TIGER RESOURCES LIMITED

ABN 52 077 110 304

APPENDIX 4E

ASX PRELIMINARY UNAUDITED FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

(Corresponding period – year ended 31 December 2014)

expressed in United States Dollars, unless stated otherwise

Contents

Corporate Directory

DIRECTORS	Mark Connelly *Non-Executive Chairman* Michael Griffiths *Interim CEO* Stephen Hills *Finance Director* David Constable *Non-Executive Director*
COMPANY SECRETARY	Susmit Shah
PRINCIPAL REGISTERED OFFICE IN AUSTRALIA	Level 1, 1152 Hay Street West Perth WA 6005 Australia Telephone: +61(8) 6188 2000
SHARE REGISTRY	Computershare Investor Services Pty Ltd Level 11 172 St Georges Terrace Perth WA 6000 Australia Telephone: +61(8) 9323 2000 GPO Box D182 Perth WA 6840
AUDITOR	PricewaterhouseCoopers Level 15, Brookfield Place 125 St Georges Terrace Perth WA 6000 Australia
STOCK EXCHANGE LISTINGS	Australian Securities Exchange (Code: TGS) German Stock Exchange (Code: WKN AOCAJF)
WEBSITE ADDRESS	www.tigerresources.com.au
DEMOCRATIC REPUBLIC OF CONGO OFFICE	8935 Avenue Tiger Q/Kimbeimbe, C/Annexe Lubumbashi, Katanga Democratic Republic of Congo

Results for announcement to the market

This information should be read in conjunction with the accompanying financial statements extracts.

Results for announcement to the market

		Twelve months to 31 December 2014 $'000		Twelve months to 31 December 2015 $'000
Revenue from ordinary activities	Up 2.1% from	143,386	to	**146,376**
Profit/(Loss) after tax from ordinary activities		7,756	to	**(17,867)**
Profit/(Loss) after tax attributable to members		3,160	to	**(17,507)**

Net tangible assets per share

	31-Dec-14	31-Dec-15
Net tangible assets per share	$0.14	$0.10

Explanation of revenue and profit/(loss) after tax from ordinary activities

The consolidated entity recorded a loss after tax attributable to the owners of Tiger for the year ended 31 December 2015 of $17.507 million (31 December 2014: profit after tax of $3.160 million), representing loss per share of 1.52 cents (31 December 2014: profit per share of 0.34 cents). The decrease in earnings was primarily due to a reduction in the realised copper price in 2015 from 2014, higher non-cash run of mine inventory expenses associated with a full year of processing HMS stockpiles through the SXEW plant, higher finance costs associated with the Taurus acquisition finance facility, partly offset by higher payable copper production volumes.

Dividends / distributions

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

Consolidated Statement of Comprehensive Income

	Note	Consolidated 2015 $'000	Consolidated 2014 $'000
Revenue	*3*	146,376	143,386
Cost of sales	*5*	(131,084)	(102,171)
		15,292	41,215
Other income	*4*	1,757	4,583
Exploration and evaluation expenses		(2,887)	(2,833)
Administration expenses	*6*	(6,354)	(11,928)
Foreign exchange (loss)/gain		(1,304)	127
Finance costs	*6*	(23,087)	(10,298)
(Loss)/profit before income tax		**(16,583)**	**20,866**
Income tax expense	*7 (a)*	(1,284)	(13,110)
(Loss)/profit for the year		**(17,867)**	**7,756**
Net (loss)/profit attributable to:			
Owners of Tiger Resources Limited		(17,507)	3,160
Non-controlling interests		(360)	4,596
		(17,867)	7,756
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments		638	(1,501)
Total comprehensive (loss)/income for the year		**(17,229)**	**6,255**
Total comprehensive (loss)/income for the year is attributable to:			
Owners of Tiger Resources Limited		(16,869)	1,659
Non-controlling interests		(360)	4,596
		(17,229)	6,255
Basic (loss)/profit per share (cents per share)		(1.52)	0.34
Diluted (loss)/profit per share (cents per share)		(1.52)	0.34

