, salvage value, rehabilitation and contingency)
- Any other relevant technical assumptions.

Each of the reference documents has a minor difference in costs and physicals, with the others. Where the differences are considered immaterial, CSA Global has accepted the values within the TigerR-LOM Model Staged\_v4.32.xls financial model.

The basis of this review focuses on mining three deposits in the Kipoi Project:

- Kipoi Central
- Kipoi North
- Kileba.

## 7.2 Ore Reserve Estimate (26 November 2019)

Tiger Resources published an updated Ore Reserve estimate on 26 November 2019 as tabled in Table 32. The Ore Reserve estimate for the Project was updated using the most recently updated Mineral Resource models as well as updated input parameters, an updated mine design and production schedule.

The total Proved and Probable Ore Reserve comprise 16.81 Mt of ore at a grade of 1.2% Cu for the Kipoi Central and Kileba deposits.

CSA Global notes that the Ore Reserve stated in Table 32 varies from the LOM Mine Schedule used in the LOM Cashflow Model described in Table 33. CSA Global understands from Tiger that the difference of approximately 0.8 Mt of ore is due to additional stockpiles and material from Kipoi North that have not been included in the updated Ore Reserve. CSA Global considers that there is sufficient reasonable basis for this material to remain in the valuation model as Kipoi North is an Indicated Resource with reasonable likelihood of extraction. Nonetheless, CSA Global considers that this difference is not sufficiently material to impact on the value range of the project.

Table 32: Kipoi Copper Project Ore Reserves Statement as at 30 June 2019

Deposit	Reserve weathering	Proved			Probable			Total Proved + Probable			
		Mt	Cu %	Cu rec. %	Mt	Cu %	Cu rec. %	Mt	Cu %	Cu rec. %	Cu kt
KPC	Oxide	0.28	1.8	1.4	9.44	1.4	1.1	9.72	1.4	1.1	137.1
	Transition	0.25	1.6	1.3	1.84	1.6	1.3	2.10	1.6	1.3	34.4
	Sulphide	0.60	2.3	0.1	0.72	1.9	0.1	1.32	2.1	0.1	27.2
	<b>Subtotal</b>	<b>1.13</b>	<b>2.0</b>	<b>0.7</b>	<b>12.01</b>	<b>1.5</b>	<b>1.1</b>	<b>13.14</b>	<b>1.5</b>	<b>1.1</b>	<b>198.7</b>
Kileba	Oxide	-	-	-	3.36	2.3	1.9	3.36	2.3	1.9	76.2
	Transition	-	-	-	0.32	2.8	2.0	0.32	2.8	2.0	9.0
	Sulphide	-	-	-	0.00	9.1	1.1	0.00	9.1	1.1	0.3
	<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.67</b>	<b>2.3</b>	<b>1.9</b>	<b>3.67</b>	<b>2.3</b>	<b>1.9</b>	<b>85.5</b>
<b>TOTAL</b>		<b>1.13</b>	<b>2.0</b>	<b>0.7</b>	<b>15.68</b>	<b>1.7</b>	<b>1.3</b>	<b>16.81</b>	<b>1.7</b>	<b>1.2</b>	<b>284.2</b>

### 7.3 Mining Methods

The mining activities will use industry standard drill, blast, load and haul techniques at all three mining locations. The mobile fleet deployed at each pit will include one to two excavators, haul trucks, dozers, front-end loaders, blast-hole drill rigs and water trucks. The total fleet will also include explosive charge vehicles and light vehicles.

Mining activities will be conducted by mining contractor, where the contractor will supply all mining equipment, operations and maintenance personnel for the mining components of the operation.

### 7.4 Geotechnical and Hydrogeological

Geotechnical investigations have been conducted on the Kipoi deposits by an independent consultant. Geotechnical design parameters are based on these investigations and are supported by existing mining excavation conditions.

In summary, the wall design parameters comprise 10 m vertical height benches, mined at face angles of 80° and 12 m berms, with wider, 20 m berms located at 50 m vertical intervals on the final pit walls.

Previous pit designs undertaken using these parameters and incorporating access ramps were used to measure overall slope angles as input into the pit optimisation studies. This resulted in overall wall angles of 30°, based on an inter-ramp slope angle of 33° with an allowance for one pass of a 25 m wide access ramp on all sides of the pit.

The geotechnical analysis includes the following statement:

*“A recurring theme of the geotechnical investigations carried out at the Kipoi Project between 2007 and 2016 concerns the absence of information on hydrogeological conditions within the wall rocks of the open pits.*

... ..

*In light of the current absence of groundwater information (and, in particular, the depth of the pre-mining groundwater level within the future wall rocks of the Stage 2A and 2B Pits and the likely distribution of water pressures in the walls, which could act to increase potential wall instability) it is not possible at this stage to demonstrate with any degree of certainty the impact of groundwater on future wall stability within the pits.*

*Similarly, in our opinion, any comments regarding the stability of future walls must be regarded as “best estimates” and are subject to review using the results obtained from future hydrogeological investigations.*

*For current mine planning purposes, use should be made of the updated steeper wall design parameters (10m vertical height benches mined at face angles of 80°, separated by 10m wide berms, with 15m wide berms located at 50m or 60m vertical intervals) on the strict understanding that additional hydrogeological investigations will be carried out either before, or during, the very early stages of mining, and that results will*

*be used in future stability assessments to confirm the adequacy of the wall designs (or institute any design amendments that may be required).*

*Future hydrogeological investigations should be carried out by suitably qualified and experienced hydrogeologists. Emphasis will need to be given to clarifying the elevation of the groundwater table within the future Stage 2A and Stage 2B Pit wall rocks (to confirm, or amend as necessary, the assumptions made in the previously reported stability analyses) and assessing likely groundwater inflow rates and volumes which will influence future pit dewatering requirements.*

*The design of likely pit wall dewatering procedures (including wall depressurisation drilling using sub-horizontal drain holes) should also be addressed, as should surface drainage requirements around the future pit perimeter.”*

CSA Global considers that hydrogeological investigations are important to confirm the geotechnical design parameters applied to the mine designs. There are no indications that the current parameters need to be adapted until there is evidence of the requirement. The current wall angles of approximately 30° is relatively conservative. The risk to the project outcomes is not considered material.

## 7.5 Mining Dilution and Recovery

The mine designs have been based on a regularised Resource model with blocks of 5 m(x) x 5 m(y) and 2.5 m(z). The size and orientation of the blocks represents an approximation of the smallest mining units for the deposit. No further factors for mining dilution and recovery have been applied to the Resource to derive the mining quantities.

## 7.6 Mine Designs

All pits were generally designed with 25 m-wide dual lane ramps at a maximum gradient of 1:10 or 10% for ramps designed above the bottom 50 vertical metres of the pit base and 12 m-wide single lane ramps at a maximum gradient of 1:10 to the base of each pit.

### 7.6.1 Kipoi Central Design

The design was split into two stages to facilitate efficient scheduling of the open pit operations while also serving to defer waste mining in the earlier years of the open pit life. Both of the Kipoi Central stages include a single 25 m ramp which exits the pit in the eastern extent of the pit, this being close to both the ore and waste tipping destinations.

### 7.6.2 Kileba Design

Kileba is designed as a single-stage pit, there being insufficient room to practically design another stage within the pit limits. The pit design includes a single ramp which is primarily located on the eastern pit wall and exits the pit towards the east.

## 7.7 Mine Schedule

The Kipoi Central pit is sequenced in two stages, while the Kileba pit is sequenced in a single stage.

The Kipoi pit is scheduled to be mined at a moderate annual vertical advance rate of between 10 m and 40 m over a seven-year life. The Kileba pit is scheduled to advance 55 m vertical in its one year of production. The total physical quantities and annual mining schedule for Kipoi and Kileba are shown in Table 33. The monthly ore mining profile is shown in Figure 20.

CSA Global considers the mining schedule to be reasonable based on these vertical advance rates, which are within the range of expected drop-down rates that CSA Global considers realistically achievable for mining operations of this type.

Table 33: Annual mining schedule for Kipoi and Kileba

Mining schedule	Unit	Total	2019	2020	2021	2022	2023	2024	2025	2026	2027

by source											
<b>Kipoi Central and Kipoi North Stage 3</b>											
Waste tonnes	kt waste	<b>55,146</b>	0	4	8,782	12,190	12,296	11,711	6,676	3,085	402
Oxide ore tonnes	kt ore	<b>9,717</b>	0	0	764	2,329	1,989	1,281	2,348	954	51
Oxide ore mined grade	%	<b>1.41%</b>	0.0%	0.9%	1.0%	1.51%	1.50%	1.42%	1.39%	1.30%	1.73%
Transitional ore tonnes	kt	<b>2,096</b>	0	0	0	6	342	251	228	970	299
Transitional mined grade	%	<b>1.64%</b>	0.0%	0.0%	0.0%	1.51%	2.02%	2.51%	1.27%	1.42%	1.51%
Fresh ore tonnes	kt	<b>1,379</b>	0	0	0	0	293	657	52	287	89
Fresh ore mined grade	%	<b>2.03%</b>	0.0%	0.0%	0.0%	0.60%	1.50%	2.41%	1.38%	1.99%	1.47%
<b>Kileba</b>											
Waste tonnes	kt waste	<b>8,837</b>	1,110	5,677	1,865	158	27	0	0	0	0
Oxide ore tonnes	kt ore	<b>4,172</b>	650	2,090	1,320	110	2	0	0	0	0
Oxide ore mined grade	%	<b>2.07%</b>	1.3%	2.0%	2.4%	2.93%	3.08%	0.00%	0.00%	0.00%	0.00%
Transitional ore tonnes	kt	<b>296</b>	0	2	90	204	0	0	0	0	0
Transitional mined grade	%	<b>2.70%</b>	0.0%	1.5%	2.4%	2.84%	0.00%	0.00%	0.00%	0.00%	0.00%

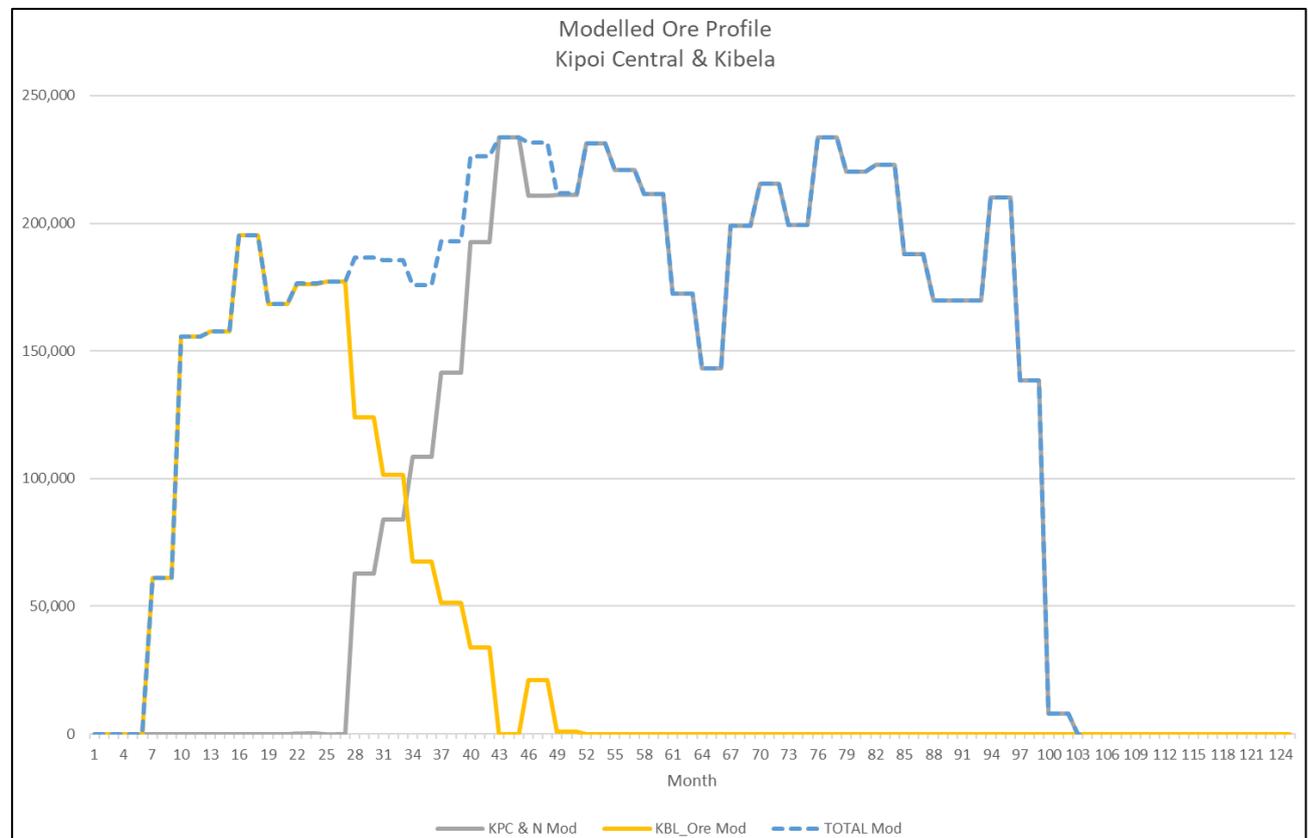


Figure 20: Monthly ore mining

## 7.8 Mining Costs

All costs are in United States dollars (\$) unless otherwise identified. Costs are stated on a real rather than a nominal basis.

### 7.8.1 Mining Capital Costs

A relatively small amount of capital expenditure has been allowed in the financial model for mining activities. This is due to the intended utilisation of a mining contractor who will be supplying all mining equipment.

There are capital funds planned for:

- Contractor mobilisation
- Software and hardware for production and technical computer systems

- Communications and radio system
- Fire-fighting system.

The capital expenditure for these items is \$2.8 million in real terms.

The mine is substantially established and has been used in full production until 2017. Support infrastructure such as workshop, fuel bay, magazine and roads already exist. There is no allocation of capital funds for refurbishment to bring this infrastructure back into productive use after being idle for several years.

CSA Global recommends that a sum of US\$2 million be added to the initial Mining capital profile to account for the costs to return the mining infrastructure to productive use.

### 7.8.2 *Selling Costs*

The revenue from the sale of copper carries a discount to the selling price for Grade 1 and Grade 2 copper. These amounts are based on sales agreements and appear to be a reasonable cost for this item.

### 7.8.3 *Mining Operating Costs*

Mining operating costs shown in the model “TigerR-LOM Model Staged\_v4.32” are presented as a combined mining cost.

CSA Global has reviewed the detailed mining costs developed in the Ore Reserve estimation process. These costs have been derived from a bottom-up accumulation of costs by applying the mining physicals to a set of unit mining costs provided by a mining contractor familiar with the site.

CSA Global has viewed the costs outlined in the Ore Reserve statement (27 November 2019) and in the file “190930\_Production Forecast For Cashflow WC 190930\_LF”, both developed by Cube Consulting.

The costs discussed in these separate files are itemised to reflect:

- Drill and blast
- Load and haul
- GC drilling
- Fuel
- Overland haulage
- Mining fixed costs.

The costs are reported to include an allowance for dayworks and mining department administration overheads. The mining costs are also reported to contain an allowance for amortisation and sustaining capital related to the mining fleet supplied by the mining contractor.

The mining cost rates are applied as a \$ per bank cubic metre (BCM) to the mining schedule. In calculating these costs, material movement has been itemised as BCM per bench against which each bench cost rate is multiplied. The costs are developed using fixed and variable costs appropriate to the production rates of the operation.

CSA Global has checked that the total mining costs in the financial model align with the total mining costs of the detailed Ore Reserve estimates to within a reasonable degree of tolerance.

CSA Global considers that the itemised mining costs applied in the model are within a reasonable range, when compared to similar operations in a DRC mining environment and are acceptable to be used in the financial analysis of the Kipoi Project.

### 7.8.4 *Transport Costs*

A transport cost of \$255/t has been estimated for the road transport of product (copper cathode, copper concentrate or cobalt). In the available documentation, there is a general statement that a freight allowance

has been made for product shipped to both Zambia and China via Dar es Salaam. No further specific information is available of a transport route, destination nor distance, by which the estimate can be assessed.

CSA Global considers that the estimate is in excess of what is required for transport to Zambia and is reasonable for transport to Dar es Salaam in Tanzania.

#### 7.8.5 Closure Costs

Mine closure costs of approximately \$29 million have been applied to the LOM model. These costs have been applied at the time of closure and for a period after closure for monitoring.

CSA Global considers that the amount allowed for closure and rehabilitation is reasonable when compared to examples of a similar scale and location.

#### 7.8.6 SEK Fixed Overheads

Fixed overhead costs have been included in the LOM financial model. These costs include:

- Information technology and communications
- Environment, community and social responsibility
- Health and safety, security and human resources
- Transport
- Finance and administration.

These costs account for approximately \$184 million over the life of the mine.

CSA Global has reviewed these costs and they appear reasonable for the type and location of this operation.



## 8 Metallurgy

The review was undertaken with consideration to the following key documents:

- Kipoi Copper Project, LOMP Scoping Selection Study, 2018
- Scoping Selection Study Appendices, particularly 12-1, 12-2, 13-1, 13-2 and 13-3
- NewPro Water Treatment Plant Concept Study, October 2018
- Kileba modifying factors memo, August 2019
- Kipoi central modifying factors memo, June 2019
- LOM model staged v4.32.

This review focused on the metallurgical inputs to the mine plan and LOM financial model. The accuracy of all other aspects of the model was beyond the scope of this review.

This review also focused on the Kipoi Central and Kileba deposits only. No consideration to additional ore sources was given. It is assumed that no whole ore heap leach processes and tailings retreatment in tank leach will be considered.

This Report does not make reference to every metallurgical parameter reviewed and will discuss only significant deviations recommended from the model review. Material metallurgical assumptions not specifically discussed in this report are considered reasonable, based on CSA Global's review of the documentation, and experience on these ore types.

CSA Global is aware that a separate capital cost estimate has been prepared for analysis by the Commonwealth Bank of Australia. This was not reviewed, as it was considered to be outside the scope of this review.

### 8.1 LOM Financial Model

Majority of this metallurgical review was spent reviewing the mine plan inputs and LOM model. The review focused on the worksheet "D1.KeyInputs" from which the metallurgical inputs were distributed throughout the financial model.

#### 8.1.1 Introduction

The current operation produced copper cathode via a conventional solvent extraction and electrowinning (SX/EW) process. Copper feed solution is provided via either a heap leach circuit, or an agitated tank leach (and counter-current decantation (CCD) circuit). The heap leach is currently fed by the crushing, screening (+5 mm) and agglomeration of predominantly oxide and transitional zone material. The tank leach circuit treats reclaimed tailings that are not suitable for heap leaching. Current production appears to be in the order of 15 kt of copper cathode.

The LOM model incorporates predominantly Kipoi Central deposit Stage 2 and Kileba ore that has not been mined or processed previously.

#### 8.1.2 Recovery – Heap Leach and Tank Leach

A non-linear recovery equation utilising total copper grade was used to predict acid-soluble copper grade and hence copper recovery (refer to modifying factors memos) for the heap leach and tank leach circuits. The source of this data appears to be various testwork reports and interpretations.

The copper recovery also appears to incorporate the impact of the CCD and SX/EW circuits.

A statement regarding the SX and EW assigned recovery would also be expected to be identified, and CSA Global recommends they be confirmed in the modifying factors memos.

Current recovery predictions for Kipoi Central are based on a sulphur grade split at 0.3% S, differentiating secondary and primary sulphide minerals from other copper minerals. Due to the paucity of data, there is no differentiation for Kileba.

As advised by Cube Consulting, combining datasets and expanding the recovery model basis has been challenging due to the variable distribution of data and incorporating this into the existing non-linear grade estimation methodology.

Minimal twinning of historical holes has been undertaken to date. Cube Consulting advised as part of the initial project data verification (2007), an independent DD hole at Kipoi Central was drilled (KPCDD017) to twin an existing hole (KPCDD001). When the mineralisation in KPCDD017 was analysed, the mineralised interval in KPCDD017 (70 m at 4.4% copper) compared favourably with the interval in KPCDD001 (67.4 m at 4.6% Cu). The only twinning of holes at Kileba is DD hole KLBDD001 and RC hole KLBRC009. The mineralised intersection for both holes is approximately the same and is also supported by scissor DD holes KLBDD079 and KLBDD086.

Within each lithology, there was a paucity of data available as discussed in the modifying factors memos. The memos do not inform as to the materiality of the recovery relationships where there is minimal data available. CSA Global recommends that the materiality be incorporated within the modifying memos.

Based on the recovery equations utilised in the model, the recovery was calculated at various grades in Table 34 and Table 35 below.

Table 34: Calculated leach copper recoveries – Kipoi Central

Deposit	Heap leach		Tank leach	
	1% Cu	2% Cu	2% Cu	3% Cu
<b>OXIDE</b>				
GRAPHSILTSTONE	74.3	80.4	88.8	89.3
SILTDOLomite	76.1	79.9	88.2	88.4
PYROCLASTICS	78.6	80.0	88.4	88.4
COZ	60.2	73.7	81.4	84.7
RAT	72.7	78.7	86.9	87.5
TILLITE	72.7	78.7	86.9	87.5
<b>TRANSITION</b>				
GRAPHSILTSTONE	25.6	37.4	29.3	37.6
SILTDOLomite	69.7	72.8	61.0	61.1
PYROCLASTICS	24.3	36.0	28.5	36.8
COZ	45.2	65.0	55.1	63.2
RAT	56.7	63.9	54.2	55.1
TILLITE	51.5	70.0	60.0	65.8
<b>FRESH</b>				
GRAPHSILTSTONE	55.7		49.0	
SILTDOLomite	55.7		49.0	
PYROCLASTICS	55.7		49.0	
COZ	55.7		49.0	
RAT	55.7		49.0	
TILLITE	55.7		49.0	

Table 35: Calculated leach copper recoveries – Kileba

Deposit	Heap leach		Tank leach	
	1% Cu	2% Cu	2% Cu	3% Cu
<b>OXIDE</b>				
DOLOMITE	72.5	82.3	76.9	78.1
PYROCLASTICS	59.8	76.9	71.9	76.5
SILTSTONE	45.6	67.1	62.8	72.3
SILTDOLomite	59.8	76.9	71.9	76.5
TALC	65.1	79.6	74.4	77.5
TILLITE	76.1	82.3	77.0	77.5
<b>TRANSITION</b>				
DOLOMITE	62.9	66.0	61.7	61.8
PYROCLASTICS	14.4	26.2	24.5	33.5
SILTSTONE	20.0		20.0	
SILTDOLomite	62.9	66.0	61.7	61.8
TALC	20.0		20.0	
TILLITE	54.6	74.7	69.9	76.8
<b>FRESH</b>				
DOLOMITE	10%		10%	
PYROCLASTICS	10%		10%	
SILTSTONE	10%		10%	
SILTDOLomite	15%		15%	
TALC	10%		10%	
TILLITE	10%		10%	

Based on the information provided, considering the limited sequential leach data available and benchmarking against similar operations it was possible to make general statements as to the likely accuracy of these predictions.

#### Heap Leach

The Kipoi Central Oxide and Transitional recoveries were reviewed and considered reasonable when compared to similar examples. In CSA Global’s opinion, the Kipoi Central Fresh recovery may be high where there is a significant proportion of chalcocite mineral; we recommend that the recovery be discounted by at least 5% (absolute) across all feed grades. This may be addressed in the financial model sensitivity analysis, as it is expected to reduce recovered copper over the life of the project by only 70 tonnes (for heap and tank leach combined) or approximately US\$500,000 revenue.

The Kileba Oxide and Transitional recovery and Kileba Fresh recovery was considered reasonable.

#### Tank Leach

In CSA Global’s opinion, the Kipoi Central Fresh recovery may be high where there is a significant proportion of chalcocite mineral; this is discussed in the Heap Leach section (above).

For the purpose of this review, it has been assumed that a 95% CCD recovery is incorporated into the tank leach recovery for both Kipoi Central and Kileba. It is not clear what recovery has been assigned to SX and EW.

On this basis, it appears that recoveries attributed to Kileba are higher than expected, and CSA Global recommends they be reviewed to confirm CCD recovery assignment. This is not expected to be material (more than 5% impact on recovered copper grade) and is recommended to be addressed in future model updates.

### 8.1.3 Acid Consumption – Heap Leach and Tank Leach

The Kipoi Central and Kileba net acid consumption values were approximated from testwork and applied in the LOM financial model shown below for heap and tank leach respectively. CSA Global considers these values to be plausible.

CSA Global recommends the modifying factors memos be updated to reflect the LOM financial model assumptions for sulphuric acid consumption.

Table 36: Leach acid consumption

Deposit	Acid consumption (kg/t)	
	Heap leach	Tank leach
Kipoi Central Oxide	25	35
Kipoi Central Transitional	20	18
Kipoi Central Fresh	-35	15
Kileba Oxide	50	55
Kileba Transitional	50	55
Kileba Fresh	50	55

### 8.1.4 Capital Expenditure

CSA Global has reviewed the capital costs recorded in the LOM financial model. Scenario 2 is assumed to exclude the tank leach expansion.

The LOM financial model excludes the additional tank leach capacity. This is considered reasonable on the basis that the tank leach capacity will not exceed 80 tonnes per hour.

Capital costs for the heap leach, tailings storage facilities and dams identified are incorporated into the LOM financial model.

Approximately \$51.5 million has been estimated for capital expenditure for the processing plant upgrade, crusher plant installation and a management reserve.

CSA Global has reviewed these Process Plant capital costs and they are considered reasonable when compared to similar installations.

Additional sustaining capital was also incorporated into the LOM financial model. Sustaining capital of approximately \$26 million comprises mainly allowances for heap leach lifts and an extension to the tailings storage facility.

These costs have been reviewed by CSA Global and are considered reasonable.

### 8.1.5 Tank Leach Capacity

Previous documentation from the 2017 LOM Plan Concept Study (02.26.02.01) indicated that the tank leach circuit capacity was 50 tonnes per hour of ore based on feed restrictions to the circuit. However, after circuit modifications, recent site monthly reports have indicated that throughputs of 71–72 tonnes per hour have been achieved in January and February 2018. The LOM financial model currently shows requirements for this circuit to achieve up to 80 tonnes per hour.

Given the proposed improvements to the tank leach circuit, it is viewed as plausible to assume that further optimisation could result in the required throughput of 80 tonnes per hour being achieved.

It is understood that blending will be very important, and the detailed mining schedule will need to take this into account and stockpile sizes and types considered. CSA Global agrees that this next stage investigation will be required.

### 8.1.6 Processing Operating Costs

The operating costs are estimated in the LOM model in terms of fixed, variable and maintenance costs. The processing operating costs are divided into the following sections:

- Electricity costs
- Crusher
- Scrubber
- Tank leach
- Heap leach
- SX/EW
- Water treatment.

These costs have been reviewed in terms of the planned activities and comparative costs for similar operations. These items are reasonable estimates with the exception of the sulphuric acid consumption, which is addressed in Section 8.1.7 below

### 8.1.7 SX/EW Sulphuric Acid Consumption

The consumption of sulphuric acid in the SX and EW circuits was treated as a fixed monthly cost based on 2017 cost data. However, the consumption of sulphuric acid in these circuits was proportional to the amount of copper treated and therefore would not reflect the actual cost as production rates increased above 2017 levels.

CSA Global recommended that the consumption rate be changed to a variable consumption and a kg acid/t copper rate was provided based on 2017 data. Being that the acid consumption rate is based on actual data and is correctly applied in the financial model as a rate multiplied by a variable production rate, the costs are considered reasonable.

- SX – 85 kg/t Cu cathode
- EW – 95 kg/t Cu cathode.

### 8.1.8 Electrowinning Power Consumption

CSA Global considered the EW power consumption value (kWh/t) to be reasonable based on 2,200 kWh/t (85% current efficiency).

Residual risk is discussed further, below.

## 8.2 Other Risks

### 8.2.1 Heap Leaching of Kipoi Central

Previous heap leach testwork performed on Kipoi Central ore (MMS Heap & Agitation Leach Metallurgical Test Interpretation Report – 02.07.16) utilised scrubbing to produce a +150 µm feed material for heap leach testwork. The current prediction for heap leach recovery appears, at least partly, based on this testwork.

The current LOM plan proposed to produce +200 µm feed material for heap leaching.

### 8.2.2 Limited Sequential Leaching Data

The gap analysis report (02.26.03.09) performed as part of the 2017 LOM Concept Study states that there is limited sequential leaching variability data available to reliably predict acid-soluble copper grades. It is presumed that the current geological model relies on the designated oxidation zone to make a prediction of plant recovery. This lack of sequential leach variability data will increase the risk that actual plant recovery will differ from the mining block model.

### 8.2.3 *Operating Cost Based on 2017 and 2018 Data*

The overall processing operating costs have been reviewed and are consistent with the supplied background documentation. The operating costs for the process plant elements have been individually costed and are considered reasonable values. The total processing plant and infrastructure operating costs are in-line with expected performance for a plant of this type.

### 8.2.4 *Sulphuric Acid Supply Risk*

The gap analysis report (02.26.03.09) performed as part of the 2018 Scoping Study states that there is no certainty of continuing supply or pricing of sulphuric acid. Sulphuric acid is a key reagent for this operation and copper production will stop without supply. It is clear that this risk has been partially addressed via a short-term contract.

A reduction in sulphuric acid cost has been identified following completion of the contract in the LOM model. The basis for this reduction was not available for review. CSA Global recommends sensitivities around the current price be undertaken, as according to the Scoping Study reagents represent approximately 40% of the operating costs (Option 4) for the Scrubbing and Leaching areas.

This has subsequently been addressed in the LOM financial model by removing the price reduction. CSA Global considers this to be reasonable.

## 9 Risks and Opportunities

### 9.1 Geology and Exploration

CSA Global is of the view that exploration provides an additional pathway towards guaranteeing and securing the long-term future of the Tiger DRC copper operations. Exploration success is more likely in geological domains where discoveries have been made and the geological characteristics are understood. The Tiger operations are in an area that has demonstrated economic copper (+ cobalt) resources, the geological concepts and strategies have proven successful and the region is underexplored.

All project areas are underlain mainly by sub-cropping, deformed, mineralised but deeply weathered, Copperbelt ground, and thus the entire area can be considered prospective for discovery of extensions to the known mineralisation, and for new zones of mineralisation within similar geological-structural settings. With more drilling, the exploration potential for expanding the area of known mineralisation that is hosted in structural corridors is good.

Initial exploration programs identified a number of priority grass-roots exploration prospects within the project areas, based on geological interpretations, stream-sediment and soil sampling, and AC, RC and core drilling. All known projects have advanced prospects with minimal drill testing, which with additional systematic work could be advanced to a first-time resource estimate.

In addition, and by analogy with the known deposits and occurrences of the Copperbelt, it is possible that several new discoveries are made which are associated with the type of structural-lithological “interplays” seen in the current deposits, hidden within the geophysical data. Because of the difficulty in detecting or predicting mineralisation below the deeply weathered ground, CSA Global considers that the most reliable means of evaluating this hypothesis is with a structural interpretation of the geophysics data and targeted drillholes. This approach is predicated on the assumption that stratiform and structurally controlled copper deposits are linked to low-strain structural settings and occur at locations predictable from a structural interpretation.

Table 37: Summary of geological risks

Risk area	Likelihood	Impact	Rating	Mitigating action
Structural geological complexity	Possible; but variable	Can be significant and partly difficult to predict	Moderate	Systematic drilling; orientated core; variation of drillhole orientations
Fines associated with ore	Certainly, localised	Can be locally significant	Moderate	Sufficient testwork at early stage
Artisanal miners	Very unlikely	Low	Low	Community engagement
Exploration cost	Very likely	Significant	High	Efficient work programs

Table 38: Summary of geological opportunities

Opportunity	Likelihood	Impact	Rating	Actions to capture
Regional targeting	Very high	Significant	High	Conduct exploration
Structural reinterpretations	Can be done	Potentially significant	High	Undertake work
Additional Resources	Very possible	significant	High	Develop a list of targets and intercepts to be followed up with target description
Geochemical anomaly follow-up	Very possible	significant	High	First pass AC drilling; in places diamond drillhole

# 10 Valuation

## 10.1 Background information

Valuation of Mineral Assets is not an exact science; and a number of approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are a number of generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience.

Refer to Appendix A for a discussion of Valuation Approaches and Valuation Methodologies, including a description of the VALMIN classification of Mineral Assets.

### 10.1.1 Previous Valuations and Transactions

CSA Global is not aware, nor have we been made aware of, any other previous valuations completed on the Tiger tenement portfolio. CSA Global is aware of one recent transaction involving Tiger's Kipoi Project, and one proposed transaction that was terminated prior to completion.

In August 2014, Tiger announced the acquisition of the remaining 40% interest in Kipoi from Gecamines for US\$111 million in cash, with Gecamines retaining a 2.5% gross turnover royalty. Kipoi was an operating mine at the time and had produced 41,255 tonnes of copper in the previous year. The Resource base at the time of the transaction was reportedly 73.3 Mt at 1.34% Cu for 0.98 Mt of contained copper. Post-completion of this transaction, Tiger ceded 5% interest in the project to the DRC government.

In January 2018, Tiger announced a binding agreement with Sinomine to divest its DRC assets for US\$250 million in cash, the assumption of liabilities worth US\$10 million, and royalty payments from revenue generated from the sale of copper and cobalt by Sinomine HK of up to an aggregate amount of US\$20 million. In July 2018, Tiger announced the termination of the proposed transaction as terms acceptable to Tiger were not achieved in final negotiations.

### 10.1.2 Valuation Basis

Table 39 summarises the valuation basis and methods employed by CSA Global in forming an opinion on the value of the various Mineral Assets.

Table 39: Valuation basis and methods employed for the various Mineral Assets

Component	Exploration stage	Assets	Area (km <sup>2</sup> )	Contained copper (t)	Valuation basis	Valuation method
Resources in the Kipoi mine plan	Operating	Oxide resources of Kipoi Central and Kileba		293,986*	Declared Ore Reserves	Comparative Transactions, Yardstick
Kipoi Resources outside of mine plan	Pre-development	Kipoi Central, Kipoi North, Kileba	6.7	421,558	Declared Resources outside of LOM plan	Comparative Transactions, Yardstick
Other Resources	Pre-Development	Judeira, Sase	8.4	239,000	Declared Resources	Comparative Transactions, Yardstick
#Exploration ground	Advanced Exploration	Mineral tenements#	171.8	-	Tenement area, excluding resource areas	Comparative Transactions, Geoscientific

# Excludes area for Resources.

\* Includes ~10 kt of contained copper from ROM stockpiles and Kipoi North pit in addition to 284.2 kt of Reserves.



In forming an opinion on the Market Value of the Mineral Resources (those included in the mine plan as well as those not included in the Kipoi LOM plan, and the other resources), CSA Global considered the results of a valuation using the Comparative Transactions method, as well as a Yardstick Order of Magnitude Check on the value.

Note that the ~294 kt of contained copper of declared resources in the current Kipoi mine plan includes approximately 10 kt of contained copper from existing run-of-mine (ROM) stockpiles and the Kipoi North pit, in addition to the 284.2 kt of contained copper from the Ore Reserves for the Kipoi Central and Kileba pits.

In forming an opinion on the Market Value of the Tiger tenement holding, CSA Global excluded approximately 8% of the tenement holding, as having been valued based on declared Mineral Resources attributed to this portion of the tenement holding. An opinion on the Market Value of the remaining area was formed on the basis of assessing the results of a Comparative Transactions method, as well as a Geoscience Factor method. In CSA Global's professional judgement, based on our technical assessment (Section 5.1), CSA Global believe that Tiger's ground-holding has additional exploration potential, justifying additional value.

## 10.2 Market and Transactions

### 10.2.1 Copper Market

The copper price history in US\$/t for the past five years is illustrated in Figure 21. The copper price dropped from approximately US\$7,400/t in January 2014 to a low of approximately US\$4,400/t in January 2016 before recovering to US\$7,200/t in December 2017, before again dropping to around US\$6,000/t by July 2018. The spot price for 28 October 2019 was US\$5,887/t. These changes in copper during this period highlights the need to normalise transaction prices when considering transactions over this period of time.

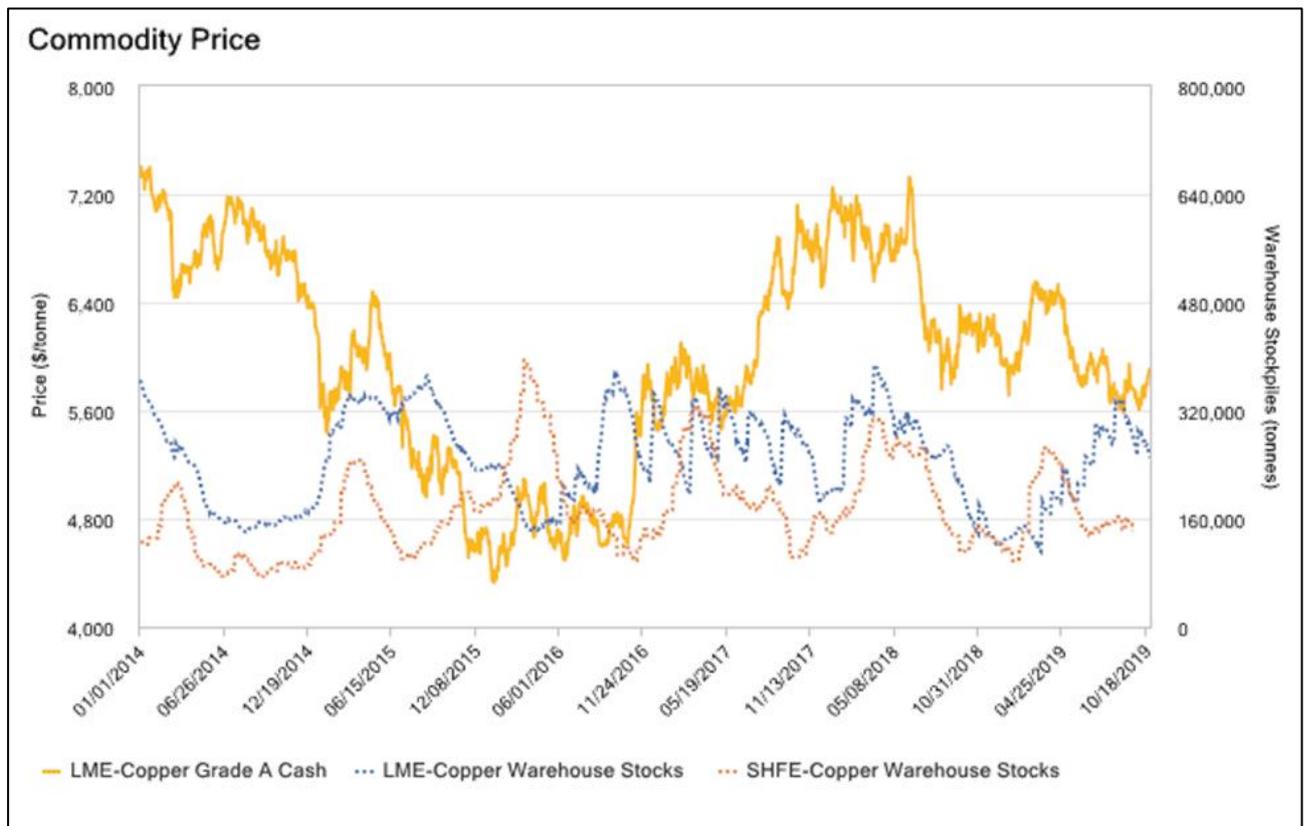


Figure 21: Copper price history (US\$/t) from January 2014 onwards  
Source: S&P Global Market Intelligence Platform

## 10.2.2 Transactions

The transactions considered were announced post-January 2014, and sufficient information on the transaction and material projects were available in the public domain for the analysis of the transactions.

In analysing the transactions, all amounts were converted to US\$ at the relevant exchange rate at the time of the transaction announcement. Share consideration was treated as the equivalent cash value using share prices at the time of the transaction, unless the shares were issued at a particular deemed price.

### Resources and Reserves

CSA Global considered fourteen transactions involving copper projects in the DRC with declared copper Resources at the time of the transactions (Figure 22). Eight of these included declared Ore Reserves as part of the total resource base, and six involved operating mines (Figure 23). Two of the transactions that were considered, involved the Kipoi mine, namely Tiger’s consolidation of Kipoi in August 2014, and the proposed divestment in January 2018, which was terminated in July 2018.

Of the six transactions involving projects with declared resources but no declared Ore Reserves (Figure 24), three were considered early stage projects, in that they did not include any resources classified in the Measured category, and were not in construction.

The fourteen transactions are summarised in Table B1 and analysed in terms of total resource base in Table B2, both of which are in Appendix B of this Report. The eight transactions involving projects with declared Ore Reserves are analysed in terms of the declared Reserves in Table B3.

The transactions were analysed in terms of the implied US\$/t copper price for the total resource base acquired, as well as in terms of the implied US\$/t copper price for the declared ore reserves (for the six transactions involving resources with declared ore reserves). These were then normalised to the October 2019 average copper price of US\$5,743/t to account for changes in the copper price during the period over which the transactions occurred.

CSA Global considered various parameters when analysing the transactions (Figure 22 to Figure 24) including contained metal, resource classification, and grade (Figure 25). Selected analyses are summarised in Table 40 and Table 42.

Table 40: Analysis of Comparative Resource Transactions on the basis of total resource base

Statistic	All Transactions		Excluding Reserves		Reserves		Early Stage	
	Implied	Normalised	Implied	Normalised	Implied	Normalised	Implied	Normalised
Count	14	14	6	6	8	8	3	3
Minimum	36.46	33.27	36.46	33.27	66.23	80.39	36.46	33.27
Maximum	366.64	354.43	105.24	124.24	366.64	354.43	99.31	84.96
Mean	164.44	160.33	68.93	74.63	236.07	224.61	61.23	58.88
Median	123.68	136.98	62.32	73.45	240.77	234.63	47.92	58.40
Weighted average	159.65	167.21	44.48	42.72	199.26	210.03	40.57	37.34

Tiger’s resources outside of the LOM plan total approximately 660,600 tonnes of copper, at an average grade of approximately 1.0% Cu, with approximately 57% of these remaining resources classified above Inferred. The Kipoi and Kileba mineral resources outside of the mine plan total approximately 441,100 tonnes of copper, and the Judeira and Sase mineral resources total approximately 239,000 tonnes of copper.

CSA Global considers Kalongwe to be the closest analogy to Tiger’s deposits in the copper sector, in terms of geology. Whilst the grade of Kalongwe is higher at 2.24% Cu and it has a higher proportion of Resources classified above Inferred (82% vs 57% for the Tiger resources outside of the mine plan), the Kalongwe transactions are the only ones that involve resources of a similar size (in terms of contained copper) to the Tiger resources outside of the mine plan. Kalongwe had a resource base of 302,000 tonnes of copper, with all the other projects having resources above 1,000,000 tonnes of copper.

Table 41: Analysis of Comparative Resource Transactions on the basis of Ore Reserves

Statistic	All transactions		>1 Mt contained Cu		<1 Mt contained Cu		Kipoi	
	Implied	Normalised	Implied	Normalised	Implied	Normalised	Implied	Normalised
Count	8	8	4	4	4	4	2	2
Minimum	95	115	773	814	95	115	377	309
Maximum	1,124	1,222	1,124	1,222	448	373	448	364
Mean	659	663	987	1,037	332	290	412	336
Median	610	593	1,025	1,055	393	336	412	336
Weighted average	919	968	978	1,040	372	313	409	334

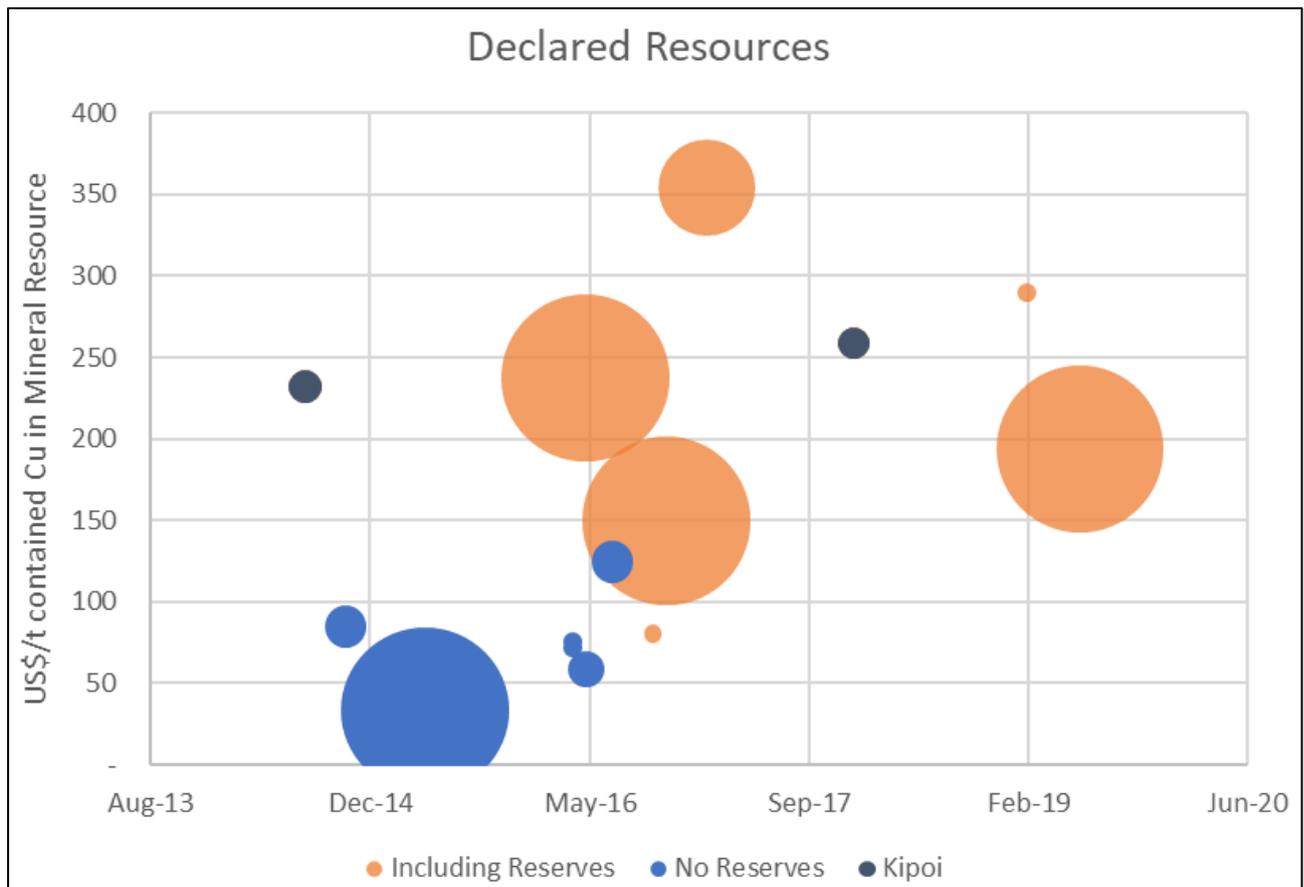


Figure 22: All comparative resource transactions

Note: Bubble size represents comparative resource base. Total Resource base, inclusive of Reserves where present, is shown.

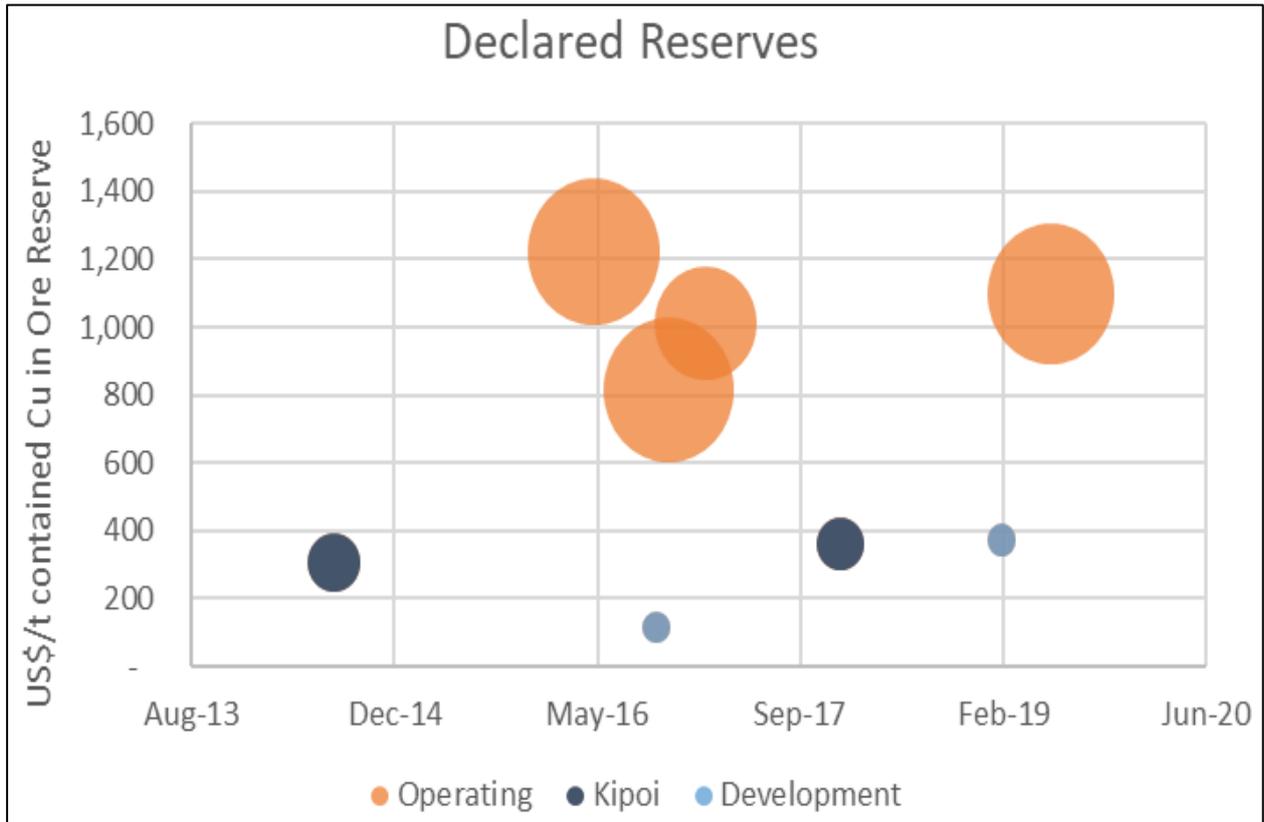


Figure 23: Reserve transactions  
 Note: Bubble size represents comparative Ore Reserve base.

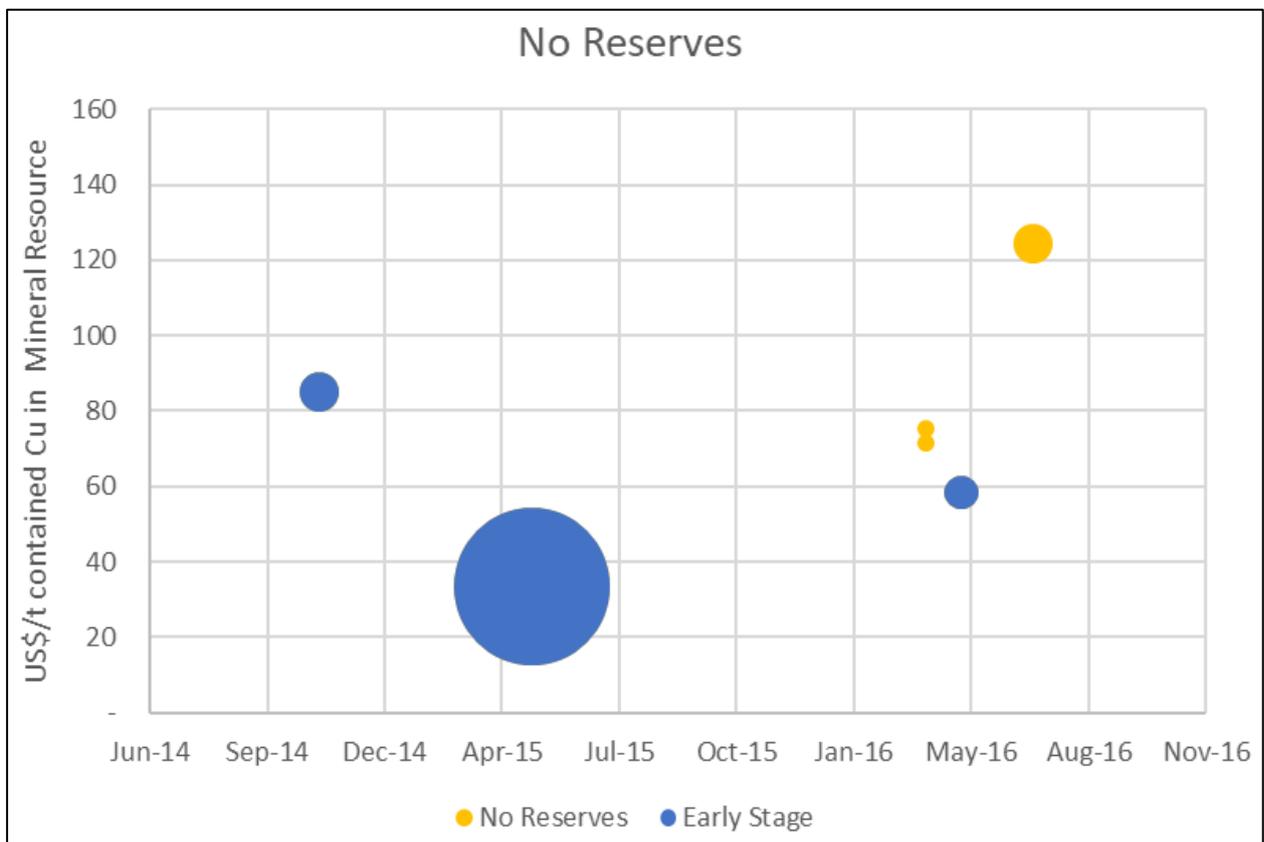


Figure 24: Comparative Resource transactions, considering only resources without Ore Reserves  
 Note: Bubble size represents comparative resource base.

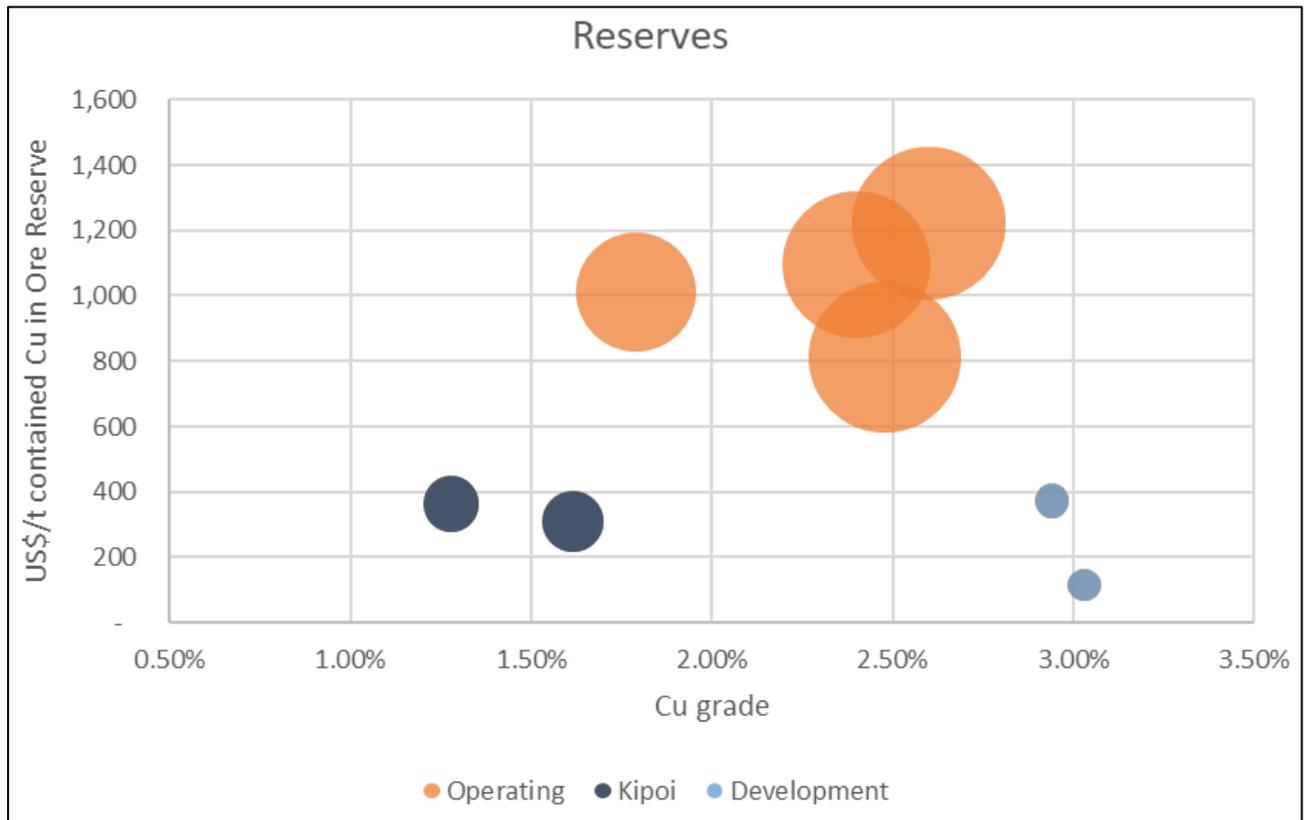


Figure 25: Comparative Reserve transactions, considering copper grade

Note: Bubble size represents comparative Ore Reserve base.

From these analyses, it is evident that the percentage of resources classified at greater confidence than the Inferred level is not a major driver of price differences. Grade appears to be one of the drivers of price differences, with similar sized resources at higher grade generally appearing to attract higher prices.

In comparing the Tiger resources outside of the LOM plan with the comparative projects, the lower grade of the Tiger remaining resources suggests that the resources may attract a comparatively low price. CSA Global also note that these resources are spatially related to the resources associated with the currently operating Kipoi mine, and the market value of these resources is highly likely to benefit from the near presence of the mining plant and infrastructure, as well as the experience of the managing and operating team that would have been gained in operating the Kipoi mine. Therefore, CSA Global do not believe that a discount on the basis of grade alone is either required or justified.

### Valuation Factors

On the basis of the above analysis and our professional judgement, CSA Global has selected suitable valuation factors for Tiger’s copper Resources inside and outside of the mine plan as summarised in Table 42.

Table 42: CSA Global valuation factors derived from the analysis of Comparative Resource Transactions

Type of Resource	Low factor (US\$/t Cu)	High factor (US\$/t Cu)	Preferred factor (US\$/t Cu)
Resources included in mine plan	115	365	290
Resources not included in mine plan	30	125	75
Less advanced resources	30	85	55

For the valuation factors selected for the Kipoi and Kileba mineral resources not included in the current Kipoi mine plan, the low valuation factor of US\$30/t was based on (and rounded from) the minimum transaction value from the dataset, which is associated with a pre-development (early stage) project. CSA Global believe that the association of the resources under consideration with the operating Kipoi mine is likely to result in a market value higher than this factor.

The high factor of US\$125/t was based on (and rounded from) the maximum transaction value when the transactions involving projects that included declared ore reserves were excluded. This value is related to the July 2016 acquisition of an additional 21% interest in the Kolwezi project by Zijin Mining. The project was in construction, with commercial production anticipated within months of the transaction. This represents a project at a more advanced stage than the Kipoi and Kileba mineral resources outside of the Kipoi mine plan, and CSA Global believe that the market value of the Kipoi and Kileba mineral resources outside of the Kipoi mine plan is unlikely to be higher than this.

The preferred valuation factor of US\$75/t is informed by (and rounded from) the measures of centrality (mean and median) for the transactions when the projects including declared ore reserves were excluded. The transactions with values closest to the chosen preferred value are the two transactions involving the Kalongwe project prior to ore reserves being declared. By this stage, feasibility studies had commenced on the project. CSA Global consider this a highly relevant comparative to the Kipoi and Kileba mineral resources outside of the LOM plan. The average price of the two Kalongwe transactions considered is US\$73.45/t, which supports our view that US\$75/t is a suitable preferred valuation factor.

For the valuation factors selected for the less advanced resources (Judeira and Sase), the low valuation factor of US\$30/t was again based on (and rounded from) the minimum transaction value from the dataset, which is associated with a pre-development (early stage) project. This represents the lowest market value in the comparative transaction set, and in CSA Global's professional judgement, the market value for declared copper resources in this geological setting and this geographical area is not likely to be below this value.

The high factor of US\$85/t was based on (and rounded from) the maximum transaction value when only the early stage resource projects were considered. This value relates to the November 2014 acquisition of a 51% interest in Kolwezi by Zijin Mining. The declared resources were in the Indicated and Inferred category, although feasibility studies were reportedly underway. This represents a larger, higher grade resource than the Judeira and Sase resources, and CSA Global believe that the market value of the Judeira and Sase resources is unlikely to be higher than this.

The preferred valuation factor of US\$55/t is informed by (and rounded down from) the measures of centrality (mean and median) for the early stage resource transactions. The transaction with a value closest to the chosen preferred value is the May 2016 transaction involving the Kalukundi project. This project had a lower copper grade than most of the other projects (although still higher than Judeira and Sase) and was at a similarly early stage. CSA Global has rounded our preferred valuation factor down from the value implied from this transaction, in recognition of the lower grade seen in the Judeira and Sase resources.

For the valuation factors selected for the ore reserves derived from the current Kipoi mine plan, the low valuation factor of US\$115/t was based on the lowest transaction value based on declared Ore Reserves. This value is related to the October 2016 transaction whereby Regal Resources acquired an additional 15% interest in the Kalongwe project, which CSA Global views as geologically very similar to Kipoi, although with a higher copper grade. Feasibility studies had commenced, but the deposit was neither in development nor in operation. In CSA Global's professional judgement, the market value of the ore reserves derived from the current Kipoi mine plan is highly likely to be higher than this value, as Kipoi is a currently operating mine, with development capital already invested, and has been technically de-risked through the current operating history.

The high factor of US\$365/t is rounded from the value implied from the terminated transaction that was proposed in January 2018 for the Kipoi mine. The proposed transaction was terminated in July 2018 as terms acceptable to Tiger were not achieved in final negotiations. In CSA Global's professional judgement, this demonstrates that the market value of the mineral resources in the Kipoi mine plan is not likely to be higher than this.

The preferred valuation factor of US\$290/t is based on the mean value of the transactions involving declared ore reserves of less than 1 Mt contained copper. As the transactions that comprise this set involve only Kipoi and Kalongwe, which CSA Global considers to be geologically very similar to Kipoi, it is CSA Global's view that this is likely to be a good indication of the market value of these resources. The Kipoi transactions themselves

are highly relevant, and although the Kalongwe reserves are at a higher grade than the Kipoi reserves, Kalongwe was in the pre-development stage at this time, with the funding and execution risks likely to counteract the potential price premium for the higher grade.

### Exploration Areas

CSA Global considered 10 transactions involving copper exploration properties in the DRC, Zambia and the Republic of Congo, that were announced post-January 2014. These consisted of two from the DRC, six from Zambia and two from the Republic of Congo. On considering these 10 transactions, only five (comprising two from the DRC and three from Zambia) were considered to be sufficiently comparable to Tiger’s ground-holding. All five of these transactions involved projects in the Central African Copperbelt and were advanced to the stage where targets of interest were identified, but where there were no current resources at the time of the transaction. These transactions are summarised in Table C1 and analysed in Table C2, both of which are in Appendix C of this Report.

The transactions were analysed in terms of the implied US\$/km<sup>2</sup> price for the total area acquired. These were then normalised to the October 2019 average copper price of US\$5,743/t to account for changes in the copper price during the period over which the transactions occurred.

A summary of the analysis of these five comparative exploration stage transactions is provided in Table 43, and illustrated in Figure 26.

Table 43: Analysis of transactions

Statistic	Implied (US\$/km <sup>2</sup> )	Normalised (US\$/km <sup>2</sup> )
Count	5	5
Minimum	17,785	14,443
Maximum	117,208	96,071
Mean	57,861	48,733
Median	33,959	29,228
Weighted average	53,629	45,567

On the basis of the above analysis and its professional judgement, CSA Global has selected suitable valuation factors for Tiger’s exploration ground as summarised in Table 44.

Table 44: CSA Global valuation factors derived from the analysis of Comparative Exploration Transactions

Low factor (US\$/km <sup>2</sup> )	High factor (US\$/km <sup>2</sup> )	Preferred factor (US\$/km <sup>2</sup> )
20,000	85,000	50,000

In CSA Global’s professional judgement, the full value range defined by the comparative transactions is too large for a meaningful valuation. Therefore the chosen low factor is based on (and rounded from) the 20<sup>th</sup> percentile of the full range of comparative transactions values, and the high factor is based on (and rounded from) the 80<sup>th</sup> percentile (Figure 26).

The transaction with a value closest to the chosen low valuation factor is the Okapi acquisition of a 70% interest in the Katanga project in the DRC in January 2018. This is an early stage project with little work done, but benefitting from prospective geology and relative proximity to more advanced projects. In CSA Global’s professional judgement, Tiger’s ground-holding is likely to attract a higher market value than this, as it includes several advanced prospects, as well as known deposits.

The transaction with a value closest to the chosen high valuation factor is the transaction whereby MMG agreed to acquire a 70% interest in the Kasala project in the DRC in May 2014. This represents an advanced exploration project, with multiple prospects having drill confirmed high-grade mineralisation. When excluding the resource areas, Tiger’s remaining exploration ground is less advanced than this. Therefore, in CSA Global’s professional opinion, the market value of Tiger’s exploration ground is not likely to attract as high a price, as ownership is already consolidated.

The preferred factor is based on CSA Global’s professional judgement, rounded from the mean of the normalised transaction prices of the five transactions.

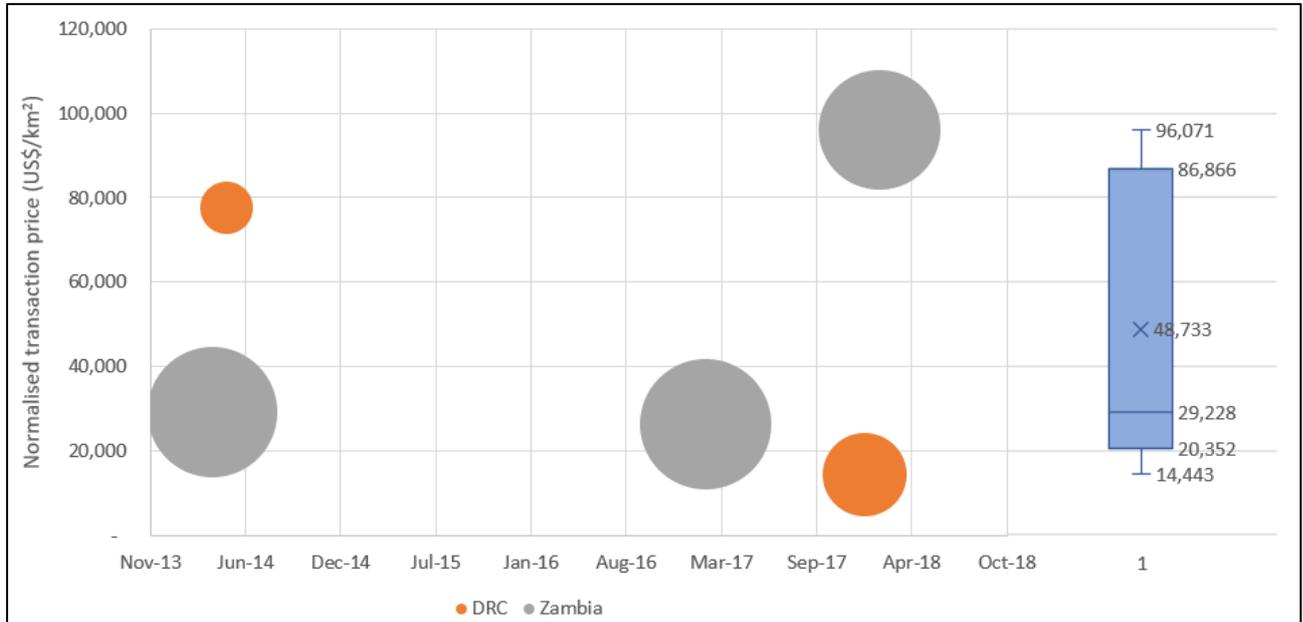


Figure 26: Comparative exploration ground transactions

### 10.3 Market Valuation of Projects

#### 10.3.1 Mineral Resources

CSA Global has been tasked with providing an independent opinion on the market value of Tiger’s Mineral Resources that are not included in the financial model considered by BDO. In addition, CSA Global was tasked with providing an opinion on the market value of the Mineral Resources within the mine plan, based on comparative transactions, which could be used as a crosscheck on a valuation based on the current mine cash flow model.

In assessing which Mineral Resources are not included in the financial model considered by BDO, CSA Global subtracted the Mineral Resources that were included in this financial model, from Tiger’s current Mineral Resources. CSA Global worked on the assumption that, within each deposit to be mined, Measured Resources would be mined in preference to Indicated Resources, and that Indicated Resources would be mined in preference to Inferred Resources.

In forming an opinion on the market value of the declared copper resources not included in the current Kipoi LOM plan, CSA Global considered valuations based on factors derived from the analysis of comparative transactions, as well as the Yardstick Order of Magnitude crosscheck.

#### Comparative Transactions

CSA Global considered the value of Tiger’s declared copper Resources in terms of the valuation factors derived from CSA Global’s analysis of market transactions involving comparative copper resource projects, as summarised in Table 42.

Applying these valuation factors to Tiger’s declared Kipoi and Kileba resources not currently included in the Kipoi LOM plan results in the valuation summarised in Table 45, whereas applying these factors to the Judeira and Sase resources results in the valuation summarised in Table 46, and applying these factors to the Mineral Resources included in the current Kipoi mine plan results in the valuation summarised in Table 47.



Table 45: Summary of Valuation of Kipoi and Kileba Resources outside of Kipoi mine plan, based on Comparative Transactions (100% basis)

Project	Resource class	Cu tonnes	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi Central	Measured	41,000	1.2	5.1	3.1
	Indicated	131,000	3.9	16.4	9.8
	Inferred	140,000	4.2	17.5	10.5
	<b>Subtotal</b>	<b>312,000</b>	<b>9.4</b>	<b>39.0</b>	<b>23.4</b>
Kipoi North	Indicated	7,400	0.2	0.9	0.6
	Inferred	11,600	0.3	1.5	0.9
	<b>Subtotal</b>	<b>19,000</b>	<b>0.6</b>	<b>2.4</b>	<b>1.4</b>
Kileba	Indicated	55,558	1.7	6.9	4.2
	Inferred	35,000	1.1	4.4	2.6
	<b>Subtotal</b>	<b>90,558</b>	<b>2.7</b>	<b>11.3</b>	<b>6.8</b>
<b>TOTAL</b>	<b>100% basis</b>	<b>421,558</b>	<b>12.6</b>	<b>52.7</b>	<b>31.6</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Table 46: Summary of Valuation of Judeira and Sase Mineral Resources based on Comparative Transactions (100% basis)

Project	Resource class	Cu tonnes	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Judeira	Inferred	71,000	2.1	6.0	3.9
Sase	Indicated	134,000	4.0	11.4	7.4
	Inferred	34,000	1.0	2.9	1.9
	<b>Subtotal</b>	<b>168,000</b>	<b>5.0</b>	<b>14.3</b>	<b>9.2</b>
<b>TOTAL</b>	<b>100% basis</b>	<b>239,000</b>	<b>7.2</b>	<b>20.3</b>	<b>13.1</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Table 47: Summary of Valuation of Ore Reserves derived from the current Kipoi mine plan based on Comparative Transactions (100% basis)

Project	Resource class	Cu tonnes	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi	Reserves	199,544	22.9	72.8	57.9
Kileba	Reserves	94,442	10.9	34.5	27.4
<b>TOTAL</b>	<b>100% basis</b>	<b>293,986</b>	<b>33.8</b>	<b>107.3</b>	<b>85.3</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Tiger has a 95% equity interest in the tenements containing the Mineral Resources. Table 48, Table 49 and Table 50 summarise the valuation of Tiger's equity interest in the Kipoi Mineral Resources not currently included in the mine plan, the Judeira and Sase resources, and the mineral resources included in the current mine plan, respectively.

Table 48: Summary of Valuation of Kipoi and Kileba Resources outside of Kipoi mine plan based on Comparative Transactions (equity basis)

Project	Tiger equity interest	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi Central	95%	8.9	37.1	22.2
Kipoi North	95%	0.5	2.3	1.4
Kileba	95%	2.6	10.8	6.5
<b>TOTAL (equity basis)</b>		<b>12.0</b>	<b>50.1</b>	<b>30.0</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Table 49: Summary of Valuation of Judeira and Sase Mineral Resources based on Comparative Transactions (equity basis)

Project	Tiger equity interest	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Judeira	95%	2.0	5.7	3.7
Sase	95%	4.8	13.6	8.8
<b>TOTAL (equity basis)</b>		<b>6.8</b>	<b>19.3</b>	<b>12.5</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Table 50: Summary of Valuation of Ore Reserves derived from the current Kipoi mine plan based on Comparative Transactions (equity basis)

Project	Tiger equity interest	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi Mine plan	95%	32.1	101.9	81.0

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

### Yardstick Order of Magnitude Crosscheck

CSA Global used the Yardstick method as an Order of Magnitude check on the valuation that was completed using factors based on the analysis of comparative transactions. The Yardstick Order of Magnitude check is simplistic (e.g. it is very generalised and does not address project specific value drivers but takes an “industry-wide” view). It provides a non-corroborative valuation check on the primary comparative transactions valuation method, allowing CSA Global to assess the reasonableness of the derived comparative transactions valuation and whether there are any potential issues with their preferred primary valuation method.

For the Yardstick Order of Magnitude check, CSA Global used the following commodity spot price, which is the average copper price for October 2019: US\$5,743/t Cu.

In addition, CSA Global utilised the following commonly used yardstick factors:

- Inferred Mineral Resources: 0.5% to 1% of spot price
- Indicated Mineral Resources: 1% to 2% of spot price
- Measured Mineral Resources: 2% to 5% of spot price
- Ore Reserves: 5% to 10% of spot price

The average October 2019 copper spot price was used as a basic spot price for the Yardstick Order of Magnitude check so that the results could be compared to the Comparative Transactions, which were normalised to this copper price.

Summaries of the comparative Order of Magnitude checks, which are based on Yardstick Factors, are presented in Table 51, Table 52 and Table 53.

CSA Global notes that the Yardstick Order of Magnitude check ranges for each of the deposits significantly overlaps the valuation ranges derived from the Comparative Transactions valuation, and views this as broadly supportive of the Comparative Transactions valuations.

Table 51: Summary of Yardstick Order of Magnitude Crosscheck for Kipoi Resources outside of current mine plan (100% basis)

Project	Resource class	Cu tonnes	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi Central	Measured	41,000	4.7	11.8	8.2
	Indicated	131,000	7.5	15.0	11.3
	Inferred	140,000	4.0	8.0	6.0
	<b>Subtotal</b>	<b>312,000</b>	<b>16.3</b>	<b>34.9</b>	<b>25.6</b>
Kipoi North	Indicated	7,400	0.4	0.8	0.6
	Inferred	11,600	0.3	0.7	0.5
	<b>Subtotal</b>	<b>19,000</b>	<b>0.8</b>	<b>1.5</b>	<b>1.1</b>
Kileba	Indicated	55,558	3.2	6.4	4.8

Project	Resource class	Cu tonnes	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
	Inferred	35,000	1.0	2.0	1.5
	<b>Subtotal</b>	<b>90,558</b>	<b>4.2</b>	<b>8.4</b>	<b>6.3</b>
<b>TOTAL</b>	<b>100% basis</b>	<b>421,558</b>	<b>21.2</b>	<b>44.8</b>	<b>33.0</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Table 52: Summary of Yardstick Order of Magnitude Crosscheck for Judeira and Sase (100% basis)

Project	Resource class	Cu tonnes	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Judeira	Inferred	71,000	2.0	4.1	3.1
Sase	Indicated	134,000	7.7	15.4	11.5
	Inferred	34,000	1.0	2.0	1.5
	<b>Subtotal</b>	<b>168,000</b>	<b>8.7</b>	<b>17.3</b>	<b>13.0</b>
<b>TOTAL</b>	<b>100% basis</b>	<b>239,000</b>	<b>10.7</b>	<b>21.4</b>	<b>16.1</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Table 53: Summary of Crosscheck Valuation of Ore Reserves derived from the current Kipoi mine plan based on Yardstick factors (100% basis)

Project	Resource class	Cu tonnes	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi	Reserves	199,544	57.3	114.6	85.9
Kileba	Reserves	94,442	27.1	54.2	40.7
<b>TOTAL</b>	<b>100% basis</b>	<b>293,986</b>	<b>84.4</b>	<b>168.8</b>	<b>126.6</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Tiger has a 95% equity interest in the tenements containing the Mineral Resources. Table 54, Table 55 and Table 56 summarise the valuations of Tiger's equity interest in the Mineral Resources.

Table 54: Summary of Yardstick Order of Magnitude Crosscheck for Kipoi Resources outside of current mine plan (equity basis)

Project	Tiger equity interest	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi Central	95%	15.4	33.1	24.3
Kipoi North	95%	0.7	1.4	1.1
Kileba	95%	4.0	8.0	6.0
<b>TOTAL (equity basis)</b>		<b>20.1</b>	<b>42.5</b>	<b>31.3</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Table 55: Summary of Yardstick Order of Magnitude Crosscheck for Judeira and Sase (equity basis)

Project	Tiger equity interest	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Judeira	95%	1.9	3.9	2.9
Sase	95%	8.2	16.5	12.4
<b>TOTAL (equity basis)</b>		<b>10.2</b>	<b>20.4</b>	<b>15.3</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Table 56: Summary of Crosscheck Valuation of Ore Reserves derived from the current Kipoi mine plan based on Comparative Yardstick factors (equity basis)

Project	Tiger equity interest	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi Mine plan	95%	80.2	160.4	120.3

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

### 10.3.2 Exploration Areas

In considering the value of the exploration ground, CSA Global has taken the view that the areas underlain by the currently declared Mineral Resources have been appropriately valued on the basis of the current Mineral Resources they contain, and it would not be appropriate to include these areas in an assessment of the remaining value of the ground-holding.

CSA Global assume that a total area of approximately 15.1 km<sup>2</sup>, representing approximately 8.1% of the total Tiger ground-holding of 186.9 km<sup>2</sup>, has been valued on the basis of the current Mineral Resources. The 15.1 km<sup>2</sup> for resource areas consists of 5.03 km<sup>2</sup> from PE 533 for Judeira (block 533W in Figure 27), 3.35 km<sup>2</sup> from PE 533 for Kileba (block 533S in Figure 27), 3.35 km<sup>2</sup> from PE 11385 for Kipoi Central and Kipoi North, and 3.35 km<sup>2</sup> from PE 2214 for Sase. The resource areas from licences PE 11385 and PE 2214 are not indicated in Figure 27, but the area removed from each of these licences is equivalent to block 533S.

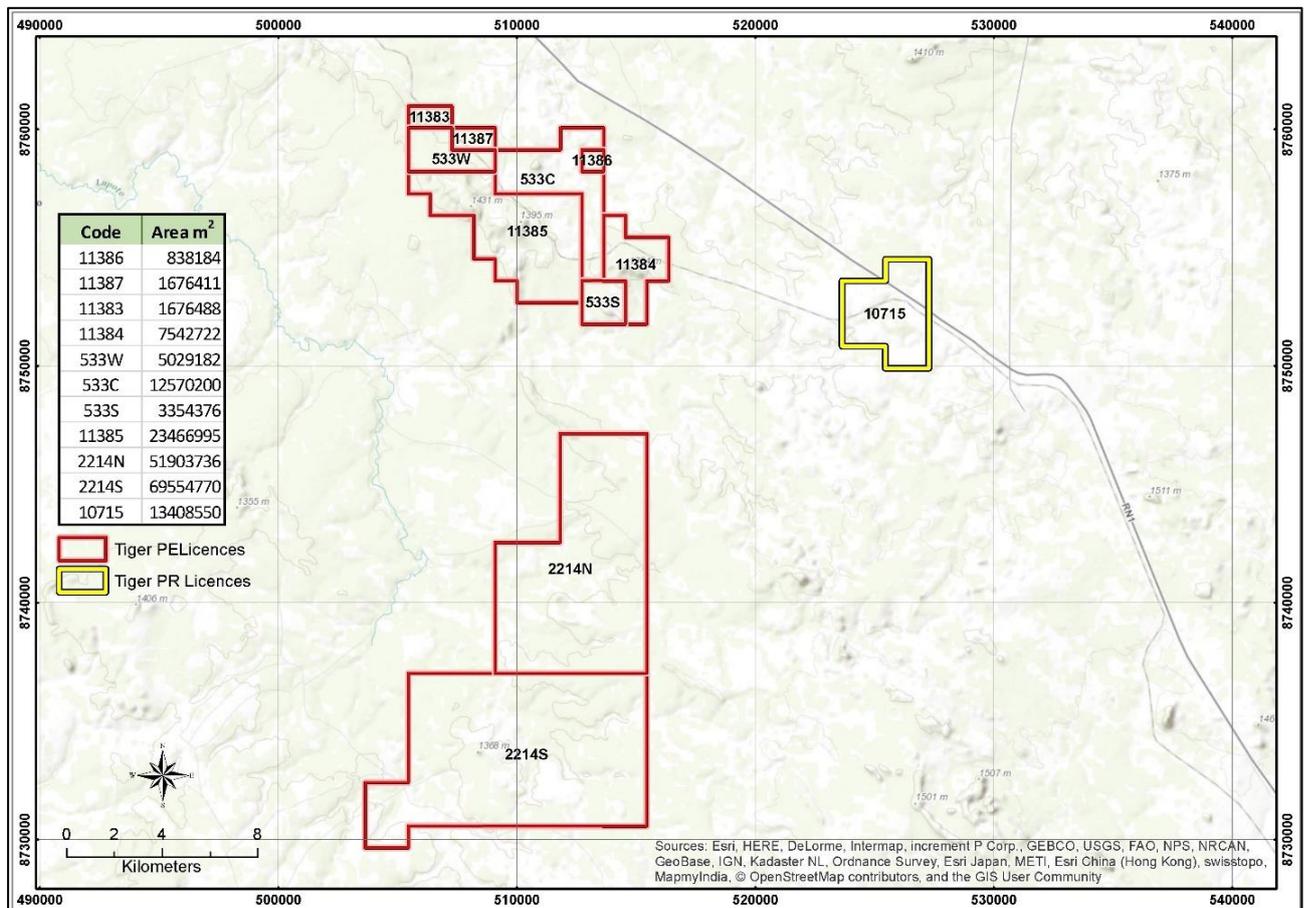


Figure 27: Areas considered for Geoscientific Factor method  
 Note: Area of PR 10715 has been reduced by half and is therefore half of the area indicated. Exact shape subject to notification by CAMI.

### Comparative Transactions

CSA Global considered the value of Tiger’s exploration ground-holding in the DRC in terms of the valuation factors derived from CSA Global’s analysis of market transactions involving comparative exploration projects, as summarised in Table 44.

Applying these valuation factors to Tiger’s ground-holding, with resource areas excluded, results in the valuation summarised in Table 57.

Table 57: Summary of Comparable Transactions Valuation of exploration ground (100% basis)

Project	Licence	#Area (km <sup>2</sup> )	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi	PE 533	#12.85	0.26	1.09	0.64
	PE 11383	1.69	0.03	0.14	0.08
	PE 11384	7.64	0.15	0.65	0.38
	PE 11385	#20.43	0.41	1.74	1.02
	PE 11386	0.84	0.02	0.07	0.04
	PE 11387	1.69	0.03	0.14	0.08
	<b>Subtotal</b>		<b>45.14</b>	<b>0.90</b>	<b>3.84</b>
Lupoto	PE 2214	#119.83	2.40	10.19	5.99
La Patience	PR 10715	6.79	0.14	0.58	0.34
<b>TOTAL (100% basis)</b>		<b>171.8</b>	<b>3.44</b>	<b>14.60</b>	<b>8.59</b>

#Excludes resource areas.

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Tiger has a 95% equity interest in the tenements comprising the Kipoi and Lupoto projects, and a 100% interest in the La Patience tenement. A valuation based on Tiger's equity interest in these tenements is summarised in Table 58.

Table 58: Summary of Comparable Transactions Valuation of exploration ground (Equity basis)

Project	Tiger equity interest	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi	95%	0.86	3.65	2.14
Lupoto	95%	2.28	9.68	5.69
La Patience	100%	0.14	0.58	0.34
<b>TOTAL (equity basis)</b>		<b>3.44</b>	<b>14.60</b>	<b>8.59</b>

#Excludes resource areas.

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

### Geoscientific Factor Method

The Geoscientific Factor valuation method was used as a reasonableness check on the exploration tenure valuations completed using comparable transactions.

The Geoscientific Factor Method of valuation requires the consideration of those aspects of a mineral property which enhance or downgrade the intrinsic value of the property. The first and key aspect of the Geoscientific Factor method described by Kilburn (1990) is the derivation of the Base Acquisition Cost (BAC) that is the basis for the valuation. Goulevitch and Eugène (1994) discuss the derivation of BAC. The BAC represents the average cost to identify, apply for and retain a base unit of area of tenement.

A BAC for exploration licences (PR) and exploitation licences (PE) in the DRC has been estimated using the following data and assumptions:

- Based on the original grant of five years, with up to two renewals of five years each allowed for PRs, and the original grant of 30 years for PEs, it is assumed that the average age of licences in the DRC is 12 years.
- The average size is assumed to be 2,400 hectares (ha), which is the average size of Tiger's licences. As PEs are converted from PRs, the same average size for both is assumed.
- A deemed cost to identify a licence of interest of US\$10,000 for PRs and US\$50,000 for PEs was assumed.
- Application cost is US\$1/ca<sup>4</sup> for PRs and US\$5.5/ca for PEs.
- Renewal fee is US\$1/ca for PRs and US\$10.5/ca for PEs.
- Annual rental for PRs is US\$0.03/ha for the first year, US\$0.04/ha for the second year, and US\$0.05/ha subsequently.

<sup>4</sup> Cadastral unit for the DRC – equivalent to approximately 0.84 km<sup>2</sup>

- Annual rental for PEs is US\$0.05/ha for the first year, US\$0.08/ha for the second year, US\$0.09/ha for the third year, and US\$0.12/ha subsequently.
- Minimum annual expenditure is US\$0.50/ha for PRs and US\$1.20/ha for PEs.
- The assumed costs associated with landowner notices, negotiations, legal costs and compensation is US\$50,000 for PRs and US\$250,000 for PEs.
- The assumed cost associated with Local Government rates is US\$2,000 per year for PRs and US\$10,000 per year for PEs.

Altogether, this gives an assumed BAC for the average PR in the DRC of US\$347/km<sup>2</sup>, and an assumed BAC for the average PE in the DRC of US\$636/km<sup>2</sup>, as summarised in Table 59.

Table 59: BAC for mineral licences in the DRC

	Exploration Licence (PR)		Exploitation Licence (PE)	
	Rate	US\$	Rate	US\$
Average area	2,400 ha			
Average age	12 years			
Application fee	US\$1/ca	29	US\$5.5/ca	157
Renewal fee	US\$1/ca	57#	US\$10.5/ca	-
Annual rent				
Year 1	US\$0.03/ha	72	US\$0.05/ha	120
Year 2	US\$0.04/ha	96	US\$0.08/ha	192
Year 3	US\$0.05/ha	120	US\$0.09/ha	216
Year 4 onwards	US\$0.05/ha	120	US\$0.12/ha	288
Minimum expenditure	US\$0.5/ha/year	14,400	US\$1.2/ha/year	34,560
Cost to identify	US\$10,000		US\$50,000	
Cost of landowner notices, negotiations, legal costs and compensation	US\$50,000		US\$250,000	
Cost of Local Government rates	US\$2,000/year	24,000	US\$10,000/year	120,000
Total (US\$)	99,854		457,837	
U\$/km <sup>2</sup>	4,161		19,077	
BAC (US\$/year)	347		636	

# Two renewals.

The licences were rated in accordance with the rating system shown in Table A2 (Appendix A), with detailed ratings per licence shown in Table D1 (Appendix D). Based on differences in underlying geology and the amount of exploration completed in specific areas, PE 533 was split into three sub-areas (PE 533W, PE 533C and PE 533S), and PE 2214 was split into two sub-areas (PR 2214N and PE 2214S), as indicated in Figure 27. Sub-areas PE 533W and PE 533S were not valued using this method as they were considered resource areas. The areas of PE 533C and PE 2214S were decreased by an area equivalent to PE 533S, so as to account for the resource areas contained in these sub-areas.

A market factor of 1.2 was used to correct the technical value derived from the rating scheme to a market value, based on market sentiment. This resulted in a range of implied values of US\$620/km<sup>2</sup> to US\$181,346/km<sup>2</sup> for the individual licences considered, with an average of US\$52,986/km<sup>2</sup>, which is broadly consistent with the distribution of values derived from the analysis of comparative transactions.

A summary of the valuation using this method is provided in Table 60.

Table 60: Summary of Geoscience Factor Valuation (100% basis)

Project	Licence	#Area (km <sup>2</sup> )	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi	*PE 533C	#12.85	0.04	0.26	0.15
	PE 11383	1.69	0.09	0.23	0.16
	PE 11384	7.64	0.00	0.01	0.00
	PE 11385	#20.43	2.15	5.26	3.70
	PE 11386	0.84	0.00	0.01	0.00
	PE 11387	1.69	0.00	0.01	0.00
	<b>Subtotal</b>		<b>45.14</b>	<b>2.28</b>	<b>5.78</b>
Lupoto	*PE 2214N	52.76	0.34	1.76	1.05
	*PE 2214S	#67.07	1.54	6.45	3.99
	<b>Subtotal</b>		<b>119.83</b>	<b>1.88</b>	<b>8.21</b>
La Patience	PR 10715	6.79	0.01	0.04	0.02
<b>TOTAL</b>		<b>171.8</b>	<b>4.17</b>	<b>14.03</b>	<b>9.10</b>

#Excludes resource areas. \*Licence split as per Figure 27.

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

Tiger has a 95% equity interest in the tenements comprising the Kipoi and Lupoto projects, and a 100% interest in the La Patience tenement. A valuation based on Tiger's equity interest in these tenements is summarised in Table 61.

Table 61: Summary of Geoscience Factor Valuation (equity basis)

Project	Tiger equity interest	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi	95%	2.17	5.49	3.83
Lupoto	95%	1.78	7.80	4.79
La Patience	100%	0.01	0.04	0.02
<b>TOTAL</b>		<b>3.96</b>	<b>13.33</b>	<b>8.65</b>

#Excludes resource areas.

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

### 10.3.3 Valuation Opinion

The basis of the valuation opinion prepared by CSA Global is Market Value, which is defined by VALMIN (2015) as "the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion".

CSA Global's opinion on the Valuation Range and Preferred Value of Tiger's mineral assets in the DRC, outside of the Kipoi mine plan, on a 100% basis, is summarised in Table 62 and Figure 28.

The Preferred Value is not an average of the high and low valuations, it is based on our opinion of the value range and preferred value of each component.

Table 62: CSA Global's opinion on the market value of Tiger's mineral assets outside of the Kipoi Mine Plan as at 18 November 2019 (100% basis)

	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi and Kileba Resources outside of mine plan	22.5	41.5	32.0
Judeira and Sase	10.0	20.0	15.0
Exploration ground	4.5	13.5	9.0
<b>TOTAL</b>	<b>37.0</b>	<b>75.0</b>	<b>56.0</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

It is stressed that the valuation is an opinion as to likely values, not absolute values, which can only be tested by going to the market.

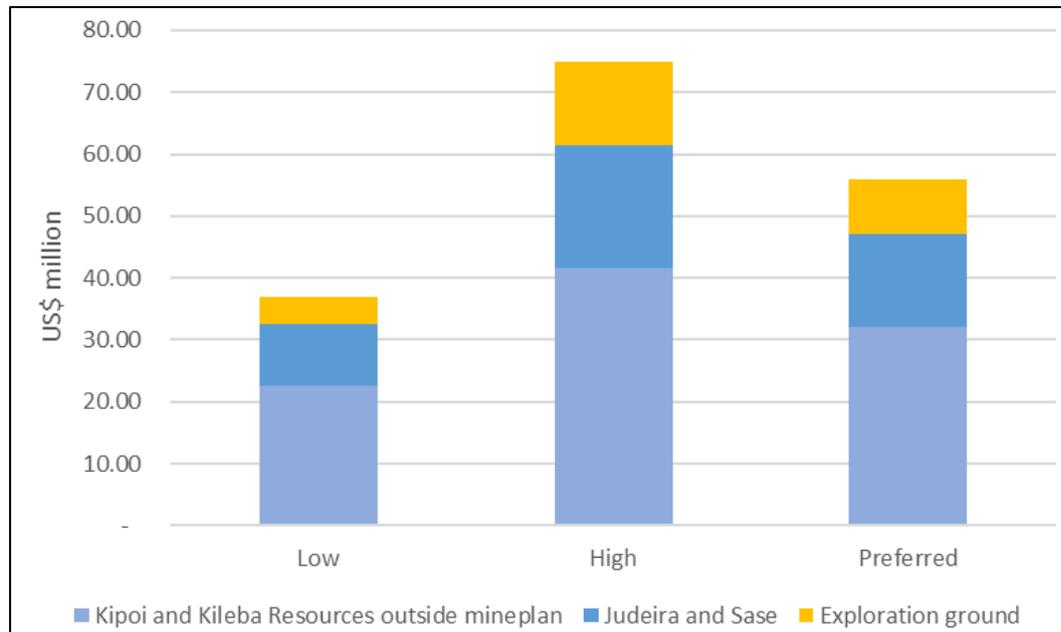


Figure 28: Summary of CSA Global's Valuation opinion of Tiger's mineral assets outside of the mine plan

Tiger has a 95% equity interest in the tenements comprising the Kipoi and Lupoto projects, and a 100% interest in the La Patience tenement. The Valuation Range and Preferred Value summarised in Table 63 take Tiger's equity interest in the properties into account.

Table 63: CSA Global's opinion on the market value of Tiger's mineral assets outside of the Kipoi Mine Plan as at 18 November 2019 (Equity basis)

	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi and Kileba Resources outside of mine plan	21.4	39.4	30.4
Judeira and Sase	9.5	19.0	14.3
Exploration ground	4.3	12.8	8.6
<b>TOTAL</b>	<b>35.2</b>	<b>71.3</b>	<b>53.2</b>

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

In addition, CSA Global was requested to form an opinion on the market value of the Ore Reserves derived from the Life of Mine Plan based on comparative transactions, which could be used as a crosscheck to the value implied by the cashflow models. CSA Global's opinion on the market value of the Ore Reserves derived from the Life of Mine Plan, on a 100% basis, is summarised in Table 64.

Table 64: CSA Global's opinion on the market value of Tiger's Ore Reserves derived from the Kipoi Mine Plan as at 18 November 2019 (100% basis).

	Low (US\$ M)	High (US\$ M)	Preferred (US\$ M)
Kipoi and Kileba Resources included in mine plan	35.0	110.0	85.0

Note: The valuation has been compiled to an appropriate level of precision and minor rounding inconsistencies may occur.

In forming an opinion as to the Valuation Range and Preferred Value for the Kipoi and Kileba resources outside of the Kipoi mine plan (Table 62), CSA Global exercised professional judgement and considered the valuation ranges and preferred values derived from the Comparative Transactions method and the Yardstick Order of Magnitude crosscheck (Figure 29).

CSA Global exercised professional judgement in selecting a Preferred Value for the Kipoi and Kileba resources outside of the Kipoi mine plan of US\$32.0 million. This was informed by the preferred value derived from the



Comparative Transactions method and is similar to the preferred value from the Yardstick Order of Magnitude crosscheck.

CSA Global exercised professional judgement in selecting a valuation range of 30% above and below the selected Preferred Value. In CSA Global’s opinion, this appropriately reflects the level of certainty associated with these resources and is a good reflection of likely market outcomes for these resources.

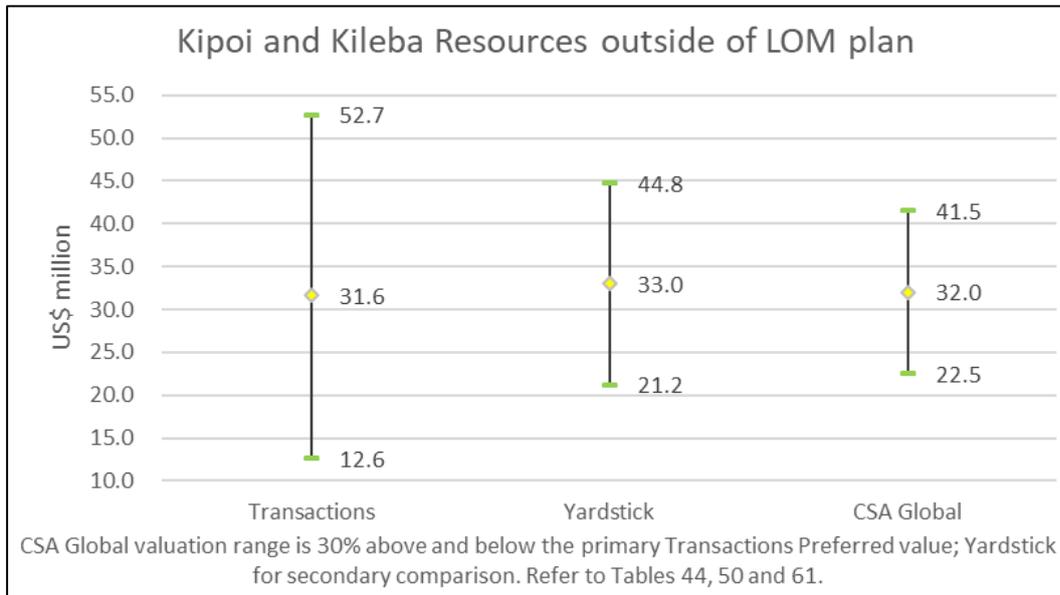


Figure 29: Valuation ranges for Kipoi and Kileba Resources outside of current mine plan derived from various methods

In forming an opinion as to the Valuation Range and Preferred Value for the Judeira and Sase resources (Table 62), CSA Global exercised professional judgement and considered the valuation ranges and preferred values derived from the Comparative Transactions method and the Yardstick Order of Magnitude crosscheck (Figure 30).

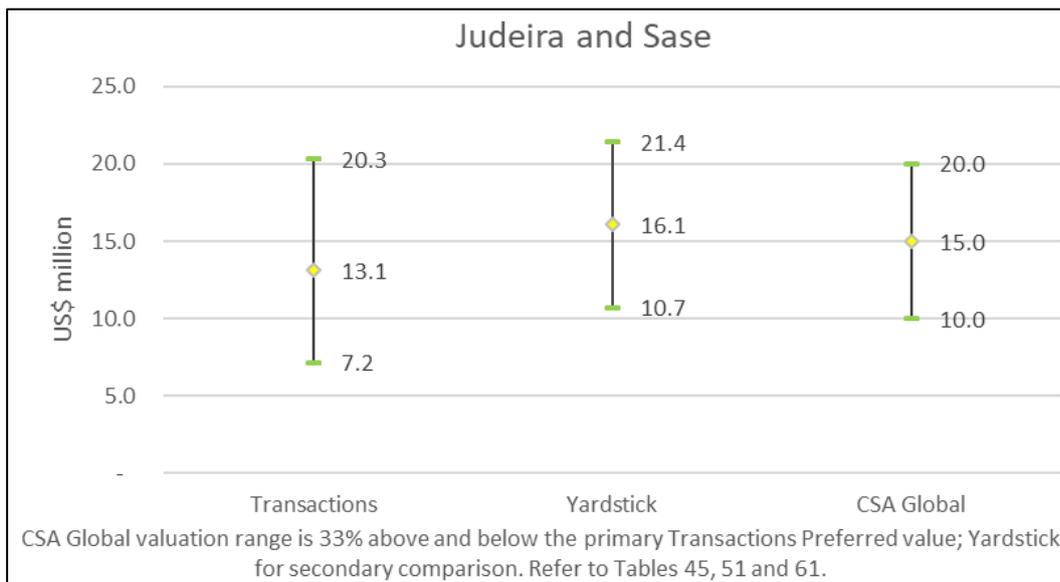


Figure 30: Valuation ranges for Judeira and Sase Resources, derived from various methods

CSA Global exercised professional judgement in selecting a Preferred Value for the Judeira and Sase resources of US\$15.0 million. This was rounded from the preferred value derived from the Comparative Transactions method and is consistent with the preferred value from the Yardstick Order of Magnitude crosscheck.

CSA Global exercised professional judgement in selecting a valuation range of 33% above and below the selected Preferred Value. In CSA Global’s opinion, this appropriately reflects the level of certainty associated with these resources and is a good reflection of likely market outcomes for these resources.

In forming an opinion as to the Valuation Range and Preferred Value for Tiger’s exploration ground (Table 62), CSA Global exercised professional judgement and considered the valuation ranges and preferred values derived from the Comparative Transactions method and the Geoscientific Factor (Kilburn) method (Figure 31).

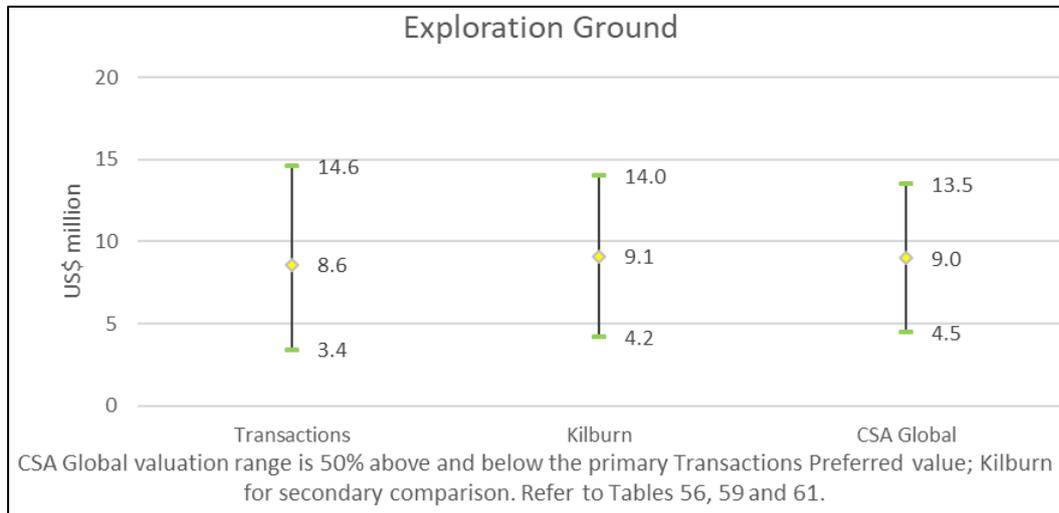


Figure 31: Valuation ranges for exploration ground, derived from various methods

CSA Global exercised professional judgement in selecting a Preferred Value for Tiger’s exploration ground of US\$9.0 million. This was rounded from the preferred value derived from the Comparative Transactions method and is similar to the preferred value from the Geoscientific Factor crosscheck.

CSA Global exercised professional judgement in selecting a valuation range of 50% above and below the selected Preferred Value. CSA Global believe that this appropriately reflects the level of risk and opportunity associated with this asset and is a good reflection of likely market outcomes for these assets.

In forming an opinion as to the Crosscheck Valuation Range and Preferred Value for the Ore Reserves derived from the current Kipoi mine plan (Table 64), CSA Global exercised professional judgement and considered the valuation ranges and preferred values derived from the Comparative Transactions method and the Yardstick Order of Magnitude crosscheck (Figure 32).

CSA Global exercised professional judgement in selecting a Preferred Value for the Ore Reserves derived from the current Kipoi mine plan of US\$85.0 million. This was rounded from preferred value derived from the Comparative Transactions method and is within the lower range derived from the Yardstick Order of Magnitude crosscheck.

CSA Global exercised professional judgement in selecting an upper valuation range of US\$110 million and a lower range of US\$35 million, with both of these values rounded from the respective ranges of the Comparative Transactions valuation. As discussed in Section 10.2.2 of this Report, the lower end of this range reflects a value is likely to be lower than the market value of the Ore Reserves in the Kipoi mine plan, whereas the upper end of the valuation range represents a value that is likely to be greater than the market value of the Ore Reserves in the current Kipoi mine plan. Although the valuation range is large and asymmetric, in CSA Global’s professional judgement this reflects possible market outcomes, as demonstrated by recent comparative transactions.

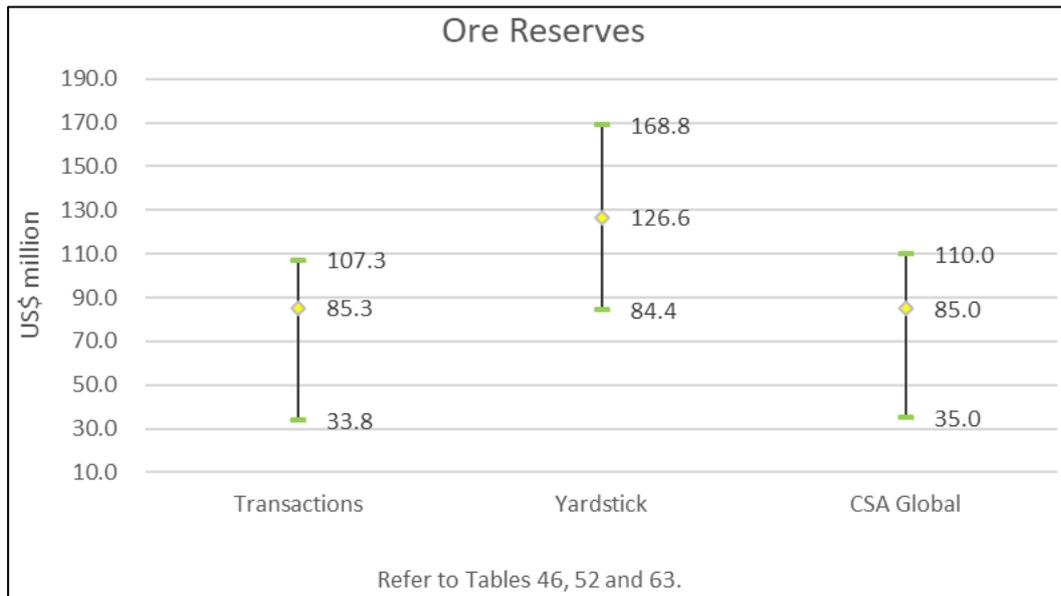


Figure 32: Crosscheck valuation range for Ore Reserves in the Kipoi LOM plan

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## 12 Glossary

Below are brief descriptions of some terms used in this report.

Act	The Australian Corporations Act 2001 (Commonwealth).
Allochthonous	Denoting a deposit or formation that originated at a distance from its present position.
Anamorphosis	The mathematical transformation of an irregular skewed data distribution into a more regular distribution, for use in estimation. The estimated data is then back-transformed into the original distribution. This is a spatial modelling technique used to estimate gold grades where the gold distribution is highly irregular and difficult to model mathematically for estimation purposes.
Annual Report	A document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of some terms ownership and the accounting practices used in this to prepare the report.
Anticline	A ridge or fold of stratified rock in which the strata slope downwards from the crest.
Archaean	Widely used term for the earliest era of geological time spanning the interval from the formation of Earth to about 2,500 million years ago.
Batholith	A large, generally discordant plutonic mass that has more than 40 square miles (100 km <sup>2</sup> ) of surface exposure and no known floor.
Bioherm	Ancient organic reef of moundlike form built by a variety of marine invertebrates, including corals, echinoderms, gastropods, mollusks, and others
Botryoidal	(Chiefly of minerals) having a shape reminiscent of a cluster of grapes.
Boundinage	Geological term for structures formed by extension, where a rigid tabular body such as hornfels, is stretched and deformed amidst less competent surroundings. The competent bed begins to break up, forming sausage-shaped boudins.
Cut-off grade	The lowest grade of ore at a minimum specified thickness that can be mined at a specified cost.
Diagenetic	Pertaining to diagenesis, which is the physical, chemical or biological alteration of sediments into sedimentary rock at relatively low temperatures and pressures that can result in changes to the rock's original mineralogy and texture.
Diamictite	A poorly sorted or non-sorted terrigenous non-calcareous sedimentary rock that contains variously sized clasts from clay to boulders in a muddy matrix.
Diapir	a domed rock formation in which a core of rock has moved upward to pierce the overlying strata.
Disconformable	Constituting or exhibiting a disconformity; (of a stratum) related to or lying on an underlying stratum that has the same orientation but has undergone erosion, so that the chronological sequence of strata is interrupted.
Discrete Gaussian model	A symmetric bell curve; Gaussian functions are often used to represent the probability density function of a normally distributed random variable.
En echelon	Refers to closely-spaced, parallel or subparallel, overlapping or step-like minor structural features in rock (faults, tension fractures), which lie oblique to the overall structural trend. Conjugate deformation structures are related in deformational origin.
Epicastic	Formed or consisting of fragments of pre-existing rock produced by processes occurring on the earth's surface, such as erosion or weathering;
Epigenetic	Formed later than the surrounding or underlying rock formation.
Exploration Results	Has the meaning given in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <a href="http://www.jorc.org">http://www.jorc.org</a> for further information or for terms

Feasibility Study	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are not necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.
Halokinetic	Halokinetic sequences are relatively conformable successions of growth strata genetically influenced by near-surface or extrusive salt movement and are locally bounded at the top and base by angular unconformities that become disconformable to conformable with increasing distance from the diapir.
Heterogenite	A cobalt-bearing mineral, cobalt oxy-hydroxide. Simplified mineral formula $\text{CoO}(\text{OH})$ .
Hypogene	In ore deposit geology, hypogene processes occur deep below the earth's surface, and tend to form deposits of primary minerals, as opposed to supergene processes that occur at or near the surface, and tend to form secondary minerals.
Indicated Mineral Resource	An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
Inferred Mineral Resource	An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
Intracontinental	Within a continent (especially occupying a large part of a continent).
Kriging	In statistics, originally in geostatistics, Kriging or Gaussian process regression is a method of interpolation for which the interpolated values are modeled by a Gaussian process governed by prior covariances, as opposed to a piecewise-polynomial spline chosen to optimize smoothness of the fitted values.
Life-of-Mine Plan	A design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.
Localised Uniform Conditioning	LUC involves the post-processing of a Uniform Conditioning estimate and is used to improve the spatial representation of the grade distribution predicted by UC at the SMU scale.
Measured Mineral Resource	A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Member	A person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.
Mesoproterozoic	The Mesoproterozoic Era is a geologic era that occurred from 1,600 to 1,000 million years ago.
Mineral Resource	A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
Modifying Factors	Is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <a href="http://www.jorc.org">http://www.jorc.org</a> for further information.
Neoproterozoic	The Neoproterozoic Era is the unit of geologic time from 1,000 to 541 million years ago.
Ore Reserve	An Ore Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.
Orogeny	An orogeny is an event that leads to a large structural deformation of the Earth's lithosphere (crust and uppermost mantle) due to the interaction between tectonic plates.
Plutonic	Relating to or denoting igneous rock formed by solidification at considerable depth beneath the earth's surface.
Preliminary Feasibility Study (Pre-Feasibility Study)	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.
Quantitative Kriging Neighbourhood Analysis (QKNA).	A precursor step to ordinary kriging estimation, to ensure that the kriging weights are directly related to the variogram model, data geometry and block/sample support involved in the kriging. Whilst kriging is commonly and correctly described as a 'minimum variance estimator' this is only true when the neighbourhood is properly defined.
Quarterly Report	A document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.
Scoping Study	An order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.
Slickensides	In geology, a slickenside is a smoothly polished surface caused by frictional movement between rocks along the two sides of a fault. This surface is normally striated in the direction of movement.

SMU	Selective Mining Unit. The smallest unit selected to mine an ore body to reflect mining and delivery to a range of destinations, e.g. low- or high-grade stockpiles, or waste dump. Most applicable to bulk mining scenarios. The optimal shape and size of an SMU block is determined by factors such as the mining method and mining rate, and the geometry of the mineralisation.
Spot market price	Price for product sold or purchased in the spot market rather than under long-term contract.
Stratabound	Said of a mineral deposit <b>confined to a single stratigraphic unit</b> . The term can refer to a stratiform deposit, to variously oriented orebodies contained within the unit, or to a deposit containing veinlets and alteration zones that may or may not be strictly conformable with bedding.
Supergene	In ore deposit geology, supergene processes or enrichment are those that occur relatively near the surface as opposed to deep hypogene processes.
Syncline	A trough or fold of stratified rock in which the strata slope upwards from the axis.
Uniform Conditioning (UC)	Using a mathematical distribution (generally a Discrete Gaussian Model) to estimate grade within selective mining unit in an estimated panel (parent block), while ensuring the mean (average) of the grade of the selective mining units (SMUs) corresponds to the grade of the parent block. UC is a non-linear geostatistical technique designed for recoverable resource estimation, typically using wide spaced exploration and resource definition drilling. The primary output of UC is the grade, tonnage and metal above a series of user-defined cut-off grades for a particular SMU block size. The UC approach is considered to provide a more accurate representation of the recoverable grade and tonnage at SMU support for non-zero grade cut-offs than would typically be achieved by a traditional linear estimator such as Ordinary Kriging.
Variogram	A variogram is a description of the spatial continuity of the data. The experimental variogram is a discrete function calculated using a measure of variability between pairs of points at various distances.
Vughy	Containing vughs, which are small cavities in a rock or vein, usually lined with crystals.



## 13 Abbreviations and Units of Measurement

%	percent
°	degrees
°C	degrees Celsius
3D	three-dimensional
AAS	atomic absorption spectrometry
AC	aircore
AES	atomic emission spectroscopy
AIG	Australian Institute of Geoscientists
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
BAC	base acquisition cost
BCM	bank cubic metre
BDO	BDO Corporate Finance (WA) Pty Ltd
CCD	counter-current decantation
Ca	Cadastral unit for the DRC – equivalent to approximately 0.84km <sup>2</sup>
Cd	cadmium
cm	centimetre(s)
Co	cobalt
CRM	certified reference material
CSA Global	CSA Global Pty Ltd
Cu	copper
Cube Consulting	Cube Consulting Pty Ltd
CV	coefficient of variation
DCF	discounted cash flow
DD	diamond (drilling)
DRC	Democratic Republic of Congo
DSTRT	Roche Stratifee
DTM	digital terrain model
EW	electrowinning
GC	grade control
GPS	global positioning system
ha	hectare(s)
ICP	inductively coupled plasma
IER	independent expert's report
ITAVR	Independent Technical Assessment and Valuation Report
kg	kilogram

kg/t	kilograms per tonne
km	kilometres
km <sup>2</sup>	square kilometres
kt	thousands of tonnes/kilo-tonnes
kt/a	thousands of tonnes per year, kt/yr
LOM	life of mine
LUC	localised uniform conditioning
m	metre(s)
M	million(s)
MM	multiple of exploration expenditure
mm	millimetre
MRE	Mineral Resource estimate
MS	Microsoft
Mt	million tonnes
ppm	parts per million
QAQC	quality assurance and quality control (for sampling and assaying)
QC	quality control
QKNA	quantitative kriging neighbourhood analysis (studies to validate Mineral Resource estimation)
RC	reverse circulation
RDV	resource development
RSC	Roche Siliceuse Cellulaire
RSF	Roche Siliceuse Feuilletée
SEK	Société d'Exploitation de Kipoi
Sinomine HK	Sinomine Fuhai (Kong Kong) Overseas Resource Investment Co. Ltd
Sinomine	Sinomine Resource Exploration Co. Ltd
SMU	selective mining unit
SX	solvent extraction
SX/EW	solvent extraction and electrowinning
t	tonne(s)
Tiger	Tiger Resources Limited
U	uranium
UC	uniform conditioning
US\$	United States dollar(s)
XRF	x-ray fluorescence

## Appendix A: Valuation Approaches

Valuation of Mineral Assets is not an exact science; and a number of approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are a number of generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

### Background

Mineral Assets are defined in the VALMIN Code<sup>5</sup> as all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Business valuers typically define market value as “The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer, and a knowledgeable, willing but not anxious seller acting at arm’s length.” The accounting criterion for a market valuation is that it is an assessment of “fair value”, which is defined in the accounting standards as “the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.” The VALMIN Code defines the value of a Mineral Asset as its Market Value, which is “the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm’s length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

Market Value usually consists of two components, the underlying or Technical Value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most-likely value be selected as the most likely figure within a range after taking into account those factors which might impact on Value.

The concept of Market Value hinges upon the notion of an asset changing hands in an arm’s length transaction. Market Value must therefore take into account, inter alia, market considerations, which can only be determined by reference to “comparable transactions”. Generally, truly comparable transactions for Mineral Assets are difficult to identify due to the infrequency of transactions involving producing assets and/or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for the majority of tenements being valued, there is unlikely to be any “cash equivalent of some other consideration”. Whilst acknowledging these limitations, CSA Global identifies what it considers to be comparable transactions to be used in assessing the values to be attributed to Mineral Assets.

### Valuation Methods for Mineral Assets

The choice of valuation methodology applied to Mineral Assets, including exploration licences, will depend on the amount of data available and the reliability of that data.

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<sup>5</sup> *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) 2015 Edition*. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

The VALMIN Code classifies Mineral Assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to Operating Mines which have well-defined Ore Reserves, as listed below:

- **“Early-stage Exploration Projects”** – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **“Advanced Exploration Projects”** – tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A MRE may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **“Pre-Development Projects”** – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **“Development Projects”** – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Prefeasibility Study.
- **“Production Projects”** – tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived “market valuation”.

The Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by the following general approaches: Cost; Geoscience Factor, Geological Risk, Market; or Income. The Market Value of Development and Production Projects are best assessed using the Market and Income approaches.

### *Cost*

The Appraised Value or Exploration Expenditure Method considers the costs and results of historical exploration.

The Appraised Value Method utilises a Multiple of Exploration Expenditure (MEE), which involves the allocation of a premium or discount to past **relevant and effective expenditure** through the use of the Prospectivity Enhancement Multiplier (PEM). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 1994). Table A1 lists the PEM factors and criteria used in this Report.

Table A1: PEM factors

PEM range	Criteria
0.2–0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5–1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0–1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3–1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)
1.5–2.0	Scout drilling (rotary air blast, AC, RC percussion) has identified interesting intersections of mineralisation
2.0–2.5	Detailed drilling has defined targets with potential economic interest
2.5–3.0	A Mineral Resource has been estimated at Inferred JORC6 category, no concept or scoping study has been completed
3.0–4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Prefeasibility Study
4.0–5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment

### Geoscience Factors

The Geoscience Factor Method (GFM) seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.

The Geoscience Factor (or Kilburn) method, as described by Kilburn (1990), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources.

Valuation is based upon a calculation in which the geological prospectivity, commodity markets, and mineral property markets are assessed independently. The GFM is essentially a technique to define a Value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

- Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies
- Location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued
- Number and relative position of anomalies on the property being valued
- Geological models appropriate to the property being valued.

The GFM systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table A2).

The BAC is an important input to the GFM and it is calculated by summing the application fees, annual rent, work required to facilitate granting (e.g. native title, environmental etc.) and statutory expenditure for a period of 12 months. Each factor is then multiplied serially by the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

The standard references on the method (Kilburn 1990; Goulevitch and Eupene, 1994) do not provide much detail on how the market factor should be ascertained. CSA Global takes the approach of using the implied value range from our selected Comparable Transactions to inform the selection of a GFM market factor. Our presumption is that the comparables are capturing the market sentiment, so any other valuation method should not be significantly different (order of magnitude).

This is achieved by finding the market factor that produces an average GFM preferred value per unit area for whole project (i.e. total preferred GFM value divided by the total area) that falls within the range of the

<sup>6</sup> Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 Edition. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

comparables implied values per unit area. It is CSA Global's view that this adequately accounts for global market factors on an empirical basis. For example, if the implied value range is US\$100/km<sup>2</sup> to US\$2,000/km<sup>2</sup>, then the market factor should give an average GFM preferred value per unit area that falls within that range.

CSA Global generally would select a market factor (rounded to an appropriate number of significant digits) that gives a value closer to the upper end of the range (though this is the valuer's judgement call). This is because the GFM is a tool that addresses the exploration potential of a project and is best suited to informing the upper end of valuation ranges for a project.

Table A2: Geoscientific Factor ranking

Rating	Address/Off-property factor	On-property factor	Anomaly factor	Geological factor
0.5	Very little chance of mineralisation; Concept unsuitable to the environment	Very little chance of mineralisation; Concept unsuitable to the environment	Extensive previous exploration with poor results	Generally unfavourable lithology; No alteration of interest
1	Exploration model support; Indications of prospectivity; Concept validated	Exploration model support; Indications of prospectivity; Concept validated	Extensive previous exploration with encouraging results; Regional targets	Deep cover; Generally favourable lithology/alteration (70%)
1.5	Reconnaissance (RAB/AC) drilling with some scattered favourable results; Minor workings	Exploratory sampling with encouragement	Several early stage targets outlined from geochemistry and geophysics	Shallow cover; Generally favourable lithology/alteration 50–60%
2	Several old workings; Significant RCP drilling leading to advanced project	Several old workings; Reconnaissance drilling or RCP drilling with encouraging intersections	Several well-defined targets supported by reconnaissance drilling data	Exposed favourable; Lithology/alteration
2.5	Abundant workings; Grid drilling with encouraging results on adjacent sections	Abundant workings; Core drilling after RCP with encouragement	Several well-defined targets with encouraging drilling results	Strongly favourable lithology, alteration
3	Mineral Resource areas defined	Advanced Resource Definition drilling (early stages)	Several significant sub-economic targets; No indication of "size"	Generally favourable lithology with structures along strike of a major mine; Very prospective geology
3.5	Abundant workings/mines with significant historical production; Adjacent to known mineralisation at Prefeasibility Study stage	Abundant workings/mines with significant historical production; Mineral Resource areas defined	Several significant sub-economic targets; Potential for significant "size"; Early stage drilling	
4	Along strike or adjacent to Resources at Definitive Feasibility Study stage	Adjacent to known mineralisation at Prefeasibility Study stage	Marginally economic targets of significant "size" advanced drilling	
4.5	Adjacent to development stage project	Along strike or adjacent to Resources at Definitive Feasibility Study stage	Marginal economic targets of significant "size" with well drilled Inferred Resources	
5	Along strike from operating major mine(s)	Adjacent to development stage project	Several significant ore grade co-relatable intersections	

### Geological Risk Method

In the Geological Risk Valuation method, as described by Lord *et al* (2001), the value of a project at a given stage of knowledge/development is estimated based on the potential value of the project at a later stage of development, discounted by the probability of the potential value of the later stage being achieved, and considering the estimated cost of progressing the project to the next stage.

The relevant stages of exploration are defined in Table A3.

Table A3: Definition of exploration stages

Stage	Description
Stage A	Ground acquisition, project/target generation
Stage B	Prospect definition (mapping and geochemistry)
Stage C	Drill testing (systematic RC, DD)
Stage D	Resource delineation
Stage E	Feasibility

The expected value (E) of a project at a given stage is then dependent on the target value at the next stage (T), the probability of successfully advancing the project to the next stage (P), and the cost of advancing the project (C). This can be expressed as:

$$E = P * (T - C)$$

This valuation method generates an expected value for each project (or prospect) at each of the main exploration stages or decision points, by working back from a project's target value. A project's target value can be based on an expected net present value (NPV) from a reasonably constrained discounted cash flow model, or from a reasonable approximation of the value of a defined resource, in which case the initial target value will be the value at the end of Stage D, as opposed to the value at the end of Stage E.

Lord *et al* (2001) concluded that the probability of successfully proceeding from one exploration phase to the following one was as depicted in Table A4, based on a detailed study of gold exploration programs in the Laverton area of Western Australia.

Table A4: Probability of successfully proceeding from one exploration stage to another

Stages	Probability of advancing
Generative to reconnaissance	0.54
Reconnaissance to systematic drill testing	0.17
Systematic drill testing to Resource delineation	0.58
Resource delineation to Feasibility	0.87
Feasibility to Mine	0.90

Source: Lord *et al.* (2001)

## Market

Market Approach Method or Comparable Transactions looks at prior transactions for the property and recent arm's length transactions for comparable properties.

The Comparable Transaction method provides a useful guide where a mineral asset that is comparable in location and commodity has in the recent past been the subject of an "arm's length" transaction, for either cash or shares.

For the market approach resources are not generally subdivided into their constituent JORC Code categories. The total endowment or consolidated in situ resources are what drives the derivation of value. Each transaction implicitly captures the specific permutation of resource categories in a project. There are too many project-specific factors at play to allow any more than a consideration of price paid vs total resource base. Therefore, considering individual project resource permutations is neither practicable nor useful for this valuation approach. To that end, CSA Global's discussion of the market approach is predicated on the consolidated resource base, to allow application of the method.

In an exploration joint venture or farm-in, an equity interest in a tenement or group of tenements is usually earned in exchange for spending on exploration, rather than a simple cash payment to the tenement holder. The joint venture or farm-in terms, of themselves, do not represent the Value of the tenements concerned. To determine a Value, the expenditure commitments should be discounted for time and the probability that the commitment will be met. Whilst some practitioners invoke complex assessments of the likelihood that commitments will be met, these are difficult to justify at the outset of a joint venture, and it seems more

reasonable to assume a 50:50 chance that a joint venture agreement will run its term. Therefore, in analysing joint venture terms, a 50% discount may be applied to future committed exploration, which is then “grossed up” according to the interest to be earned to derive an estimate of the Value of the tenements at the time that the agreement was entered into.

Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party’s perception of minimum value and should not be discounted. Similarly, any upfront cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current Value of a tenement or tenements will be the Value implied from the terms of the most recent transaction involving it/them, plus any change in Value as a result of subsequent exploration. Where the tenements comprise applications over previously open ground, little to no exploration work has been completed and they are not subject to any dealings, it is thought reasonable to assume that they have minimal, if any Value, except perhaps, the cost to apply for, and therefore secure a prior right to the ground, unless of course there is competition for the ground and it was keenly sought after. Such tenements are unlikely to have any Value until some exploration has been completed, or a deal has been struck to sell or joint venture them, implying that a market for them exists.

High quality Mineral Assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a “good address” may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the landholding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

### *Yardstick*

The Rule-of-Thumb (Yardstick) Method is relevant to exploration properties where some data on tonnage and grade exist and may be valued by methods that employ the concept of an arbitrarily ascribed current *in situ* net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence, 2001, 2012).

Rules-of-Thumb (Yardstick) Methods are commonly used where a Mineral Resource remains in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted *in situ* value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

This Yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4% to 3% is used for base metals and platinum group metals, whereas for gold and diamonds a range from 2% to 4.5% is used. The method estimates the *in situ* gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer’s risk assessment of the assigned JORC Code’s Mineral Resource category, the commodity’s likely extraction and treatment costs, availability/proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth of the potential mining operation.

This method is best used as a non-corroborative check on the order of magnitude of values derived using other valuation methods that are likely to better reflect project-specific criteria.



## Income

The Discounted Cash Flow (DCF)/NPV method, as described by Lawrence (2000a), is particularly suitable for valuing mines (whether developing, operating, re-starting or expanding) and pre-development projects (including advanced exploration prospects in certain cases), as it recognises the time value of money. Value can be derived with a reasonable degree of confidence by forecasting the cash flows that would accrue from mining the deposit, discounting to the present day and determining an NPV.

Key inputs to the financial model are the mineral resource or reserve base; suitably detailed capital and operating costs, including mining, processing and labour costs; commodity price and foreign exchange forecasts; royalty and tax rates; and an appropriate discount rate.

The Income Approach is not appropriate for properties without Mineral Resources. It should be employed only where sufficient reliable data are available to provide realistic inputs to a financial model, preferably based on studies at or exceeding a prefeasibility level.

## Valuation Approaches by Asset Stage

Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the “fair market value”.

Table A5 below shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

Table A5: Valuation approaches for different types of mineral properties (VALMIN, 2015)

Valuation approach	Exploration properties	Mineral Resource properties	Development properties	Production properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

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## Appendix B: Comparative Resource Transactions

Table B1: Comparative Transactions of resource copper projects in the DRC

Transaction	Project	Date	Cu price (US\$/t)	Buyer	Seller	Equity	Synopsis	Asset summary	Comment
CMOC consolidation of Tenke	Tenke Fungurume	Jun 2019	5,882	China Molybdenum Co. Ltd	Investor Group	24%	In June 2019, CMOC announced an agreement whereby it would acquire a further 25% interest in Tenke Fungurume for a total of US\$1.16 billion.	Large, operating high-grade copper-cobalt mine, with total resources of 824.6 Mt at 2.95% Cu and 0.29% Co.	Operating mine – “one of the largest, highest-grade producing copper cobalt mines in the world”.
Chengtun acquisition of Kalongwe	Kalongwe	Feb 2019	6,300	Chengtun Mining Group Co. Ltd	Nzuri Copper Limited	85%	In February 2019, Nzuri entered into a scheme implementation deed with a subsidiary of Chengtun, whereby Chengtun would acquire 100% of the shares in Nzuri for A\$0.37 per share, for a maximum aggregate of A\$114 million.	Development project with total resource base of 11.17 Mt at 2.7% Cu, including Ore Reserves of 7.99 Mt at 2.94% Cu.	Feasibility studies complete, development funding sought.
Terminated Tiger divestment of Kipoi	Kipoi	Jan 2018	7,072	Sinomine Fuhai (Hong Kong) Overseas Resource Investment Co. Ltd.	Tiger Resources Limited	95%	In January 2018, Tiger announced a binding agreement with Sinomine to divest its DRC assets for US\$250 million in cash, the assumption of liabilities worth US\$10 million, and royalty payments from revenue generated from the sale of copper and cobalt by Sinomine HK of up to an aggregate amount of US\$20 million. In July 2018, Tiger announced the termination of the proposed transaction as terms acceptable to Tiger were not achieved in final negotiations.	Kipoi was an operating mine, requiring support from its lenders and creditors to continue operating. Total resource base was 69.4 Mt at 1.24% Cu, with Reserves of 47.8Mt at 1.28% Cu.	Terminated. Included Lupoto and La Patience projects.

Transaction	Project	Date	Cu price (US\$/t)	Buyer	Seller	Equity	Synopsis	Asset summary	Comment
Glencore consolidation of Mutanda	Mutanda	Feb 2017	5,941	Glencore plc	Fleurette Properties Limited	31%	In February 2017, Glencore announced the acquisition of the remaining 31% interest in Mutanda from Fleurette for US\$922 million, comprised of cash and debt offset.	Operating mine with a total resource base of 698.7 Mt at 1.16% Cu and Reserves of 158.9 Mt at 1.79% Cu.	Very large operating mine.
Lundin divestment of Tenke	Tenke Fungurume	Nov 2016	5,451	Undisclosed	Lundin Mining Corporation	24%	In November 2016, Lundin announced an agreement to sell its indirect 24% in Tenke to an affiliate of BHR Partners for C\$1.136 billion in cash and contingent consideration of up to C\$51.4 million.	Large, operating high-grade copper-cobalt mine, with total resources of 884.2 Mt at 2.81% Cu and 0.27% Co.	Operating mine – “one of the largest, highest-grade producing copper cobalt mines in the world”.
Regal additional interest in Kalongwe	Kalongwe	Oct 2016	4,731	Regal Resources Limited	La Generale Industrielle et Commerciale au Congo (GICC)	15%	In October 2016, Regal announced the acquisition of a further 15% interest in Kalongwe from its joint venture partner, GICC for US\$3 million in cash, taking Regal’s interest in Kalongwe to 85%.	The project covered a ground holding of approx. 350 km <sup>2</sup> . Total Resources of 13.46 Mt at 2.24% Cu for 302,000 t of contained copper.	Feasibility studies had commenced.
Zijin additional interest in Kolwezi	Kolwezi	Jul 2016	4,865	Zijin Mining Group Co. Ltd	Zhejiang Huayou Cobalt Co. Ltd.	21%	In July 2016, Zijin acquired an additional 21% interest in Kolwezi from Zhejiang for US\$34 million.	Kolwezi contained 39.1 Mt at 3.93% Cu for 1.54 Mt of contained copper and was in construction.	In construction, commercial production was anticipated within months of the transaction.
CMOC acquisition of Tenke	Tenke Fungurume	May 2016	4,713	China Molybdenum Co. Ltd.	Freeport-McMoRan Inc	56%	In May 2016, CMOC announced the acquisition of an indirect 56% interest in Tenke Fungurume from Freeport for US\$2.65 billion in cash.	Large, operating high-grade copper-cobalt mine, with total resources of 832.5 Mt at 2.9% Cu and 0.27% Co.	Operating mine – “one of the largest, highest-grade producing copper cobalt mines in the world”.

Transaction	Project	Date	Cu price (US\$/t)	Buyer	Seller	Equity	Synopsis	Asset summary	Comment
Camrose privatisation of Africo	Kalukundi	May 2016	4,713	Camrose Resources Limited	Africo Resources Ltd	36%	In May 2016, Camrose offered to acquire the 36% of shares in Africo that it did not already own for C\$1.00 per share, with additional aggregate payment of US\$7.5 million (US\$0.27 per share) if certain transactions in respect to Africo's Kalukundi project are completed within 14 months.	Kalukundi contained 55.6 Mt at 2.09% Cu for 1.16 Mt of contained copper. It was at a feasibility study stage.	
Regal acquisition of Traxys interest	Kalongwe	Apr 2016	4,873	Regal Resources Limited	Traxys Projects LP	30%	In April 2016, Regal announced the acquisition of a further 30% interest in Kalongwe from Traxys for US\$1.5 million worth of shares and US\$ 4 million in cash.	The project covered a ground-holding of approx. 350 km <sup>2</sup> . Total Resources of 13.46 Mt at 2.24% Cu for 302,000 t of contained copper.	
Regal acquisition of Traxys interest	Kalongwe	Apr 2016	4,873	Regal Resources Limited	La Generale Industrielle et Commerciale au Congo (GICC)	13%	In April 2016, Regal announced the acquisition of a further 13% interest in Kalongwe from GICC for US\$1.255 million worth of shares and US\$1.255 million in cash.	The project covered a ground-holding of approx. 350 km <sup>2</sup> . Total Resources of 13.46 Mt at 2.24% Cu for 302,000 t of contained copper.	
Zijin acquisition of Kamao	Kamao	May 2015	6,294	Zijin Mining Group Co. Ltd	Ivanhoe Mines Ltd	47%	In May 2015, Ivanhoe announced the sale of a 49.5% share of its 95% interest in Kamao to Zijin for an aggregate consideration of US\$412 million.	Kamao contained 942 Mt at 2.55% Cu for 24.03 Mt of contained copper.	
Zijin acquisition of Kolwezi	Kolwezi	Nov 2014	6,713	Zijin Mining Group Co. Ltd	Zhejiang Huayou Cobalt Co. Ltd	51%	In November 2014, Zijin acquired a 51% interest in Kolwezi from Zhejiang for US\$77,916,700.	Kolwezi contained 39.1 Mt at 3.93% Cu for 1.54 Mt of contained copper and was at the feasibility study stage.	
Tiger consolidation of Kipoi	Kipoi	Aug 2014	7,006	Tiger Resources Limited	Gecamines SARL	40%	In August 2014, Tiger announced the acquisition of the remaining 40% interest in Kipoi from Gecamines for US\$111 million in cash, with Gecamines retaining a 2.5% gross turnover royalty.	Kipoi was an operating mine, which produced 42,255 t of copper in the previous year. Resource base at time of transaction was 73.3 Mt at	Post-completion, Tiger ceded a 5% interest to the DRC government. Operating mine – value driven by the reserves.

Transaction	Project	Date	Cu price (US\$/t)	Buyer	Seller	Equity	Synopsis	Asset summary	Comment
								1.34% Cu for 0.98 Mt of contained copper.	

Table B2: Analysis of Comparative Transactions of resource copper projects in the DRC in terms of total Resource base

Transaction	Project	Date	Cu price (US\$/t)	Asset summary	Class	Resource tonnes (Mt)	Cu Grade	Contained Cu (kt)	Implied (US\$/t)	Normalised (US\$/t)	Comment
CMOC consolidation of Tenke	Tenke Fungurume	Jun 2019	5,882	Large, operating high-grade copper-cobalt mine, with total resources of 824.6 Mt at 2.95% Cu and 0.29% Co.	Reserves, Measured, Indicated, Inferred	824.6	3.0%	24,330	198.66	193.96	Operating mine – “one of the largest, highest-grade producing copper cobalt mines in the world”.
Chengtun acquisition of Kalongwe	Kalongwe	Feb 2019	6,300	Development project with total resource base of 11.17 Mt at 2.7% Cu, including Ore Reserves of 7.99 Mt at 2.94% Cu.	Reserves, Measured, Indicated, Inferred	11.17	2.7%	302	318.27	290.11	Feasibility studies complete, development funding sought.
Terminated Tiger divestment of Kipoi	Kipoi	Jan 2018	7,072	Kipoi was an operating mine, requiring support from its lenders and creditors to continue operating. Total resource base was 69.4 Mt at 1.24% Cu, with Reserves of 47.8 Mt at 1.28% Cu.	Reserves, Measured, Indicated, Inferred	69.4	1.2%	858	318.98	259.04	Terminated. Included Lupoto and La Patience projects.
Glencore consolidation of Mutanda	Mutanda	Feb 2017	5,941	Operating mine with a total resource base of 698.7 Mt at 1.16% Cu and Reserves of 158.9 Mt at 1.79% Cu.	Reserves, Measured, Indicated, Inferred	698.7	1.2%	8,112	366.64	354.43	Very large operating mine.
Lundin divestment of Tenke	Tenke Fungurume	Nov 2016	5,451	Large, operating high-grade copper-cobalt mine, with total resources of 884.2 Mt at 2.81% Cu and 0.27% Co.	Reserves, Measured, Indicated, Inferred	884.2	2.8%	24,757	142.11	149.72	Operating mine – “one of the largest, highest-grade producing copper cobalt mines in the world”.
Regal additional interest in Kalongwe	Kalongwe	Oct 2016	4,731	The project covered a ground holding of approx. 350 km <sup>2</sup> . Total resources of 13.46 Mt at 2.24% Cu for 302,000 t of contained copper.	Measured, Indicated, Inferred	13.46	2.2%	302	66.23	80.39	Feasibility studies had commenced.

Transaction	Project	Date	Cu price (US\$/t)	Asset summary	Class	Resource tonnes (Mt)	Cu Grade	Contained Cu (kt)	Implied (US\$/t)	Normalised (US\$/t)	Comment
Zijin additional interest in Kolwezi	Kolwezi	Jul 2016	4,865	Kolwezi contained 39.1 Mt at 3.93% Cu for 1.54 Mt of contained copper and was in construction.	Indicated, Inferred	39.1	3.9%	1,538	105.24	124.24	In construction, commercial production was anticipated within months of the transaction.
CMOC acquisition of Tenke	Tenke Fungurume	May 2016	4,713	Large, operating high-grade copper-cobalt mine, with total resources of 832.5 Mt at 2.9% Cu and 0.27% Co.	Reserves, Measured, Indicated, Inferred	832.5	2.9%	24,293	194.79	237.39	Operating mine - "one of the largest, highest-grade producing copper cobalt mines in the world".
Camrose privatisation of Africo	Kalukundi	May 2016	4,713	Kalukundi contained 55.6 Mt at 2.09% Cu for 1.16 Mt of contained copper. It was at a feasibility study stage.	Indicated, Inferred	55.6	2.1%	1,161	47.92	58.40	
Regal acquisition of Traxys interest	Kalongwe	Apr 2016	4,873	The project covered a ground-holding of approx. 350 km <sup>2</sup> . Total resources of 13.46 Mt at 2.24% Cu for 302,000 t of contained copper.	Measured, Indicated, Inferred	13.46	2.2%	302	60.71	71.55	
Regal acquisition of Traxys interest	Kalongwe	Apr 2016	4,873	The project covered a ground-holding of approx. 350 km <sup>2</sup> . Total resources of 13.46 Mt at 2.24% Cu for 302,000 t of contained copper.	Measured, Indicated, Inferred	13.46	2.2%	302	63.93	75.35	
Zijin acquisition of Kamao	Kamao	May 2015	6,294	Kamao contained 942 Mt at 2.55% Cu for 24.03 Mt of contained copper.	Indicated, Inferred	942	2.6%	24,030	36.46	33.27	
Zijin acquisition of Kolwezi	Kolwezi	Nov 2014	6,713	Kolwezi contained 39.1 Mt at 3.93% Cu for 1.54 Mt of contained copper and was at the feasibility study stage.	Indicated, Inferred	39.1	3.9%	1,538	99.31	84.96	
Tiger consolidation of Kipoi	Kipoi	Aug 2014	7,006	Kipoi was an operating mine, which produced 42,255 t of copper in the previous year. Resource base at time of transaction was 73.3 Mt at 1.34% Cu for 0.98 Mt of contained copper.	Reserves, Measured, Indicated, Inferred	73.3	1.3%	981	282.87	231.87	Post-completion, Tiger ceded a 5% interest to the DRC government. Operating mine – value driven by the reserves.

Table B3: Analysis of Comparative Transactions of resource copper projects in the DRC in terms of Ore Reserves

Transaction	Project	Date	Cu price (US\$/t)	Asset summary	Class	Reserve tonnes (Mt)	Cu Grade	Contained Cu (kt)	Implied (US\$/t)	Normalised (US\$/t)	Comment
CMOC consolidation of Tenke	Tenke Fungurume	Jun 2019	5,882	Large, operating high-grade copper-cobalt mine, with total resources of 824.6 Mt at 2.95% Cu and 0.29% Co.	Reserves, Measured, Indicated, Inferred	177.7	2.4%	4,300	1,124.03	1,097.43	Operating mine – “one of the largest, highest-grade producing copper cobalt mines in the world”.
Chengtun acquisition of Kalongwe	Kalongwe	Feb 2019	6,300	Development project with total resource base of 11.17 Mt at 2.7% Cu, including Ore Reserves of 7.99 Mt at 2.94% Cu.	Reserves, Measured, Indicated, Inferred	7.99	2.9%	235	409.17	372.97	Feasibility studies complete, development funding sought.
Terminated Tiger divestment of Kipoi	Kipoi	Jan 2018	7,072	Kipoi was an operating mine, requiring support from its lenders and creditors to continue operating. Total resource base was 69.4 Mt at 1.24% Cu, with Reserves of 47.8 Mt at 1.28% Cu.	Reserves, Measured, Indicated, Inferred	47.8	1.3%	611	447.93	363.75	Terminated. Included Lupoto and La Patience projects.
Glencore consolidation of Mutanda	Mutanda	Feb 2017	5,941	Operating mine with a total resource base of 698.7 Mt at 1.16% Cu and Reserves of 158.9 Mt at 1.79% Cu.	Reserves, Measured, Indicated, Inferred	158.9	1.8%	2,840	1,047.25	1,012.36	Very large operating mine.
Lundin divestment of Tenke	Tenke Fungurume	Nov 2016	5,451	Large, operating high-grade copper-cobalt mine, with total resources of 884.2 Mt at 2.81% Cu and 0.27% Co.	Reserves, Measured, Indicated, Inferred	181.6	2.5%	4,554	772.51	813.90	Operating mine – “one of the largest, highest-grade producing copper cobalt mines in the world”.
Regal additional interest in Kalongwe	Kalongwe	Oct 2016	4,731	The project covered a ground-holding of approx. 350 km <sup>2</sup> . Total Resources of 13.46 Mt at 2.24% Cu for 302,000 t of contained copper.	Measured, Indicated, Inferred	6.98	3.0%	211	94.57	114.79	Feasibility studies had commenced.
CMOC acquisition of Tenke	Tenke Fungurume	May 2016	4,713	Large, operating high-grade copper-cobalt mine, with total resources of 832.5 Mt at 2.9% Cu and 0.27% Co.	Reserves, Measured, Indicated, Inferred	183.1	2.6%	4,718	1,002.99	1,222.31	Operating mine – “one of the largest, highest-grade producing copper cobalt mines in the world”.



Transaction	Project	Date	Cu price (US\$/t)	Asset summary	Class	Reserve tonnes (Mt)	Cu Grade	Contained Cu (kt)	Implied (US\$/t)	Normalised (US\$/t)	Comment
Tiger consolidation of Kipoi	Kipoi	Aug 2014	7,006	Kipoi was an operating mine, which produced 42,255 t of copper in the previous year. Resource base at time of transaction was 73.3 Mt at 1.34% Cu for 0.98 Mt of contained copper.	Reserves, Measured, Indicated, Inferred	43.98	1.6%	737	376.53	308.63	Post-completion, Tiger ceded a 5% interest to the DRC government. Operating mine – value driven by the reserves.

## Appendix C: Comparative Exploration Transactions

Table C1: Comparative transactions involving copper exploration ground in DRC and Zambia

Transaction	Project	Country	Date	Cu price (US\$/t)	Buyer	Seller	Equity	Synopsis	Comment
MMG acquisition of Kasala	Kasala	DRC	May 2014	6,891	MMG Limited	El Nino Ventures Inc.	70%	In May 2014, El Nino announced an agreement whereby MMG acquired an option to purchase El Nino's 70% interest in the Kasala project for US\$6 million. The option was to be valid for a three-year period, with an initial payment of US\$350,000 to purchase the option, and the US\$6 million to be paid as an initial payment of US\$250,000 and three annual payments of US\$916,666, with the final US\$3 million to exercise the option. MMG had to incur US\$15 million in exploration expenditures over the three-year period. The agreement was terminated in April 2015, without the option being exercised.	Agreement terminated prior to option being exercised.
Okapi earn-in to Katanga Project	Katanga Project	DRC	Jan 2018	7,072	Okapi Resources Limited	Rubamin FZC	70%	In January 2018, Okapi announced an option agreement to acquire three copper/cobalt licences in the DRC. Okapi can acquire a 70% interest in each of the three licences by meeting the expenditure requirements for the licences over three years, which totals US\$3 million. In addition, there was an option fee of US\$25,000/licence.	Early stage project with little work done but benefit from "nearology".
Argonaut earn-in to Lumwana West	Lumwana West	Zambia	Feb 2017	5,941	Argonaut Resources NL	Antofagasta Plc	25%	In February 2017, Argonaut announced an agreement with Antofagasta whereby Argonaut would re-acquire the 25% interest in the Lumwana project that Antofagasta had earned, for milestone payments of US\$1 million on the commencement of a feasibility study, and US\$3 million on development decision. In addition, Antofagasta would retain a 1.5% net smelter royalty on production, which Argonaut would have the right to acquire for US\$4 million. Argonaut also agreed to pay Antofagasta 25% of any sale proceeds in the event the project was divested.	

Transaction	Project	Country	Date	Cu price (US\$/t)	Buyer	Seller	Equity	Synopsis	Comment
Antofagasta earn-in to Lumwana West	Lumwana West	Zambia	Apr 2014	6,673	Antofagasta Plc	Argonaut Resources NL	25%	In April 2014, Argonaut announced an agreement with Antofagasta, whereby Antofagasta would earn a 25% interest in Lumwana West by funding US\$3.9 million in exploration within one year, and a US\$1.1 million placement in Argonaut. By expending US\$15 million within four years of the completion of the initial phase, with an annual minimum expenditure of US\$2.5 million per year, Antofagasta could earn an effective 51% interest in the project.	
Midnight Sun consolidation of Solwezi	Solwezi	Zambia	Feb 2018	7,007	Midnight Sun Mining Corp.	Kam Chuen Resource Holdings Inc.	40%	In February 2018, Midnight Sun announced an agreement to acquire the remaining 40% interest in the Solwezi permits for aggregate consideration of C\$30 million in cash payable over four years.	Strategic value of consolidating ownership

Table C2: Analysis of comparative copper exploration ground transactions in the DRC and Zambia

Transaction	Project	Country	Date	Cu price (US\$/t)	Asset summary	Area (km <sup>2</sup> )	Implied (US\$/km <sup>2</sup> )	Normalised (US\$/km <sup>2</sup> )	Comment
MMG acquisition of Kasala	Kasala	DRC	May-14	6,891	Licence PR 5214 covered the Kasala project, with an area of 9,735 ha. Copper mineralisation had been confirmed from RC and DD drilling. No mineral resources were disclosed.	97.4	93,184	77,661	Agreement terminated prior to option being exercised.
Okapi earn-in to Katanga Project	Katanga Project	DRC	Jan-18	7,072	The three licences are not contiguous. The total area of the package is 247 km <sup>2</sup> . Each of the licences overlies Roan Group Mine Sequence rock units.	247.0	17,785	14,443	Early stage project with little work done but benefit from "nearology".
Argonaut earn-in to Lumwana West	Lumwana West	Zambia	Feb-17	5,941	The Lumwana West licence covered an area of approximately 589 km <sup>2</sup> in the Domes Region in North Western Zambia. The Nyungu copper-cobalt deposit was known from initial drilling. An Exploration Target of 130–180 Mt at a grade of 0.45% to 0.65% Cu.	588.9	27,167	26,262	
Antofagasta earn-in to Lumwana West	Lumwana West	Zambia	Apr-14	6,673	The Lumwana West licence covered an area of approximately 589 km <sup>2</sup> in the Domes Region in North Western Zambia. The Nyungu copper-cobalt deposit was known from initial drilling. No resource had been declared.	588.9	33,959	29,228	

Transaction	Project	Country	Date	Cu price (US\$/t)	Asset summary	Area (km <sup>2</sup> )	Implied (US\$/km <sup>2</sup> )	Normalised (US\$/km <sup>2</sup> )	Comment
Midnight Sun consolidation of Solwezi	Solwezi	Zambia	Feb-18	7,007	The two licences cover a total of 506 km <sup>2</sup> and are situated approx. 15 km from the Kinsanshi copper/gold mine. Multiple prospects have drill-confirmed high-grade mineralisation.	506.0	117,208	96,071	Strategic value of consolidating ownership

## Appendix D: Geoscience Factor Ratings

Table D1: Geoscience Factor ratings for Tiger's exploration ground in the DRC

Project	Licence		Area (km <sup>2</sup> )	Of-property		On-property		Anomaly		Geology		Market	Value (100% basis)		
				Low	High	Low	High	Low	High	Low	High		Low	High	Preferred
Kipoi	#PE 533	C	12.85	2	4.5	1.5	2	1	1.5	1.5	2	1.2	44,124	264,744	154,434
	PE 11383		1.69	4	5	3.5	4	2	3	2.5	3	1.2	90,270	232,123	161,197
	PE 11384		7.64	1	1.5	0.5	1	0.5	1	0.5	1	1.2	729	8,745	4,737
	PE 11385		20.43	3.5	5	3.5	4.5	4.5	5	2.5	3	1.2	2,148,408	5,261,407	3,704,908
	PE 11386		0.84	0.5	2	1.5	2	1	1.5	1.5	2	1.2	721	7,692	4,206
	PE 11387		1.69	1	3	0.5	1	1	1.5	0.5	1.5	1.2	322	8,705	4,514
<b>Total</b>			<b>45.14</b>										<b>2,284,574</b>	<b>5,783,416</b>	<b>4,033,995</b>
Lupoto	PE 2214	N	52.76	2.5	3.5	1.5	2	1.5	2.5	1.5	2.5	1.2	339,687	1,761,338	1,050,512
		S	67.07	3	4	2	3	2.5	3.5	2	3	1.2	1,535,357	6,448,499	3,991,928
	<b>Total</b>		<b>119.83</b>										<b>1,875,043</b>	<b>8,209,836</b>	<b>5,042,440</b>
La Patience	PR 10715		6.79	2.5	3	1	1.5	1	1.5	1.5	2	1.2	10,594	38,138	24,366
<b>TOTAL</b>			<b>171.76</b>										<b>4,170,212</b>	<b>14,031,390</b>	<b>9,100,801</b>

#Sub-blocks PE 533 W and PE 533 S were not considered in this method, as they were considered resource areas.



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## Appendix 6 - Instruction Letter

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**Confidential & Privileged**

8 November 2019

To Sherif Andrawes  
BDO  
38 Station St  
Subiaco, WA, 6008

Dear Sherif

**Project Jericho – restructuring of Tiger Resources Limited (Scheme Company)**

- 1 We act for the Scheme Company.
- 2 The Scheme Company is the ultimate parent company of a number of entities incorporated in Australia and in other jurisdictions (together, **Group**). The Group structure is shown in Schedule 1. One of the majority-owned, indirect subsidiaries of the Scheme Company is Societe D'Exploitation de Kipoi S.A. (**SEK**) which is incorporated in the Democratic Republic of Congo and operates the Kipoi Mine, located in the Democratic Republic of Congo. The Kipoi Mine produces copper.
- 3 We have been instructed by the Scheme Company to engage you to prepare an independent expert report (**IER**) addressing financial matters relating to a prospective proposal by the Scheme Company to apply for orders under section 411(1) of the *Corporations Act 2001* (Cth) (**Act**) convening a meeting of all of the Senior Lenders (defined below) to consider a scheme of arrangement proposal (**Prospective Scheme**).
- 4 You are instructed that any previous instructions from, or engagements with, the Scheme Company are terminated immediately.

**Background**

- 5 The Scheme Company is a public Australian corporation which is listed on the Australian Securities Exchange (**ASX**). On 22 February 2018, the Scheme Company was suspended under the ASX Listing Rules and it remains in suspension. The Scheme Company has announced it has commenced discussions with its senior lenders to restructure the Scheme Company's current debt and is currently progressing all commercial opportunities in the interests of its shareholders and other stakeholders. Prior to its suspension, the Scheme Company raised substantial funds on the ASX which have been on-funded through the Group, including to fund SEK's working capital requirements through mineral exploration and operations at the Kipoi Mine.
- 6 SEK has also borrowed substantial funds from the Taurus Mining Finance Fund L.P., International Finance Corporation and QMetco Limited (together, the **Senior Lenders**) which other members of the Group including the Scheme Company have guaranteed. Specifically:



- (a) SEK is the borrower under the following loan agreements with the Senior Lenders:
- (i) Loan Agreement dated 16 December 2015, as amended and restated from time to time, between SEK and Taurus Mining Finance Fund L.P.;
  - (ii) Loan Agreement dated 16 December 2015, as amended and restated from time to time, between SEK and International Finance Corporation;
  - (iii) Loan Agreement dated 14 August 2019 between SEK and QMetco Limited; and
  - (iv) Loan Agreement (Tranche A) dated 31 August 2019 between SEK and QMetco Limited,
- (together, the **Loan Agreements**);
- (b) the Scheme Company and other subsidiaries in the Group have guaranteed, amongst other things, SEK's obligations under the Loan Agreements pursuant to the Guarantee, Share Retention and Subordination Deed dated 18 January 2016 between, amongst others, SEK, the Scheme Company and the Senior Lenders (**Guarantee**), and as such for the purposes of the Loan Agreements are described as "Guarantors"; and
- (c) SEK, the Scheme Company and other subsidiaries in the Group have provided various forms of security in favour Law Debenture Trustees Limited (**Security Trustee**) (**Securities**). The Security Trustee holds the Securities on trust for the Senior Lenders subject to a security trust constituted under the Intercreditor and Security Sharing Agreement dated 20 January 2016, as amended and restated from time to time between, amongst others, the Senior Lenders and the Security Trustee (**Security Sharing Agreement**).
- 7 The Senior Lenders' rights against the Scheme Company are constituted under the under the Loan Agreements, the Security Sharing Agreement and the related documents which form part of that financing arrangement and are defined as the "Financing Documents".
- 8 The Group's current forecast cashflow requirements exceed the funds available to the Group. In the circumstances, the Senior Lenders can issue demands against SEK and the other Group members which are Guarantors. The Scheme Company has elected to propose the Prospective Scheme to the Senior Lenders to seek to compromise the indebtedness under the Loan Agreements as part of a holistic recapitalisation of the Scheme Company and the Group.

## Instructions

- 9 It is against this background that we are instructed by the Scheme Company to engage you to prepare an independent expert report (**IER**) addressing the following matters:
- (a) The solvency of the Scheme Company immediately following implementation of the proposed Scheme. For the avoidance of doubt:
    - (i) solvency is to be determined immediately following completion of the Scheme; and
    - (ii) you are to determine "solvency" with reference to section 95A of the Act.
  - (b) The value of the assets of the Scheme Company relative to the debts owing to the Senior Lenders under the Loan Agreements.

(c) The expected dividend that would be available to:

- (i) the Senior Lenders; and
- (ii) shareholders of the Scheme Company,

if the Prospective Scheme did not proceed and, as part of an enforcement of the Guarantee and Securities granted by the Guarantors (including the Scheme Company) in support of SEK's obligations under the Loan Agreements, the Scheme Company were to be wound up within 6 months of the hearing of the application for an order under section 411(1) and (1A) of the Act.

(d) The expected dividend that would be paid to:

- (i) the Senior Lenders; and
- (ii) shareholders in the Scheme Company,

if the Scheme were put into effect as proposed, immediately after implementation of the Scheme.

The requirement to calculate the expected dividend that would be paid to scheme creditors if the scheme were to be put into effect as proposed is drawn from s 8201(b) in Part 2 of Schedule 8 of the *Corporations Regulations 2001* (Cth).

(e) The likely outcome for the Scheme Company should the Scheme not be implemented having regard to the Scheme Company's existing financial position, and projections.

10 The IER should include a schedule listing the data, reports and other information (to the extent this material is not set out in the body of the IER) which has been used to prepare the IER.

11 You are instructed to provide us with a list of information requested from the Scheme Company required for you to prepare the IER. A list of the documents you have reviewed and ultimately relied on to prepare the IER will need to be scheduled to the IER.

12 You are also instructed to read the following **enclosed** documents:

- (a) Federal Court of Australia Practice Note CM7 – Expert witnesses in proceedings in the Federal Court of Australia and to acknowledge in the IER that you have done so and agree to comply with it;
- (b) Expert witness code of conduct prescribed under the Uniform Civil Procedure Rules 2005 (NSW) for use in proceedings in the Supreme Court of New South Wales and to acknowledge in the IER that you have done so and agree to comply with it; and
- (c) Regulatory Guide 112 issued by the Australian Securities and Investments Commission (**ASIC**) on 30 March 2011 and to acknowledge in the IER that you are independent in accordance with the requirements of Regulatory Guide 112 and that you consider that you have complied with the terms of that document.

13 You are also instructed to disclose in the IER the existence of any prior engagements you have had with the Scheme Company or any member of the Group.

- 14 You are not required to advise or comment on the following issues:
- (a) the likelihood of the Senior Lenders enforcing the Guarantee and Securities against the Guarantors;
  - (b) whether there are any alternatives to the Scheme Company being wound up or to the Prospective Scheme being put into effect as proposed; or
  - (c) the value of claims by the Senior Lenders for the purpose of voting in respect of either the winding up of the Scheme Company or the Prospective Scheme as proposed.
- 15 The finalised IER is required to be delivered in the week commencing 25 November 2019.

### Use of the IER

- 16 The Scheme Company intends to apply to court to seek orders giving effect to the Prospective Scheme and will need to make public disclosures to comply with the requirements of the Corporations Act, court rules and orders and as part of consultation between the Scheme Company and other persons (including the ASIC and the ASX).
- 17 Accordingly, you confirm your consent to your work output under this engagement (including the IER or extracts of it or any annexures) being used by the Scheme Company generally for the purposes of implementing or giving effect to the Prospective Scheme, including:
- (a) in evidence in court proceedings commenced by the Scheme Company;
  - (b) in disclosures made by the Scheme Company to the Senior Lenders and any other parties impacted by or involved in the Prospective Scheme, including in an explanatory statement issued to the Senior Lenders and ASIC; and
  - (c) in documents disclosed by the Scheme Company to the ASX or otherwise to the Scheme Company's shareholders.

### Confidentiality

- 18 Your services as independent expert may require you to receive confidential and/or proprietary information or property of the Scheme Company. You agree to maintain all documents, information and things obtained in connection with this matter in strict confidence. You agree to maintain any reports, work papers, memoranda or summaries which may be prepared in connection with the engagement by you or personnel assisting you in strict confidence. You agree not to disclose these things to any person or use them for any purpose apart from assisting King & Wood Mallesons and the Scheme Company in relation to this matter, and you agree to ensure your personnel are obliged to do the same. You agree to retain all such material, subject to our instructions.
- 19 Apart from engaging with us, the Scheme Company and its authorised personnel or consultants, and the giving of evidence in the Court proceedings:
- (a) you must keep all communications between us confidential (including the contents of this letter). It is a condition of this engagement that you take all reasonable measures to protect the confidentiality of, and any privilege attaching to, these communications;
  - (b) you must not disclose to anyone the content of any confidential oral or written communication relating to this engagement;

- (c) no other use, disclosure or dissemination of such materials or information gained in connection with this engagement is to be made without prior written consent, except as may be required by law; and
- (d) you must not discuss any aspect of this matter with any other person, or inform them of your involvement in this matter, without our prior written consent.

20 Please mark any written communications (including emails) and reports involving this matter “**Privileged and Confidential**”. Please address all communications in connection with your services to:

***Privileged and Confidential***

Attention: Tim Klineberg and Daniel Natale  
King & Wood Mallesons  
Level 61, Governor Phillip Tower, 1 Farrer Place  
Sydney NSW 2000

[tim.klineberg@au.kwm.com](mailto:tim.klineberg@au.kwm.com); [daniel.natale@au.kwm.com](mailto:daniel.natale@au.kwm.com)

21 All documents obtained in the course of this engagement must be returned to us upon request. The obligations in this letter expressly apply to both you and any personnel providing assistance to you. The obligations in this letter survive expiration or termination of this engagement.

### **Your fees**

22 We confirm that the Scheme Company will ultimately be responsible for your fees for the preparation of the IER, and that we will hold funds provided to us by the Scheme Company in our trust account to cover the estimated fees and expenses you incur pursuant to this engagement.

### **Confirmation**

23 You are asked to confirm your agreement to the terms of this engagement by signing where indicated below and returning this letter to us.

Please contact us should you require any further information or confirmation, or if you have any questions or issues in relation to this letter or otherwise.

Yours faithfully



King & Wood Mallesons

[Contact](#)

**Tim Klineberg | Partner**

**King & Wood Mallesons**

T +61 2 9296 2493 | M +61 451 302 009

[tim.klineberg@au.kwm.com](mailto:tim.klineberg@au.kwm.com)

**This communication and any attachments are confidential and may be privileged.**

Signed for and on behalf of

**BDO CORPORATE FINANCE (WA) PTY LTD**



**Sherif Andrawes**

Director

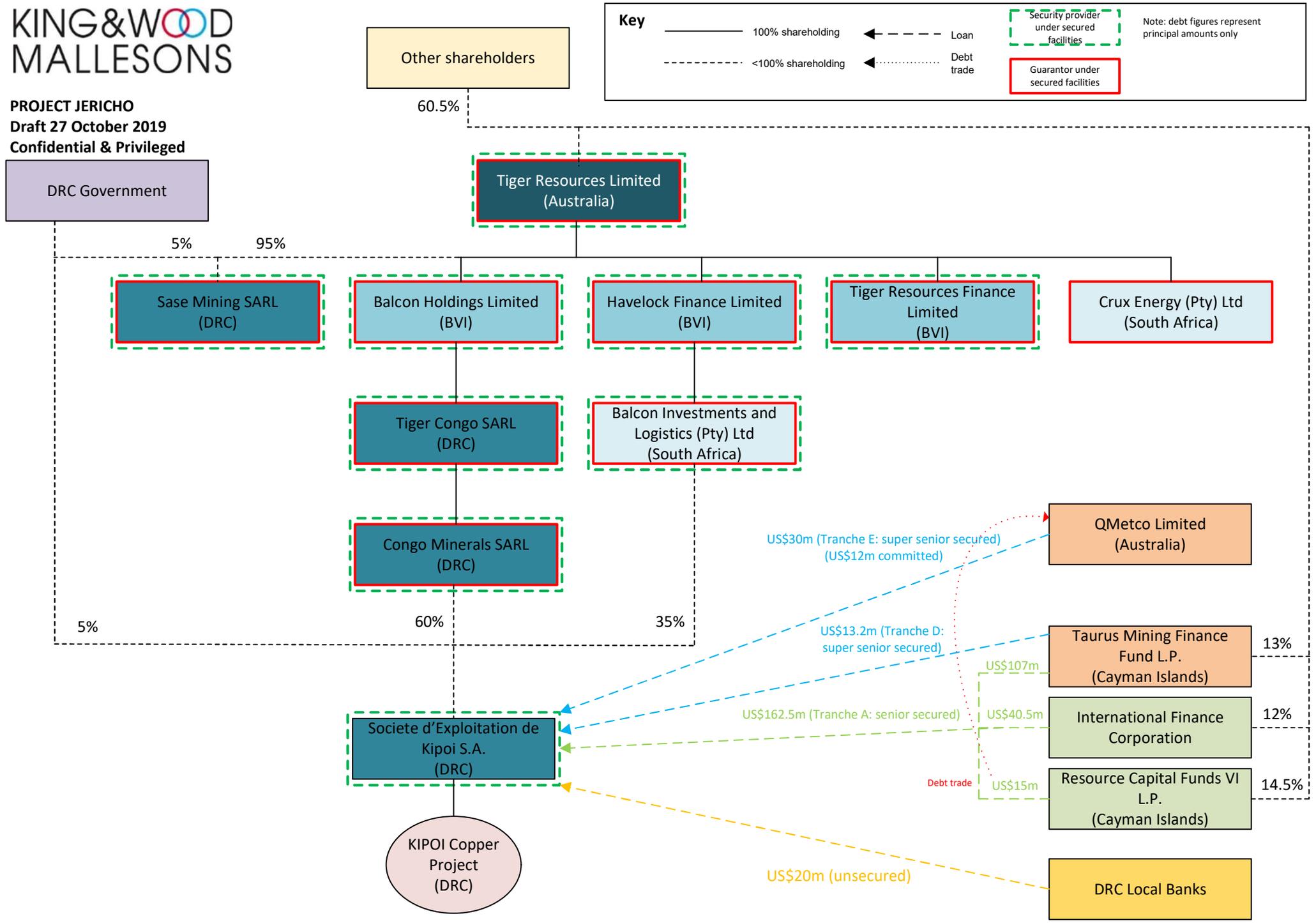
11 November 2019

## Schedule 1 – Group structure chart

**Key**

- 100% shareholding
- - - <100% shareholding
- ← Loan
- ← Debt trade
- Security provider under secured facilities
- Guarantor under secured facilities

Note: debt figures represent principal amounts only



# Explanatory Statement

Annexure E Certified copies of financial statements



## Appendix 4D

Half yearly Report

30 June 2019

I certify that this is a true copy of Tiger Resources Limited's Appendix 4D - Half yearly report 30 June 2019.

Signed: *Caroline Keats*

Name: *Caroline Keats*

Position: *M.D./CEO*

Dated: *23.12.2019*

Half year ended: <b>30 June 2019</b>	Corresponding half year period: <b>30 June 2018</b>
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### Results for announcement to the market

Expressed in United States Dollars, unless stated otherwise

		Half year ended 30 June 2018		Half year ended 30 June 2019
		\$'000		\$'000
Revenue from ordinary activities	Down 55% from	65,573	to	29,807
Loss after tax from ordinary activities	Down 359% from	(8,088)	to	(37,137)
Loss after tax attributable to members	Down 351% from	(7,817)	to	(35,275)

### Net tangible assets per share

	30 June 2018	30 June 2019
Net tangible assets per share	(\$0.04)	(\$0.07)

### 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 2019 of \$35.275 million (30 June 2018: \$7.817 million), representing a loss per share of 1.61 cents (30 June 2018: 0.38 cents per share).

The increase in the loss was primarily due to a decrease in revenue resulting from a decrease of copper sold (down 4,671 tonnes) and average realised copper price (down 870 US\$/t) during the period compared to the previous period. Production was also lower by 5,735 tonnes due to significant wet weather events, delayed delivery of the crushing plant and tank leach feed issues, while fixed costs remained high.

### 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
- Societe d'Exploitation de Kipoi SA
- Crux Energy (Pty) Ltd

**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 2019. Other detailed commentary on the variation between the results for the half-year ended 30 June 2019 and the comparative period is provided in the Directors Report of the Interim Financial Report.

Date: 16 December 2019



Caroline Keats  
Managing Director/CEO



**Interim Financial Report  
for the half-year ended 30 June 2019**

expressed in United States Dollars, unless stated otherwise

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## **Corporate Directory**

### **DIRECTORS**

Caroline Keats  
*Managing Director/CEO*

Michael Anderson  
*Non-Executive Chairman*

Michael Griffiths  
*Non-Executive Director*

Rachel Johnston  
*Non-Executive Director*

### **CHIEF FINANCIAL OFFICER**

Ian Goldberg

### **COMPANY SECRETARY**

Ian Goldberg

### **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](http://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 2019.

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:

Caroline Keats (appointed Managing Director and CEO on 12 July 2019)

Michael Anderson (appointed non-executive director on 8 August 2019 and non-executive Chairman on 16 August 2019)

Michael Griffiths

Rachel Johnston (appointed 22 May 2019)

David Frances (resigned 11 July 2019)

Shawn McCormick (resigned 4 July 2019)

Mark Lynam (appointed 29 May 2019 and resigned 11 July 2019)

## **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 2019, cash and cash equivalents held by the Group was \$1.303 million (31 December 2018: \$5.265 million). The balance of copper cathode finished product inventory on hand was 248 tonnes with a sales value of \$1.372 million (31 December 2018: 1,143 tonnes with a sales value of \$6.309 million).

During the half-year ended 30 June 2019 the Group realised a net loss after tax of \$37.137 million (30 June 2018: \$8.088 million); with \$1.862 million (30 June 2018: \$0.271 million) attributable to non-controlling interests and \$35.275 million (30 June 2018: \$7.817 million) to the owners of the Company.

### **Health and Safety**

The good safety record at Kipoi continued with no lost time injuries in the six months to 30 June 2019.

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 2019 the Company reported production of 4,007 tonnes of copper cathode, a 79% decrease from the corresponding six-month period to 30 June 2018. Production in the period was negatively impacted by significant wet weather events, delayed delivery of the crushing plant and tank leach feed issues.

A total of 425,561 tonnes of ore was stacked to heap leach pads and 601,317 tonnes of ore was processed through the tank leach.

Grid power supplied 92% of Kipoi's power requirements for the six months to June 2019 (30 June 2018: 95%).

### **Copper Sales**

Revenue of \$29.807 million was recognised from the sale of 4,902 tonnes of copper cathode at a realised copper price of \$6,121 per tonne.

## **Corporate**

### **Events during the half-year**

During the half-year ended 30 June 2019, Tiger Resources secured a funding facility of up to US\$13.2 million with Taurus Mining Finance Fund L.P. ("Taurus"), one of its current senior lender group, as announced on 1 May 2019.

Mining of stages one and two of Kipoi North were completed in the first half of the year with the third and final stage completed in the second half of 2019. Technical studies continued for the Kileba deposit where ore began to be sourced in the second half of 2019.

On 1 May 2019, the Company advised the ASX that the Company and the Senior Lenders had agreed to extend the second deed of forbearance to 31 May 2020. In November 2019, two of the Company's senior lenders, Taurus and QMetco, signed a further deed of forbearance, providing forbearance relief in relation to certain defaults which have arisen under the financing arrangements. The additional forbearance arrangements will terminate, amongst other things, if the debt restructuring process is not implemented by 30 April 2020. Tiger has discussed with the IFC regarding its support for the additional forbearance arrangements and the Company's intended debt restructure terms.

During the period Rachel Johnston was appointed as a non-executive director on 22 May 2019 and Mark Lynam was appointed as a non-executive director on 29 May 2019.

### **Finance Facilities and Going Concern**

#### ***Recapitalisation and restructure status***

As previously announced by the Company, it has for some time been progressing discussions with the Senior Lenders to agree the terms of a holistic restructure of the Company's debt position to provide a more sustainable capital structure and balance sheet position.

The primary objectives of the capital restructure include the reduction of the Company's debt (potentially through a debt-for-equity conversion by the Senior Lenders) and the securing of additional liquidity to sustain the Company's proposed capital expenditure and debt payoff schedule. Achieving these objectives will likely require existing debt holders to convert all or a significant part of their debt to equity, which will be highly dilutive to existing shareholders.

On 6 December 2019, the Company determined after consultation with its Senior Lenders, to progress a creditors' scheme of arrangement which will, with the approval of the Court and the majority of the Senior Lenders whose claims together amount to at least 75% of the secured debt, and by a majority in number (more than 50%) of the senior lenders who are present and voting at the meeting, result in the Senior Lenders exchanging a substantial portion of their debt for equity in the Company. The debt restructure proposal currently has the support of QMetco and Taurus, with further details as announced to ASX on 6 December 2019.

## **Directors' Report**

Notwithstanding the progress that has been made, the proposal remains incomplete and there is no guarantee an acceptable agreement will be reached with all of the Senior Lenders, or that a debt restructure will be successfully implemented. The Company's ability to achieve any restructure will depend on a number of circumstances, including the ongoing support of the Company's secured lenders, market conditions and, potentially, the approval of other stakeholders, including the DRC Government.

### ***Additional funding***

Subsequent to year end the Company secured a US\$13.2 million funding facility (Tranche D) with Taurus (one of its senior lender group) that provided important interim funding to support the Company's ongoing operations and to allow the Company to pursue initiatives designed to improve operational and financial performance of Kipoi, including capital upgrades essential for longer term production improvement and management of creditors. The facility was fully drawn-down by 22 July 2019.

On 14 August 2019, the Company secured a further US\$30 million funding facility (Tranche E) with QMetco Limited (a wholly-owned subsidiary of Taurus) to allow the Company to continue its planned capital enhancements as well as to provide ongoing working capital. The Tranche E facility was made available in 3 tranches. While the first 2 tranches (US\$12 million) have already been drawn, the third tranche (US\$18 million) requires the satisfaction of certain conditions including Company shareholder approval being obtained by 30 November 2019 (in order to allow QMetco to convert the loan into ordinary shares in the Company at its election).

In this regard, QMetco has agreed to amend the facility to permit the Company to access the third tranche without the requirement to obtain shareholder approval (and certain other amendments). This amendment requires the agreement of each Senior Lender and an amendment to the waiver previously granted by ASX in respect of the application of ASX Listing Rule 10.1. As at the date of this report, the Senior Lenders have approved the terms of the amendment and the ASX has amended the waiver in order for the funds to be advanced by QMetco to meet the Company's urgent funding needs.

The Company remains subject to significant liquidity and indebtedness risks and requires access to the remaining US\$18 million as soon as possible in order for the Company to meet its short-term and medium-term capital expenditure requirements.

### ***Forbearance arrangements***

The Group has been in breach of certain terms of the Senior Facility (refer note 7) from time to time since its inception and waivers of such breaches have been granted by the Senior Lenders.

On 3 October 2018 the Group and the Senior Lenders signed a second forbearance agreement extending the forbearance period to 31 October 2019, which was amended on 21 December 2018, 18 January 2019, 17 April 2019 (extending the forbearance period to 31 May 2020) and 14 August 2019 (Current Forbearance Arrangements). Under the Current Forbearance Arrangements, the Senior Lenders have agreed to waive the repayment of principal and capitalise interest on certain existing secured debt facilities (subject to conditions and undertakings).

As at the date of this report, the Group is in breach of a number of financial covenants. As a consequence of these breaches and the fact the Current Forbearance Arrangements were scheduled to terminate on 31 May 2020, the outstanding amounts are required to be classified as current liabilities.

In order to facilitate the broader debt restructure, the Senior Lenders have been asked to agree to additional forbearance arrangements in relation to certain defaults which has arisen during the Company's debt restructuring negotiations (Additional Forbearance Arrangements). Without the Additional Forbearance Arrangements, any defaults under the facility documents may give the Senior Lenders the right to accelerate their loans, which Tiger (as guarantor of those loans) would not be in a position to repay in full. The Additional Forbearance Arrangements will terminate, amongst other things, if the debt restructuring process is not implemented by 30 April 2020.



## **Directors' Report**

As at the date of this report, the Company has agreed the Additional Forbearance Arrangements with two of the three Senior Lenders. The Company is working to seek the agreement of the final Senior Lender in order to ensure the Company has the support of all Senior Lenders. Notwithstanding the progress that has been made, there is no guarantee an acceptable agreement will be reached with the remaining Senior Lender and that this Senior Lender won't accelerate their loans

### ***Material uncertainty***

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

- (i) improvement of its operational and financial performance;
- (ii) continued access to the remaining US\$18 million under the Tranche E facility;
- (iii) additional third party funding being provided in early 2020 (the Company is currently progressing discussions with potentially interested parties);
- (iv) successful completion of a restructuring of its senior debt;
- (v) ongoing support from the Senior Lenders of the Company in the form of the Additional Forbearance Arrangements; and
- (vi) the ability to deal with the following items in the ordinary course of business (notes refer to the financial statements enclosed):
  - a. the substantial trade creditor position;
  - b. an extension to the requirement to repay US\$5 million under the Rawbank overdraft facility, which the Company is currently seeking from Rawbank (see note 7); and
  - c. any required repayments to Megatron DRC under the energy efficiency and network reinforcement program,

the Group will be unable to repay its commitments under the senior secured debt facility and the unsecured debt facilities provided by the DRC banks, and will not be able to fund additional development for its Kipoi project. The Directors believe the Company will be able to conclude arrangements to address the matters noted above.

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, whether the Group will be able 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 continue as a going concern, for the reasons set out above.

Accordingly, 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.

## **Directors' 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 July 2019, the Company advised the ASX that Shawn McCormick had resigned as a non-executive director.
- On 12 July 2019, the Company advised the ASX of the following Board and Management changes:
  - David Frances had resigned as the Executive Chairman
  - Caroline Keats had been appointed Managing Director/CEO
  - Mark Lynam had resigned as a non-executive director
- On 22 July 2019, the Company advised the ASX that Jozsef Patarica had been appointed as Chief Operating Officer.
- On 22 July 2019, the Group drew down on the remaining \$4.225 million of the tranche D loan.
- On 8 August 2019, Michael Anderson was appointed as a non-executive director and on 16 August 2019 was appointed as the non-executive Chairman.
- On 14 August 2019, the Company secured a \$30 million funding facility (Tranche E) with QMetco Limited which will be used by the Company to continue its planned capital enhancements as well as provide ongoing working capital. In December 2019, the Senior Lenders agreed to amend the facility to permit the Company to access the third tranche without the requirement to obtain shareholder approval (and certain other amendments).
- On 22 August 2019, the Company issued 31,696,206 ordinary shares to the Senior Lenders.
- On 31 August 2019, the whole of the senior lender debt held by RCF was acquired by QMetco. The Senior Lenders of the Company are now QMetco, Taurus and the IFC.
- On 25 September 2019, Tamara Lissovski was appointed as Interim Company Secretary, replacing Janie Corke. Ms Lissovski resigned on 2 December 2019.
- On 1 November 2019, Ian Goldberg was appointed Chief Financial Officer, replacing David Wrigley. Mr Goldberg was subsequently appointed Company Secretary on 2 December 2019.
- On 26 November 2019, the Company announced an update of its Mineral Resources and Ore Reserves at its Kipoi Copper Project as at 30 June 2019.

The Company continues to assess financing options to secure its capital investment objectives.

The Company has been reviewing its cash flow requirements for the current period which suggest a need for a broader capital restructure in the near term. The Company has also been continuing its discussions with its senior lender group regarding potential options to restructure its balance sheet, in order to provide the Company with a more stable and sustainable capital structure. On 6 December 2019, the Company determined after consultation with its Senior Lenders, to progress a creditors' scheme of arrangement. The debt restructure proposal currently has the support of Qmetco and Taurus, further details as announced to the ASX on 6 December 2019.

The Company had previously entered into forbearance arrangements with its senior lenders pursuant to which the senior lenders had agreed not to accelerate or enforce their claims against SEK (or Tiger) ("Current Forbearance Arrangements"). The Current Forbearance Arrangements were scheduled to terminate on 31 May 2020 but may terminate earlier if certain events occur.

## **Directors' Report**

### **Subsequent events (continued)**

In November 2019, two of the Company's senior lenders, Taurus and QMetco, signed a further deed of forbearance, providing forbearance relief in relation to certain defaults which have arisen under the financing arrangements. The additional forbearance arrangements will terminate, amongst other things, if the debt restructuring process is not implemented by 30 April 2020. Tiger has discussed with the IFC regarding its support for the additional forbearance arrangements and the Company's intended debt restructure terms.

The Company notes that the Tranche E QMetco facility and the forbearance arrangements are interim measures to seek to place the Company in a stronger financial position to progress a holistic capital restructure. There is no guarantee that those discussions will lead to an appropriate outcome or that the Company will be able to secure alternate funding on acceptable terms and within the time required, if at all, in the circumstances.

The Company has been in voluntary suspension from trading on the ASX since 22 February 2017. As previously announced, the Company would be de-listed from the ASX if it was unable to meet the ASX's listing requirements by February 2020. The Company confirms that as its capital structure is unlikely to be appropriate for continued listing, it will be de-listed from the ASX on 3 February 2020 under ASX's long term suspended entity policy.

### **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 10.

### **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.



Caroline Keats  
*Managing Director/CEO*  
Perth

16 December 2019



## *Auditor's Independence Declaration*

As lead auditor for the review of Tiger Resources Limited for the half-year ended 30 June 2019, 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.

A handwritten signature in black ink, appearing to read 'Justin Carroll', written in a cursive style.

Justin Carroll  
Partner  
PricewaterhouseCoopers

Perth  
16 December 2019

## Consolidated Statement of Comprehensive Income

	Notes	Consolidated	
		Six months ended 30 June 2019	Six months ended 30 June 2018
		\$'000	\$'000
Revenue		29,807	65,573
Cost of sales		(43,566)	(51,898)
		<b>(13,759)</b>	<b>13,675</b>
Other income		25	2,611
Exploration and evaluation expenses		(865)	(1,480)
Administration expenses	4(a)	(2,361)	(3,387)
Movement in fair value of derivative liability		11	162
Foreign exchange gain		288	1
Doubtful debt expense	3(b)	(6,527)	(6,019)
Finance costs	4(b)	(13,651)	(12,995)
<b>Loss before income tax</b>		<b>(36,839)</b>	<b>(7,432)</b>
Income tax expense	4(c)	(298)	(656)
<b>Loss for the period</b>		<b>(37,137)</b>	<b>(8,088)</b>
<i>Net loss attributable to:</i>			
Owners of Tiger Resources Limited		(35,275)	(7,817)
Non-controlling interests		(1,862)	(271)
		<b>(37,137)</b>	<b>(8,088)</b>
<b>Total comprehensive loss for the period</b>		<b>(37,137)</b>	<b>(8,088)</b>
Total comprehensive loss for the period is attributable to:			
Owners of Tiger Resources Limited		(35,275)	(7,817)
Non-controlling interests		(1,862)	(271)
		<b>(37,137)</b>	<b>(8,088)</b>
Basic loss per share (cents per share)		(1.61)	(0.38)
Diluted loss per share (cents per share)		(1.61)	(0.38)

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

## Consolidated Balance Sheet

	Notes	Consolidated	
		30 June 2019	31 December 2018
		\$'000	\$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,303	5,265
Trade and other receivables	5	3,813	3,633
Inventories		25,246	27,493
<b>Total current assets</b>		<b>30,362</b>	<b>36,391</b>
<b>Non-current assets</b>			
Receivables	5	2,372	2,848
Mine properties & development		37,732	37,378
Plant & equipment	6	78,812	77,177
<b>Total non-current assets</b>		<b>118,916</b>	<b>117,403</b>
<b>Total assets</b>		<b>149,278</b>	<b>153,794</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payable, contract and other liabilities		51,841	40,712
Current tax payable		831	149
Borrowings	7	233,746	214,163
<b>Total current liabilities</b>		<b>286,418</b>	<b>255,024</b>
<b>Non-current liabilities</b>			
Other payables		5,816	5,884
Borrowings	7	6,439	7,448
Derivative financial instruments		-	11
Provisions	8	10,714	9,325
<b>Total non-current liabilities</b>		<b>22,969</b>	<b>22,668</b>
<b>Total liabilities</b>		<b>309,387</b>	<b>277,692</b>
<b>NET LIABILITIES</b>		<b>(160,109)</b>	<b>(123,898)</b>
<b>EQUITY</b>			
Contributed equity	9	302,399	301,491
Reserves		(47,131)	(47,149)
Accumulated losses		(406,981)	(371,706)
Capital and reserves attributable to owners of the Company		(151,713)	(117,364)
Non-controlling interest		(8,396)	(6,534)
<b>TOTAL EQUITY</b>		<b>(160,109)</b>	<b>(123,898)</b>

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	
<b>Balance at 1 January 2018</b>		299,812	(47,250)	(321,357)	(68,795)	(3,855)	(72,650)
Loss for the half-year		-	-	(7,817)	(7,817)	(271)	(8,088)
<b>Total comprehensive loss for the half-year</b>		-	-	(7,817)	(7,817)	(271)	(8,088)
<i>Transactions with owners in their capacity as owners:</i>							
Contributions of equity, net of transaction costs		805	-	-	805	-	805
Share-based payments		-	35	-	35	-	35
		805	35	-	840	-	840
<b>Balance at 30 June 2018</b>		300,617	(47,215)	(329,174)	(75,772)	(4,126)	(79,898)
<b>Balance at 1 January 2019</b>		301,491	(47,149)	(371,706)	(117,364)	(6,534)	(123,898)
Loss for the half-year		-	-	(35,275)	(35,275)	(1,862)	(37,137)
<b>Total comprehensive loss for the half-year</b>		-	-	(35,275)	(35,275)	(1,862)	(37,137)
<i>Transactions with owners in their capacity as owners:</i>							
Contributions of equity, net of transaction costs		908	-	-	908	-	908
Share-based payments		-	18	-	18	-	18
		908	18	-	926	-	926
<b>Balance at 30 June 2019</b>		302,399	(47,131)	(406,981)	(151,713)	(8,396)	(160,109)

*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 2019 \$'000	Six months ended 30 June 2018 \$'000
<b><i>Cash flows from operating activities</i></b>		
Receipts from product sales	26,111	65,397
Payments to suppliers and employees	(33,659)	(59,358)
Interest received	14	6
Bank guarantees	-	(10)
Receipts from insurance proceeds	-	2,583
Income tax paid	-	(468)
<b>Net cash inflows/(outflows) from operating activities</b>	<b>(7,534)</b>	<b>8,150</b>
<b><i>Cash flows from investing activities</i></b>		
Purchase of plant and equipment	(2,649)	(833)
<b>Net cash outflows from investing activities</b>	<b>(2,649)</b>	<b>(833)</b>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from borrowings	8,975	-
Repayment of borrowings including overdraft	(450)	(5,029)
Share issue costs	(10)	(16)
Interest paid	(821)	(854)
Financing costs	(1,472)	(1,943)
<b>Net cash inflows/(outflows) from financing activities</b>	<b>6,222</b>	<b>(7,842)</b>
<b>Net decrease in cash and cash equivalents held</b>	<b>(3,961)</b>	<b>(525)</b>
Cash and cash equivalents at the beginning of the financial period	5,265	5,113
Net foreign exchange differences	(1)	1
<b>Cash and cash equivalents at the end of the financial period</b>	<b>1,303</b>	<b>4,589</b>

*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 2019, there have not been any other significant changes in the state of affairs of the Group during the reporting period.

- The Company issued the following ordinary shares to the Senior Lenders for nil consideration (refer note 9(b) for details):
  - On 8 March 2019 – issued 30,343,920 ordinary shares; and
  - On 13 May 2019 – issued 30,111,246 ordinary shares.

### 2. GOING CONCERN

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 2019 the Group had net liabilities of \$160.109 million, which has increased from net liabilities at 31 December 2018 of \$123.898 million. The Group also has a working capital deficiency of \$256.056 million as at 30 June 2019 (31 December 2018: \$218.633 million deficiency).

For the half-year ended 30 June 2019, the Group made a net loss after tax attributable to the owners of the Company of \$35.275 million (30 June 2018: net loss \$7.817 million) and had a net cash outflow of \$3.961 million (30 June 2018: outflow of \$0.525 million).

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

#### ***Recapitalisation and restructure status***

As previously announced by the Company, it has for some time been progressing discussions with the Senior Lenders to agree the terms of a holistic restructure of the Company's debt position to provide a more sustainable capital structure and balance sheet position.

The primary objectives of the capital restructure include the reduction of the Company's debt (potentially through a debt-for-equity conversion by the Senior Lenders) and the securing of additional liquidity to sustain the Company's proposed capital expenditure and debt payoff schedule. Achieving these objectives will likely require existing debt holders to convert all or a significant part of their debt to equity, which will be highly dilutive to existing shareholders.

On 6 December 2019, the Company determined after consultation with its Senior Lenders, to progress a creditors' scheme of arrangement which will, with the approval of the Court and the majority of the Senior Lenders whose claims together amount to at least 75% of the secured debt, and by a majority in number (more than 50%) of the senior lenders who are present and voting at the meeting, result in the Senior Lenders exchanging a substantial portion of their debt for equity in the Company. The debt restructure proposal currently has the support of QMetco and Taurus, further details as announced to the ASX on 6 December 2019.

Notwithstanding the progress that has been made, the proposal remains incomplete and there is no guarantee an acceptable agreement will be reached with all of the Senior Lenders, or that a debt restructure will be successfully implemented. The Company's ability to achieve any restructure will depend on a number of circumstances, including the ongoing support of the Company's secured lenders, market conditions and, potentially, the approval of other stakeholders, including the DRC Government.

#### ***Additional funding***

During the period the Company secured a US\$13.2 million funding facility (Tranche D) with Taurus (one of its senior lender group) that provided important interim funding to support the Company's ongoing operations and to allow the Company to pursue initiatives designed to improve operational and financial performance of Kipoi, including capital upgrades essential for longer term production improvement and management of creditors. The facility was fully drawn-down by 22 July 2019.

## **Notes to the Consolidated Financial Statements**

### **2. GOING CONCERN (CONTINUED)**

On 14 August 2019, the Company secured a further US\$30 million funding facility (Tranche E) with QMetco Limited (a wholly-owned subsidiary of Taurus) to allow the Company to continue its planned capital enhancements as well as to provide ongoing working capital. The Tranche E facility was made available in 3 tranches. While the first 2 tranches (US\$12 million) have already been drawn, the third tranche (US\$18 million) requires the satisfaction of certain conditions including Company shareholder approval being obtained by 30 November 2019 (in order to allow QMetco to convert the loan into ordinary shares in the Company at its election).

The Company remains subject to significant liquidity and indebtedness risks and requires access to the remaining US\$18 million as soon as possible in order for the Company to meet its short-term and medium-term capital expenditure requirements.

In this regard, QMetco has agreed to amend the facility to permit the Company to access the third tranche without the requirement to obtain shareholder approval (and certain other amendments). This amendment requires the agreement of each Senior Lender and an amendment to the waiver previously granted by ASX in respect of the application of ASX Listing Rule 10.1. As at the date of this report, the Senior Lenders have approved the terms of the amendment and the ASX has amended the waiver in order for the funds to be advanced by QMetco to meet the Company's urgent funding needs.

#### ***Forbearance arrangements***

The Group has been in breach of certain terms of the Senior Facility (refer note 7) from time to time since its inception and waivers of such breaches have been granted by the Senior Lenders.

On 3 October 2018 the Group and the Senior Lenders signed a second forbearance agreement extending the forbearance period to 31 October 2019, which was amended on 21 December 2018, 18 January 2019, 17 April 2019 (extending the forbearance period to 31 May 2020) and 14 August 2019 (Current Forbearance Arrangements). Under the Current Forbearance Arrangements, the Senior Lenders have agreed to waive the repayment of principal and capitalise interest on certain existing secured debt facilities (subject to conditions and undertakings).

As at the date of this report, the Group is in breach of a number of financial covenants. As a consequence of these breaches and the fact the Current Forbearance Arrangements were scheduled to terminate on 31 May 2020, the outstanding amounts are required to be classified as current liabilities.

In order to facilitate the broader debt restructure, the Senior Lenders have been asked to agree to additional forbearance arrangements in relation to certain defaults which have arisen under the financing arrangements (Additional Forbearance Arrangements). Without the Additional Forbearance Arrangements, any defaults under the facility documents may give the Senior Lenders the right to accelerate their loans, which Tiger (as guarantor of those loans) would not be in a position to repay in full. The Additional Forbearance Arrangements will terminate, amongst other things, if the debt restructuring process is not implemented by 30 April 2020.

As at the date of this report, the Company has agreed the Additional Forbearance Arrangements with two of the three Senior Lenders. The Company is working to seek the agreement of the final Senior Lender in order to ensure the Company has the support of all Senior Lenders. Notwithstanding the progress that has been made, there is no guarantee an acceptable agreement will be reached with the remaining Senior Lender and that this Senior Lender won't accelerate their loans

## **Notes to the Consolidated Financial Statements**

### **2. GOING CONCERN (CONTINUED)**

#### ***Material uncertainty***

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

- (i) improvement of its operational and financial performance;
- (ii) continued access to the remaining US\$18 million under the Tranche E facility;
- (iii) additional third party funding being provided in early 2020 (the Company is currently progressing discussions with potentially interested parties);
- (iv) successful completion of a restructuring of its senior debt;
- (v) ongoing support from the Senior Lenders of the Company in the form of the Additional Forbearance Arrangements; and
- (vi) the ability to deal with the following items in the ordinary course of business (notes refer to the financial statements enclosed):
  - a. the substantial trade creditor position;
  - b. an extension to the requirement to repay US\$5 million under the Rawbank overdraft facility, which the Company is currently seeking from Rawbank (see note 7); and
  - c. any required repayments to Megatron DRC under the energy efficiency and network reinforcement program,

the Group will be unable to repay its commitments under the senior secured debt facility and the unsecured debt facilities provided by the DRC banks, and will not be able to fund additional development for its Kipoi project. The Directors believe the Company will be able to conclude arrangements to address the matters noted above.

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, whether the Group will be able 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 continue as a going concern, for the reasons set out above.

## Notes to the Consolidated Financial Statements

### 3. IMPAIRMENT AND DOUBTFUL DEBT EXPENSE

#### (a) Impairment

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 impairment indicators were identified, a CGU impairment test was performed based on the same estimates and mine plan used for the 31 December 2018 assessment as no additional factors were noted at 30 June 2019.

Based on the half-year assessment at 30 June 2019, 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 2019 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 2019	Six months ended 30 June 2018
	\$000	\$000
Provision for doubtful debt – VAT receivable	<b>3,527</b>	3,186
Provision for doubtful debt – Megatron prepayments	<b>3,000</b>	2,833
	<b>6,527</b>	6,019

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 \$3.527 million.

The Group also fully provided for the energy efficiency and network reinforcement program prepayments and rebates balance at half-year, expensing a further \$3.000 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.

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

**Notes to the Consolidated Financial Statements**

**4. PROFIT AND LOSS INFORMATION**

	Consolidated	
	30 June 2019 \$000s	30 June 2018 \$000s
<i>(a) Administration expenses</i>		
Employee-related expenses	1,076	1,214
Depreciation expense	9	9
Corporate advisory and compliance	735	1,583
Other administration expenses	541	581
<b>Total administration expenses</b>	<b>2,361</b>	<b>3,387</b>
<i>(b) Finance costs</i>		
Interest charged on loans	10,513	9,962
Other borrowing costs	2,810	2,713
	<b>13,323</b>	12,675
Accretion of provision for rehabilitation	328	320
<b>Total finance costs</b>	<b>13,651</b>	<b>12,995</b>
<i>(c) Income tax expense</i>		
Current tax expense	298	656

**Income tax expense**

The income tax expense for the half-year 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.

**Notes to the Consolidated Financial Statements**

**5. TRADE AND OTHER RECEIVABLES**

	Consolidated	
	30 June 2019	31 December 2018
	\$000s	\$000s
<b>Current</b>		
Trade receivable	<b>1,210</b>	1,404
Income tax receivable (i)	<b>823</b>	-
Prepayments and other receivables	<b>861</b>	1,310
Security deposits	<b>919</b>	919
	<b>3,813</b>	3,633
<b>Non-current</b>		
Income tax receivable (i)	<b>2,372</b>	2,848

(i) Income tax receivable relates to the overpayment of income tax in prior periods in which the Company is applying these credits against future government taxes.

**6. PLANT AND EQUIPMENT**

	Consolidated				
	Motor Vehicles	Plant & Equipment	Land & Buildings	Construction in Progress	Total
	\$000s	\$000s	\$000s	\$000s	\$000s
<b>At 31 December 2018</b>					
Cost	17	99,188	1,021	5,226	105,452
Accumulated depreciation and impairment	(17)	(28,000)	(258)	-	(28,275)
<b>Net book value</b>	<b>-</b>	<b>71,188</b>	<b>763</b>	<b>5,226</b>	<b>77,177</b>
<b>Half-year ended 30 June 2019</b>					
Opening net book amount	-	71,188	763	5,226	77,177
Additions	135	30	26	2,458	2,649
Depreciation charge	(4)	(962)	(48)	0	(1,014)
<b>Closing net book amount</b>	<b>131</b>	<b>70,256</b>	<b>741</b>	<b>7,684</b>	<b>78,812</b>
<b>At 30 June 2019</b>					
Cost	152	99,218	1,047	7,684	108,101
Accumulated depreciation and impairment	(21)	(28,962)	(306)	-	(29,289)
<b>Net book value</b>	<b>131</b>	<b>70,256</b>	<b>741</b>	<b>7,684</b>	<b>78,812</b>

**Notes to the Consolidated Financial Statements**

**7. BORROWINGS**

		Consolidated	
		30 June 2019	31 December 2018
		\$000s	\$000s
<b>Current borrowings</b>			
Senior facility tranche A - principal	(b)	161,702	161,702
Senior facility tranche D - principal	(a)	8,975	-
Senior facility tranche A – capitalised interest		47,370	37,618
Senior facility tranche A – accrued interest		3,389	3,298
Senior facility tranche D – accrued interest		103	-
	(a)	221,539	202,618
Bank overdraft facilities	(b)	10,142	9,593
Term loan	(b)	2,065	1,952
<b>Total current borrowings</b>		<b>233,746</b>	<b>214,163</b>
<b>Non-current borrowings</b>			
Term loan	(b)	6,439	7,448

(a) *Senior facility movement during the period*

	30 June 2019	30 June 2018
	\$000s	\$000s
<b>Balance at 1 January</b>	<b>202,618</b>	190,283
Repayment of principal	-	(3,381)
Proceeds received	8,975	-
Interest and costs capitalised during the year	9,946	9,077
<b>Balance at 30 June</b>	<b>221,539</b>	195,979

(b) *Unused facilities available*

**Unused financing facilities at 30 June 2019**

	Senior Facility \$'000	Overdraft Facility \$'000	Term Loan \$'000	Total Facilities \$'000
Total facility	174,902	10,142	8,504	193,548
Used to date	(170,677)	(10,142)	(8,504)	(189,323)
Facility available	<b>4,225</b>	-	-	<b>4,225</b>

**Senior Facility**

Tranche A and B

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

## Notes to the Consolidated Financial Statements

### 7. BORROWINGS (CONTINUED)

The Senior Facility of \$162.500 million provided by Taurus, IFC and RCF was fully drawn during 2016.

Key terms of the Senior Facility:

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

On 24 October 2016, the Company accepted a proposal whereby Taurus and RCF provided a revised funding commitment within the Senior Facility limit of \$162.500 million and an additional Tranche B \$10.000 million facility, of which \$1.034 million was drawn to 31 December 2017, to accommodate short term funding needs as a result of the ILS remedial work and loss of production.

This included:

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

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

Under the revised Senior Facility arrangements, the Company was required to issue the Senior Lenders a total of 6.2 new ordinary shares per US Dollar of funding advanced or interest capitalised.

Subsequently, the deed of forbearance executed with the Senior Lenders also required issuance of shares against capitalisation of interest (refer to "Forbearance" section below). The fair value of shares issuable to Senior Lenders is recognised as finance costs in the Statement of Comprehensive Income and reserves in the Balance sheet.

During the period ended 30 June 2019, the Company issued 60.455 million (30 June 2018: 54.033 million) shares to Senior Lenders.

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

- on each debt service cover ratio ("DSCR") calculation date, the DSCR is greater than 1.15 times; and,
- on each calculation date:
  - the loan life cover ratio is greater than 1.20 times;
  - the project life cover ratio is greater than 1.40 times; and
  - the reserve tail ratio is greater than 30%.

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

On 21 August 2018 the Group repaid the remaining outstanding debt balance in full for tranche B with no subsequent drawdown.

On 31 August 2019, the whole of the senior lender debt held by RCF was acquired by QMetco. The Senior Lenders of the Company are now QMetco, Taurus and the IFC.



## Notes to the Consolidated Financial Statements

### 7. BORROWINGS (CONTINUED)

#### Tranche D

On 17 April 2019 the Group entered into an agreement for a \$13.200 million super senior debt facility with Taurus with the consent of the other Senior Lenders IFC and RCF. Key terms include a maturity date of 18 July 2020 with interest to be accrued at 8% per annum, a 1% royalty on the gross revenue of sales of materials from the Company's Lupoto tenement and a bullet repayment of the loan on maturity. At 30 June 2019 the balance of the tranche D loan including outstanding interest was \$9.078 million.

On 22 July 2019 the Group drew down on the remaining \$4.225 million of the tranche D loan.

#### Tranche E

On 14 August 2019 the Group entered into an agreement for a \$30 million super priority facility (Facility) with QMetco Limited (QMetco), an associate of Taurus. The Facility allows for the drawdown of the \$30 million over three tranches. Tranche 1 (\$5 million) and Tranche 2 (\$7 million) are available straight away however Tranche 3 (\$18 million) is subject to Tiger shareholder approval by no later than 30 November 2019, or any such other time agreed by the Group and QMetco.

The Facility provides QMetco with conversion rights to convert the outstanding balance to ordinary shares on or prior to 30 September 2020 as follows:

- Initial Equity Conversion: at a conversion price of \$0.01 per share up to the amount of 150 million ordinary shares; and
- Further Equity Conversion: at a conversion price the lesser of \$0.01 per share or 25% discount to the per share equity value applied to a proposed restructure. Shareholder approval will be required for the Further Equity Conversion rights.

Other key terms include a maturity date of 31 December 2020 with an interest rate of 8% per annum paid quarterly in arrears, a front end fee of 3% of each tranche, a 2% commitment fee on any undrawn but available amounts and the right to appoint a non-executive Chairman. Any outstanding amounts at maturity date will need to be repaid through funds obtained from additional capital raising or the Company will be required to seek an extension to the maturity date.

On 6 December 2019, the Company announced QMetco waived the requirement for shareholder approval for Tranche 3 of the Tranche E facility. As a result, QMetco may only convert the Initial Equity Conversion amount. The Further Equity Conversion, requiring shareholder approval, remains as debt.

#### Forbearance

On 24 September 2017, the Group contemporaneously entered into a Deed of Forbearance with the Senior Lenders, for Tranche A, B and C, on execution of the Additional Debt Facility, which was amended on 7 May 2018 and 29 June 2018. On 3 October 2018 the Group and the Senior Lenders signed a second forbearance agreement extending the forbearance period to 31 October 2019, which was amended on 21 December 2018, 18 January 2019, 17 April 2019 (extending the forbearance period to 31 May 2020) and 14 August 2019 (Current Forbearance Arrangements).

Under the Current Forbearance Arrangements, the Senior Lenders have agreed to waive the repayment of principal and capitalise interest on certain existing secured debt facilities (subject to conditions and undertakings).

In order to facilitate the broader debt restructure, the Senior Lenders have been asked to agree to additional forbearance arrangements in relation to certain defaults which may arise during the Company's debt restructuring negotiations (Additional Forbearance Arrangements). Without the Additional Forbearance Arrangements, any defaults under the facility documents may give the Senior Lenders the right to accelerate their loans, which the Company (as guarantor of those loans) would not be in a position to repay in full. The Additional Forbearance Arrangements will terminate, amongst other things, if the debt restructuring process is not implemented by 30 April 2020.

## Notes to the Consolidated Financial Statements

### 7. BORROWINGS (CONTINUED)

As at the date of this report, the Company has agreed the Additional Forbearance Arrangements with two of the three Senior Lenders. The Company is working to seek the agreement of the final Senior Lender in order to ensure the Company has the support of all Senior Lenders.

#### Bank overdraft facilities

The total amount drawn under the bank overdraft facilities was \$10.211 million, with \$0.069 million available for drawdown at the reporting date. The overdraft facilities are unsecured.

The bank overdraft facilities are held with:

*Banque Commerciale du Congo (BCDC)* - On 26 November 2018, the Company announced that BCDC had agreed to restructure the US\$15.000 million loan facility. This new facility includes a \$5.000 million overdraft facility due and payable on 31 December 2020 and attracting an interest rate of 7% per annum payable monthly, reduced from 9.25% previously.

*Rawbank* – A \$5.000 million overdraft facility is due and payable. The Company is in discussion for an extension and repayment and is in advanced negotiation over the specific terms. The Company granted a guarantee in favour of Rawbank in respect of SEK's obligations under that unsecured overdraft facility. This facility bears interest at prevailing commercial rates.

#### Term loan

As part of the restructure of the BCDC US\$15.000 million loan facility, a \$10.000 million term loan facility was put in place. The loan is repayable in principal monthly instalments of \$0.100 million, increasing to \$0.150 million monthly repayments from 31 July 2019, and attracting an interest rate of 5% per annum payable monthly, reduced from 9.25% previously. At 30 June 2019 the balance of the loan was \$8.504 million.

### 8. PROVISIONS

		Consolidated	
		30 June 2019 \$000s	31 December 2018 \$000s
<b>Non-current</b>			
Employee benefits - long service leave		11	6
Provision for rehabilitation	(i)	9,686	8,302
Provision for employee retirements		1,017	1,017
		<b>10,714</b>	<b>9,325</b>

#### (i) Reconciliation of movement in rehabilitation provision

		Consolidated	
		2019 \$000s	2018 \$000s
Opening balance		8,302	-
Revision of estimate in provision		1,056	(457)
Unwinding of discount		328	643
Transfer from/(to) liabilities directly associated with assets classified as held for sale		-	8,116
Closing balance		<b>9,686</b>	<b>8,302</b>

Provision for rehabilitation relates to the Kipoi Copper Project area. The Group makes provision for the future cost of rehabilitating mine sites and related production facilities based on the future value of discounted cash flows. The rehabilitation provision represents the present value of rehabilitation costs based on disturbance incurred to balance date. Each reporting period, the rehabilitation provision is re-estimated based on updated economic assumptions.

**Notes to the Consolidated Financial Statements**

**9. CONTRIBUTED EQUITY**

*(a) Share capital*

	30 June 2019	30 June 2019	30 June 2018	30 June 2018
	Number	\$000s	Number	\$000s
Ordinary shares fully paid net of costs	<b>2,217,607,573</b>	<b>302,399</b>	2,098,834,072	300,617

*(b) Movement in ordinary share capital*

Date		Number of shares	Issue price (\$A)	Shares value \$000s
<b>2018</b>				
<b>01-Jan-18</b>	<b>Opening balance</b>	<b>2,044,801,566</b>	-	<b>299,812</b>
08-Feb-18	Finance facility extension issue*	27,013,769	0.0200	410
05-Jun-18	Finance facility extension issue*	26,851,208	0.0200	408
22-Jun-18	Finance facility extension issue*	167,529	0.0200	3
	Capital raising costs	-	-	(16)
<b>30-Jun-18</b>	<b>Closing balance</b>	<b>2,098,834,072</b>		<b>300,617</b>
<b>2019</b>				
<b>01-Jan-19</b>	<b>Opening balance</b>	<b>2,157,152,406</b>	-	<b>301,491</b>
08-Mar -19	Finance facility extension issue*	30,343,920	0.0200	461
13-May-19	Finance facility extension issue*	30,111,246	0.0200	457
	Capital raising costs	-	-	(10)
<b>30-Jun-19</b>	<b>Closing balance</b>	<b>2,217,607,572</b>		<b>302,399</b>

\* In accordance with the revised facility terms, the Company issued 60.455 million shares with respect to capitalisation of interest payable (period ended 30 June 2018: 54.032 million shares). 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.

## **Notes to the Consolidated Financial Statements**

### **10. COMMITMENTS AND CONTINGENCIES**

#### **(a) Capital and other commitments**

There are no commitments for significant capital expenditure at the end of the reporting period (31 December 2018: nil).

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, under the terms of this agreement, SEK had payment commitments of \$3.508 million over a further six-month period (31 December 2018: \$6.508 million).

These contribution payments were ultimately to be recouped by way of power tariff rebates based on the units of power drawn from the grid. In 2016, a related company, Megatron S.A. (a South African entity), was placed into administration and the Company suspended payments under contract, as Megatron DRC is currently not able to perform their obligations under the contract. The Group continues to recognise a liability payable under the contract.

#### *Fuel-generated power supply*

Under its contract with Interpetrol Power Solutions (formerly known as 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.

#### *Security*

Under the security contract with Miketo, which expires on 30 November 2019, total commitment is \$0.175 million (31 December 2018: \$0.384 million).

#### *Camp services*

The current contract for camp catering and services with IFS DRC Operations is cancellable with a 3 month notice for which the commitment is \$0.465 million (31 December 2018: \$0.465 million).

#### *Mining services*

The current mining contract with MCSC is cancellable with a 3 month notice for which the commitment (based on the 3-month forecast spend) is \$4.304 million (31 December 2018: \$3.776 million).

#### **(b) Contingent liabilities**

##### *Tax liabilities*

On 21 August 2017, SEK received revised income tax re-assessments for the years ended 31 December 2014 and 31 December 2015, which may lead to additional income tax assessments of \$0.7 million. SEK is contesting all points raised in the revised re-assessments in accordance with the DRC tax procedures.

The assessments of the income tax for 2016 and subsequent years are yet to be finalised.

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.

## **Notes to the Consolidated Financial Statements**

### **10. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

#### **(b) Contingent liabilities (continued)**

##### *BCC Penalty Tax*

During the period the Central Bank of Congo (BCC) completed its audit into the repatriation of funds from SEK's bank accounts and has handed SEK a penalty of \$2.006 million. As a result, Rawbank has debited the amount from SEK's bank account along with \$0.178 million of interest. SEK refute the penalty and believe there are no reasonable ground for the penalty to exist. SEK have currently engaged a consultant to assist in removing this penalty.

#### **(c) Contingent assets**

##### *Megatron*

The Company has recognised a liability equal to its obligations under the contract up to 30 June 2019. However, as Megatron DRC is currently not able to perform their obligations under the contract, the management has begun the process to settle this arrangement. A contingent asset exists at the balance date, as the final settlement with Megatron DRC may be less than the accrued liability of \$20.345 million as at 30 June 2019 (31 December 2018: \$17.345 million).

### **11. 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 July 2019, the Company advised the ASX that Shawn McCormick had resigned as a non-executive director.
- On 12 July 2019, the Company advised the ASX of the following Board and Management changes:
  - David Frances had resigned as the Executive Chairman
  - Caroline Keats had been appointed Managing Director/CEO
  - Mark Lynam had resigned as a non-executive director
- On 22 July 2019, the Company advised the ASX that Jozsef Patarica had been appointed as Chief Operating Officer.
- On 22 July 2019, the Group drew down on the remaining \$4.225 million of the tranche D loan.
- On 8 August 2019, Michael Anderson was appointed as a non-executive director and on 16 August 2019 was appointed as the non-executive Chairman.
- On 14 August 2019, the Company secured a \$30 million funding facility (Tranche E) with QMetco Limited which will be used by the Company to continue its planned capital enhancements as well as provide ongoing working capital. In December 2019, the Senior Lenders agreed to amend the facility to permit the Company to access the third tranche without the requirement to obtain shareholder approval (and certain other amendments).
- On 22 August 2019, the Company issued 31,696,206 ordinary shares to the Senior Lenders.
- On 31 August 2019, the whole of the senior lender debt held by RCF was acquired by QMetco. The Senior Lenders of the Company are now QMetco, Taurus and the IFC.
- On 25 September 2019, Tamara Lissovski was appointed as Interim Company Secretary, replacing Janie Corke. Ms Lissovski resigned on 2 December 2019.
- On 1 November 2019, Ian Goldberg was appointed Chief Financial Officer, replacing David Wrigley. Mr Goldberg was subsequently appointed Company Secretary on 2 December 2019.
- On 26 November 2019, the Company announced an update of its Mineral Resources and Ore Reserves at its Kipoi Copper Project as at 30 June 2019.

## **Notes to the Consolidated Financial Statements**

### **11. EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONTINUED)**

The Company continues to assess financing options to secure its capital investment objectives.

The Company has been reviewing its cash flow requirements for the current period which suggest a need for a broader capital restructure in the near term. The Company has also been continuing its discussions with its senior lender group regarding potential options to restructure its balance sheet, in order to provide the Company with a more stable and sustainable capital structure. On 6 December 2019, the Company determined after consultation with its Senior Lenders, to progress a creditors' scheme of arrangement. The debt restructure proposal currently has the support of QMetco and Taurus, further details as announced on ASX on 6 December 2019.

The Company had previously entered into forbearance arrangements with its senior lenders pursuant to which the senior lenders had agreed not to accelerate or enforce their claims against SEK (or Tiger) ("Current Forbearance Arrangements"). The Current Forbearance Arrangements were scheduled to terminate on 31 May 2020 but may terminate earlier if certain events occur.

In November 2019, two of the Company's senior lenders, Taurus and QMetco, signed a further deed of forbearance, providing forbearance relief in relation to certain defaults which have arisen under the financing arrangements. The additional forbearance arrangements will terminate, amongst other things, if the debt restructuring process is not implemented by 30 April 2020. Tiger has discussed with the IFC regarding its support for the additional forbearance arrangements and the Company's intended debt restructure terms.

The Company notes that the Tranche E QMetco facility and the forbearance arrangements are interim measures to seek to place the Company in a stronger financial position to progress a holistic capital restructure. There is no guarantee that those discussions will lead to an appropriate outcome or that the Company will be able to secure alternate funding on acceptable terms and within the time required, if at all, in the circumstances.

The Company has been in voluntary suspension from trading on the ASX since 22 February 2017. As previously announced, the Company would be de-listed from the ASX if it was unable to meet the ASX's listing requirements by February 2020. The Company confirms that as its capital structure is unlikely to be appropriate for continued listing, it will be de-listed from the ASX on 3 February 2020 under ASX's long term suspended entity policy.

### **12. BASIS OF PREPARATION OF HALF-YEAR REPORT**

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2019 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.

This interim 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 2018 and any public announcements made by Tiger Resources Limited during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

#### **New and amended standards adopted by the group**

A number of new or amended standards became applicable for the current reporting period including the adoption of AASB 16 *Leases*.

The impact of the adoption of the leasing standard is disclosed below. The other standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

#### **AASB 16 Leases**

The group has adopted AASB 16 *Leases* from 1 January 2019. The standard replaces AASB 117 *Leases* and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, while the lease liability is reduced by an allocation of each lease payment. In the earlier periods of the lease, the expense associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

## **Notes to the Consolidated Financial Statements**

### **12. BASIS OF PREPARATION OF HALF-YEAR REPORT (CONTINUED)**

#### **New and amended standards adopted by the group (continued)**

In applying AASB 16 for the first time, the group has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Reliance on previous assessments on whether leases are onerous
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The group has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying AASB 117 and IFRIC 4 *Determining whether an Arrangement contains a Lease*.

The group has elected to use the simplified transition approach as allowed under AASB 16 as well as apply the following exemptions allowing leases that meet either of these criteria to be expenses on a straight-line basis as incurred:

- Short-term leases with terms of 12 months or less
- Low-value assets of under \$5,000

The group has reviewed its contracts that were in place at 1 January 2019 or have been entered into since and determined that there are no contracts which had not been previously recognised as leases and need to be recognised under AASB 16. As a result, there has been no impact on the current or prior reporting periods upon adopting AASB 16.

The following contracts were reviewed to determine whether a right-to-use asset exists:

- The group has entered into a mining services contract with MCSC which is cancellable with a 3-month notice period. It was determined that it is not a lease under AASB 16 as it does not qualify as a right-of-use asset due to the following:
  - the equipment used on site can be substituted by the supplier and is regularly transferred between clients,
  - the equipment used is generic OEM and is not specifically tailored for the Group's use; and
  - the contract has changed from a fixed scope of work where the use of the asset was pre-determined, to satellite pit mining where the supplier has more decision-making rights around the use of the asset.
- The Group is under contract with Interpetrol Power Solutions for back up power supply for the sole use of SEK. This contract expires in December 2019 and a tender process will be performed in the second half of 2019 for future back up supply. As at 1 January 2019 the term of the contract is less than 12 months and falls under the exemption as being a short-term lease.
- Other leases identified by the group include office rental agreements. Contracted future rental payments for offices leased by the group were less than \$0.1 million as at 30 June 2019.

## Notes to the Consolidated Financial Statements

### Directors' declaration

In the directors' opinion:

- (a) The financial statements and notes set out on pages 11 to 29 are in accordance with the Corporations Act 2001, including:
1. Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  2. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the half-year ended on that date and
- (b) Subject to the matters stated in Note 2, 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. The directors draw the readers attention to Note 2 concerning the going concern basis of preparation of the financial report and potential impact of material uncertainties related to the Company's ability to achieve a successful conclusion to the ongoing restructuring discussions with the Company's financiers and the Company's forecast cashflows.

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



*Managing Director/CEO*  
Perth

16 December 2019





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

### ***Report on the half-year financial report***

We were engaged to review the accompanying half-year financial report of Tiger Resources Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 30 June 2019, 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 other explanatory notes and the directors' declaration.

### ***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 gives a true and fair view and 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*. 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.

Because of the matter described in the *Basis for disclaimer of conclusion* section, however, we have not been able to obtain sufficient appropriate review evidence to provide a basis for a review conclusion.

### ***Independence***

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

### ***Basis for disclaimer of conclusion***

We draw attention to Note 2, which discloses that the Group incurred a net loss attributable to the owners of the Company of \$35.275 million for the half-year ended 30 June 2019 and had a net current asset deficiency of \$256.056 million as at 30 June 2019.

As set out in Note 2, the Group's ability to meet ongoing operational and financial commitments is dependent on the successful recapitalisation and restructure of the Group's external borrowings, improvement of operational and financial performance, the ongoing support of Senior Lenders, including additional forbearance arrangements and a range of other commercial remediation activities.

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These matters, along with other matters as set forth in Note 2, indicate the existence of material uncertainties that cast significant doubt about the Group's ability to continue as a going concern and whether it will realise its assets and discharge its liabilities in the normal course of business.

We have been unable to obtain sufficient appropriate review evidence as to whether the Group will be successful in addressing the matters set forth in Note 2, in particular reaching agreement with its Senior Lenders on its restructuring plans and forbearance requirements. Accordingly, we have been unable to conclude on the Group's ability to continue as a going concern for a period of at least twelve months from the date of this review report.

Accordingly, in our opinion, the uncertainties are so material and pervasive that we are unable to express a conclusion on the financial report as a whole.

*Disclaimer of conclusion*

Because of the significance of the matters described in the *Basis for disclaimer of conclusion* section of our report, we have not been able to obtain sufficient appropriate review evidence to provide a basis for a review conclusion. Accordingly we do not express a conclusion on the half-year consolidated financial report of the Company.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Justin Carroll' in a cursive script.

Justin Carroll  
Partner

Perth  
16 December 2019

# Explanatory Statement

Annexure F Report as to affairs (ASIC Form 507)

# REPORT ON Company Activities and Property **Part A (Form 507)**

*Before you start, download INSTRUCTIONS Part A (Form 507) and Part B*

*[www.asic.gov.au/forms/507](http://www.asic.gov.au/forms/507)*

The information you provide to ASIC in this Report may include personal information.

*Please see our privacy policy ([www.asic.gov.au/privacy](http://www.asic.gov.au/privacy)) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.*



Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).  
 a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or  
 b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

**Director to complete** for Director(s), Secretary, Managing Controller or other relevant person

A1 Return this Report to the External Administrator by the date the Administrator has shown below.  
 (Not applicable to managing controllers)  
 / /

A2 Do you have the INSTRUCTIONS for completing this form?  
 No You must download a copy from [www.asic.gov.au/forms/507](http://www.asic.gov.au/forms/507)  
 Yes The INSTRUCTIONS explain:  
 • why you received this Report  
 • your role in completing it  
 • how to complete it.

A3 Name of the Company under external administration  
 Tiger Resources Limited

READ INSTRUCTION A3. It explains the information you should provide and how to attach it to this Report.

ACN/ABN  
 077 110 304 / 52 077 110 304

Street number and name  
 Level 4, 1 Havelock Street

Suburb/City	State/Territory	Postcode
West Perth	WA	6005

Registered office  
 Street number and name  
 Level 4, 1 Havelock Street

Suburb/City	State/Territory	Postcode
West Perth	WA	6005

Principal place of business  
 Street number and name  
 Level 4, 1 Havelock Street

Suburb/City	State/Territory	Postcode
West Perth	WA	6005

Does the Company have other places of business?  
 No Go to Question A4  
 Yes Give details below

Street number and name  
 Suburb/City State/Territory Postcode

What the Company owes and owns

A4

Does the Company owe money to its employees?

No Go to Question A5

Yes READ INSTRUCTION A4. It explains the information you should provide and how to attach it to this Report.

A5

Does the Company owe money, goods or services to others (other than to employees)?

No Go to Question A6

Yes READ INSTRUCTION A5. It explains the information you should provide and how to attach it to this Report.

A6

Is the Company owed money?

No Go to Question A7

Yes READ INSTRUCTION A6. It explains the information you should provide and how to attach it to this Report.

A7

Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

READ INSTRUCTION A7. It explains the information you should provide and how to attach it to this Report.

Bank accounts

No

Yes

Motor vehicles

No

Yes

Plant and equipment

No

Yes

Inventory

No

Yes

Real property

No

Yes

Other assets

No

Yes

Does the Company hold property on trust?

No

Yes

Is the Company a trustee of a superannuation fund?

No

Yes

If you ticked NO to all the items, explain why the Company has no assets.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

A8

Have you provided the full details asked for in Questions A4, A5, A6 and A7, including all attachments?

No

PLEASE BE AWARE: You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

READ INSTRUCTION A8. It explains what can happen if you give false information.

Yes

Go to Question A9

A9

**Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator**

Part A (Form 507) of this Report is a legal document.

READ INSTRUCTION **A9**. It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.

❖ I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name  
Caroline Keats

Position  
Managing Director and CEO

Signature  


Date  
23 / 12 / 2019

A10

**Declaration by Managing Controller**

❖ In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name  
\_\_\_\_\_

Signature  
\_\_\_\_\_

Date  
\_\_\_\_ / \_\_\_\_ / \_\_\_\_



# ASIC

Australian  
Investments Commission

Securities

&

Form 507A Corporations Act 2001  
s475(1)

## Statement verifying Report under s475(1)

**Related forms:**

507 Report on Company Activities and Property

911 Verification or certification of a document

Adding attachments to the Report

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement.

COMPANY DETAILS

Company name	Tiger Resources Limited
ACN/ABN	077 110 304 / 52 077 110 304

STATEMENT

Where the Statement is made out for the purposes of subsection 475(1) the Report in Form 507 is to be submitted and verified by the following Statement made by a person referred to in that subsection.

The particulars contained in the Report under s475(1) dated as follows in the annexure marked "A" and signed by me are true to the best of my knowledge and belief.

Date of Report under s475(1)	/ /
Name	
Capacity	
Signature	
Date signed	/ /

LODGMET

Send completed and signed forms to:

Australian Securities and Investments Commission

PO BOX 4000, Gippsland Mail Centre VIC 3841

Or lodge the form online by visiting the ASIC

Website [www.asic.gov.au/](http://www.asic.gov.au/)

For more information

Web [www.asic.gov.au/](http://www.asic.gov.au/)

Need help? [www.asic.gov.au/question](http://www.asic.gov.au/question)

Telephone 1300 300 630

**Summary**

<b>Category</b>	<b>Amount (\$)</b>
Employees	(2,138,127.89)
Creditors	(1,886,016.08)
Debtors	43,656.95
Assets	352,706.95
<b>Net assets</b>	<b>(3,627,780.07)</b>

**Attachment A4**  
**Q A4**

The information provided has been extracted from Tiger Resources Limited's management accounts, which are not prepared on the same basis as Tiger Resource Limited's statutory accounts. While the information in this Report has been provided to the best of my ability, it has not been reviewed or audited by external parties and cannot be relied on as a fair and appropriate presentation of Tiger Resources Limited's financial position.

Signed \_\_\_\_\_ and Dated \_\_\_\_\_

employee's name	start date	wages owed	holiday pay owed	long service leave owed	Superannuation owed	redundancy owed	other	total owed	tick if related party
Troy Crispin	9/04/2018	Paid till 30 Nov 19	9,352.07	nil	Paid till 30 Nov 19	25,784.62		35,136.69	
Caroline Keats	3/09/2018	Paid till 30 Nov 19	14,511.24	nil	Paid till 30 Nov 19	944,230.77		958,742.01	Yes
Byron Bervie	29/04/2019	Paid till 30 Nov 19	10,047.88	nil	Paid till 30 Nov 19	48,011.54		58,059.42	
Jozsef Patarica	29/07/2019	Paid till 30 Nov 19	14,116.50	nil	Paid till 30 Nov 19	615,384.62		629,501.12	
Ian Goldberg	2/09/2019	Paid till 30 Nov 19	7,143.81	nil	Paid till 30 Nov 19	430,769.23		437,913.04	
Tamara Lissovski	29/10/2018	Paid till 30 Nov 19	5,530.09	nil	Paid till 30 Nov 19	13,245.52		18,775.61	
<b>Total</b>			<b>60,701.59</b>	<b>-</b>	<b>-</b>	<b>2,077,426.30</b>	<b>-</b>	<b>2,138,127.89</b>	

**Attachment A5**  
**Q A5**

The information provided has been extracted from Tiger Resources Limited's management accounts, which are not prepared on the same basis as Tiger Resource Limited's statutory accounts. While the information in this Report has been provided to the best of my ability, it has not been reviewed or audited by external parties and cannot be relied on as a fair and appropriate presentation of Tiger Resources Limited's financial position.

Signed	and Dated						
creditor's name	postal address in full	email address	Tick if secured	PPSR (if applicable)	if secured, give asset details	tick if related party	amount owing
ASX Operations Pty Limited			Unsecured			No	40.59
BDO			Unsecured			No	4,257.00
Broadway Travel & Cruise Centre			Unsecured			No	37,344.23
CSA Global Pty Ltd			Unsecured			No	8,486.16
CTI RECORDS MANAGEMENT			Unsecured			No	74.27
Cube Consulting Pty Ltd			Unsecured			No	46,076.25
FTI Consulting			Unsecured			No	227,408.70
Globe 24-7-Ltd (UK)			Unsecured			No	5,520.00
Golder Associates			Unsecured			No	1,100.00
Hameys			Unsecured			No	12.00
Herbert Smith Freehills			Unsecured			No	109,820.16
Jozsef Patarica			Unsecured			No	133.04
KING&WOOD MALLESONS			Unsecured			No	639,225.55
Knight Piesold Pty Ltd			Unsecured			No	136,266.30
Kyocera Mita Australia Pty Ltd			Unsecured			No	87.65
Minsset Pty Ltd			Unsecured			No	83,796.04
MRA Consulting Pty Ltd			Unsecured			No	9,166.66
MWORX			Unsecured			No	34,097.43
MYOB			Unsecured			No	109.00
New Holland Capital Pty Ltd			Unsecured			No	171,737.50
NewPro Consulting and Engineering Services Pty Ltd			Unsecured			No	292,407.75
Node 1 Internet			Unsecured			No	149.95
Norton Rose			Unsecured			No	74,053.03
NWR Communications			Unsecured			No	4,400.00
Officeworks			Unsecured			No	115.93
Tea Towl Express			Unsecured			No	55.00
West -InterCall			Unsecured			No	16.79
Zettanet Pty Ltd			Unsecured			No	59.10
<b>Total</b>							<b>1,886,016.08</b>

**Attachment A6**  
**Q A6**

The information provided has been extracted from Tiger Resources Limited's management accounts, which are not prepared on the same basis as Tiger Resource Limited's statutory accounts. While the information in this Report has been provided to the best of my ability, it has not been reviewed or audited by external parties and cannot be relied on as a fair and appropriate presentation of Tiger Resources Limited's financial position.

Signed \_\_\_\_\_ and Dated \_\_\_\_\_

<b>debtor name</b>	<b>description</b>	<b>debtor address</b>	<b>amount outstanding</b>	<b>estimated amount realisable</b>	<b>PPSR (f applicable)</b>	<b>security type</b>	<b>date secured</b>
Australian Taxation Office	GST receivable		43,656.95	43,656.95		none	n/a
Loan - Tiger Finance	Intercompany loans		74,822,949.95	-		none	n/a
Loan - Tiger Congo	Intercompany loans		49,079,168.80	-		none	n/a
Loan - SEK	Intercompany loans		6,138,070.56	-		none	n/a
Loan - SASE	Intercompany loans		15,924,362.17	-		none	n/a
Loan - Congo Minerals	Intercompany loans		18,883,613.00	-		none	n/a
Loan - Balcon	Intercompany loans		3,289,310.53	-		none	n/a
Loan - Havelock Finance	Intercompany loans		6,518,411.00	-		none	n/a
Loan - Balcon Logistics	Intercompany loans		56,677,026.19	-		none	n/a
<b>Total</b>			<b>231,376,569.15</b>	<b>43,656.95</b>			

**Attachment A7**  
**Q A7**

The information provided has been extracted from Tiger Resources Limited's management accounts, which are not prepared on the same basis as Tiger Resource Limited's statutory accounts. While the information in this Report has been provided to the best of my ability, it has not been reviewed or audited by external parties and cannot be relied on as a fair and appropriate presentation of Tiger Resources Limited's financial

Signed \_\_\_\_\_ and Dated \_\_\_\_\_

asset description	location/address where asset is located. security held by (if applicable) estimated asset value With bank accounts, give bank a/c details including a/c numbers	
Cash and cash equivalents	Bank - ANZ USD	19,320.36
Cash and cash equivalents	Bank - ANZ cheque account AUD	130,208.20
Cash and cash equivalents	Bank - ANZ AUD HIGH INTEREST AC	444.38
Cash and cash equivalents	Bank - ANZ USD Pledged	175.75
Cash and cash equivalents	Bank - ANZ Share Issue Account	202.69
Cash and cash equivalents	Cash on hand-travel	3,235.89
Cash and cash equivalents	Petty cash	27.72
Restricted cash	Bank guarantee - Credit Cards	34,523.47
Restricted cash	Bank guarantee - Premises	18,899.34
Other receivables	Prepayments	103,356.70
Other receivables	Deposits Paid	10,974.81
Plant and Equipment	Office furniture (at written down value)	17,216.90
Software	Software (at written down value)	14,120.74
Investments in subsidiaries	Investment - Tiger Finance	Uncertain
Investments in subsidiaries	Investment - Tiger Congo	Uncertain
Investments in subsidiaries	Investment - SEK	Uncertain
Investments in subsidiaries	Investment - SASE	Uncertain
Investments in subsidiaries	Investment - Balcon	Uncertain
Investments in subsidiaries	Investment - Havelock Finance	Uncertain
Investments in subsidiaries	Investment - Crux Energy	Uncertain
<b>Total</b>		<b>352,706.95</b>

# Explanatory Statement

## Annexure G Scheme Administrator's Scale of Charges

# KordaMentha rates

Special

## Applicable from 1 July 2019

### FY 2020

Classification	\$ per hour*
Principal Appointee/Partner/Executive Director	830
Director	750
Associate Director 1	660
Associate Director 2	660
Manager	600
Senior Executive Analyst	540
Executive Analyst	440
Senior Business Analyst	440
Business Analyst 1	340
Business Analyst 2	210
Administration	180

\*Exclusive of GST



## KordaMentha disbursement policy

Disbursements incurred from third party suppliers are charged at the cost invoiced. KordaMentha does not add any margin to disbursements incurred through third parties.

There are no charges for internal KordaMentha disbursements, such as internal photocopy use, telephone calls or facsimiles, except for bulk printing and postage that is performed internally, which are calculated on a variable cost recovery basis.

In relation to any employee allowances, being kilometre allowance and reasonable travel allowance, the rate of the allowance set by KordaMentha is at or below the rate set by the Australian Taxation Office.

If a KordaMentha data room is utilised, the fee will comprise an initial setup fee and then a fee based on the duration and size of the data room.

Certain services provided by Forensic Technology may require the processing of electronically stored information into specialist review platforms. Where these specific Forensic Technology resources are utilised, the fee will be based on units (e.g. number of laptops), size (e.g. per gigabyte) and/or period of time (e.g. period of hosting).

GST is applied to disbursements as required by law.

## KordaMentha disbursement internal rates and allowances

Description	Charge*
Photocopying, printing (general)	\$0.06 per page
Envelopes and postage (varies due to size and weight)	\$1.59 to \$6.02 per envelope
ASIC charges for appointments and notifiable events	These amounts will be charged at cost, if known at the time it is charged, or at an estimated amount, if known at the time it is charged, or at the last issued estimated amount or actual cost, as advised by ASIC. The current actual cost and estimated cost amounts are as detailed below: \$77 per appointee or notifiable event for FY18 at cost – advised by ASIC Jan 19 \$83 per appointee or notifiable event for FY19 or FY20 at estimated amount – advised by ASIC Jun 19
Travel Reimbursement	\$0.60 per kilometre
Meal per diem, etc.	Up to \$92.70 per day per staff member (unless other arrangements made)
RelativityOne fee	User licence fees (including analytics) \$150 per user per month
	Data hosting \$22.50 per GB per month
	Repository workspace \$7.50 per GB per month
	Cold storage \$5.65 per GB per month
	Note: only one of Data hosting, Repository workspace or Cold storage cost will be charged at any one time
Dataroom fee (varies based on MB size)	0–300 MB \$1,000 per month
	300–1000 MB \$1,000 + \$2.50/MB per month
	1000–5000 MB \$2,750 + \$1.25/MB per month
	5000+ MB \$7,750 + \$0.60/MB per month

\*Exclusive of GST, reviewed annually on 1 July. Dataroom rates applicable at the time of establishment are fixed for the duration of the dataroom. If lower rates are negotiated, then they will apply to datarooms established from that point in time.

## KordaMentha classifications

Classification	Guide to level of experience
Principal Appointee/Partner/ Executive Director	Registered/Official Liquidator/Trustee, his or her Partners. Specialist skills brought to the administration. Generally in excess of 10 years' experience.
Director	More than eight years' experience and more than three years as a Manager. Answerable to the appointee, but otherwise responsible for all aspects of an administration. Controls staffing and their training.
Associate Director 1	Six to eight years' experience with well developed technical and commercial skills. Will have conduct of minor administrations and experience in control of a small to medium team of staff. Assists with the planning and control of medium to large administrations.
Associate Director 2	Five to seven years' experience with well developed technical and commercial skills. Will have conduct of minor administrations and experience in control of a small to medium team of staff. Assists with the planning and control of medium to large administrations.
Manager	Four to six years' experience. Will have had conduct of minor administrations and experience in control of one to three staff. Assists with the planning control of medium to large administrations.
Senior Executive Analyst	Three to four years' experience. Assists planning and control of small to medium administrations as well as performing some of the more difficult tasks on larger administrations.
Executive Analyst	Two to three years' experience. Required to control the tasks on small administrations and is responsible for assisting tasks on medium to large administrations.
Senior Business Analyst	Graduate with one to two years' experience. Required to assist in day-to-day tasks under supervision of more senior staff.
Business Analyst	Undergraduate or graduate with up to one year experience. Required to assist in day-to-day tasks under supervision of more senior staff.
Administration	Appropriate skills, including books and records management and accounts processing particular to the administration.



# Explanatory Statement

## Annexure H Scheme Creditors

The amounts below are owing (either actually or contingently) to the Scheme Creditors by SEK as at 30 November 2019, being Secured Debt. The Scheme Company and the other companies in the Group have provided full recourse guarantees in favour of the Scheme Creditors in respect of the Secured Debt pursuant to the Guarantee.

<b>Scheme Creditor</b>	<b>Amount owing</b>
QMetco	US\$32,497,000
Taurus	US\$158,586,000
IFC	US\$55,932,000

# Explanatory Statement

## Annexure I Group structure chart