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

Consolidated Balance Sheet

		Consolidated	
	Note	**2015**	**2014**
		$'000	**$'000**
ASSETS			
Current Assets			
Cash and cash equivalents	*8 (a)*	19,007	21,483
Trade and other receivables	*8 (b)*	12,458	38,928
Inventories	*9 (a)*	32,083	47,938
Equity investments at fair value through other comprehensive income		898	-
Other current assets	*8 (b)*	5,201	-
Total current assets		69,647	108,349
Non-current assets			
Receivables	*8 (b)*	8,244	6,316
Equity investments at fair value through other comprehensive income		-	260
Mine properties & development	*9 (b)*	75,224	77,537
Plant & equipment	*9 (c)*	207,724	209,296
Other non-current assets	*9 (d)*	7,116	-
Total non-current assets		298,308	293,409
Total assets		367,955	401,758
LIABILITIES			
Current liabilities			
Trade and other payables	*8 (c)*	30,893	38,513
Current tax payable		1,322	-
Borrowings	*8 (e)*	155,397	176,921
Deferred revenue		-	1,292
Total current liabilities		187,612	216,726
Non-current liabilities			
Other payables	*8 (c)*	2,391	-
Derivative financial instruments	*8 (d)*	856	600
Deferred tax liabilities		18,418	19,779
Provisions		3,598	5,609
Total non-current liabilities		25,263	25,988
Total liabilities		212,875	242,714
NET ASSETS		**155,080**	**159,044**
EQUITY			
Contributed equity	*10 (a)*	286,210	273,537
Reserves		(50,666)	(51,896)
Accumulated losses	*11*	(86,961)	(69,454)
Capital and reserves attributable to owners of the Company		148,583	152,187
Non-controlling interest		6,497	6,857
TOTAL EQUITY		**155,080**	**159,044**

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

Consolidated Statement of Changes in Equity

	Notes	Attributable to the owners of Tiger Resources Ltd Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2014		179,196	14,678	(72,614)	121,260	47,306	168,566
Profit for the year		-	-	3,160	3,160	4,596	7,756
Other comprehensive loss for the year		-	(1,501)	-	(1,501)		(1,501)
Total comprehensive income/(loss) for the year		-	(1,501)	3,160	1,659	4,596	6,255
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	*10 (b)*	94,341	-	-	94,341		94,341
Transactions with non-controlling interests		-	(65,955)	-	(65,955)	(45,045)	(111,000)
Share-based payments		-	882	-	882	-	882
		94,341	(65,073)	-	29,268	(45,045)	(15,777)
Balance at 31 December 2014		**273,537**	**(51,896)**	**(69,454)**	**152,187**	**6,857**	**159,044**
Balance at 1 January 2015		273,537	(51,896)	(69,454)	152,187	6,857	159,044
Loss for the year		-	-	(17,507)	(17,507)	(360)	(17,867)
Other comprehensive income for the year		-	638	-	638		638
Total comprehensive income/(loss) for the year		-	638	(17,507)	(16,869)	(360)	(17,229)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	*10 (b)*	12,673	-	-	12,673	-	12,673
Transactions with non-controlling interests		-	-	-	-	-	-
Share-based payments		-	592	-	592	-	592
		12,673	592	-	13,265	-	13,265
Balance at 31 December 2015		**286,210**	**(50,666)**	**(86,961)**	**148,583**	**6,497**	**155,080**

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

Consolidated Statement of Cash Flows

		Consolidated	
	Note	**2015**	**2014**
		$'000	**$'000**
Cash flows from operating activities			
Receipts from product sales		140,423	119,682
Payments to suppliers and employees		(97,035)	(93,753)
Exploration expenditure		(2,648)	(1,896)
Interest received		24	85
Bank guarantees		(48)	-
Income tax paid		(2,486)	(17,494)
Proceeds from settlement of forward contracts		-	3,470
Net cash inflows from operating activities	*12 (a)*	**38,230**	**10,094**
Cash flows from investing activities			
Purchase of plant and equipment		(16,142)	(84,761)
Contingent purchase consideration		-	(7,750)
Deposits paid		-	(275)
Net cash outflows from investing activities		**(16,142)**	**(92,786)**
Cash flows from financing activities			
Proceeds from borrowings		34,527	120,908
Repayment of borrowings		(54,184)	(20,388)
Issues of shares		13,368	86,347
Share issue costs		(695)	(4,066)
Interest paid		(13,606)	(4,615)
Financing costs		(3,967)	-
Payment for acquisition of non-controlling interest		-	(111,000)
Net cash (outflows)/inflows from financing activities		**(24,557)**	**67,186**
Net decrease in cash and cash equivalents held		**(2,469)**	**(15,506)**
Cash and cash equivalents at the beginning of the financial period		21,483	37,274
Net foreign exchange differences		(7)	(285)
Cash and cash equivalents at the end of the financial period	***8 (a)***	**19,007**	**21,483**

Non-cash financing and investing activities			
Options issued in lieu of finance costs	*12 (b)*	2,084	1,724
Shares issued as consideration	*12 (b)*	-	12,000
		2,084	**13,724**

Notes to the Consolidated Financial Statements

1. Accounting policies, estimation method and measurement basis

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

2. Segment information

The Group considers that it has only operated in one reportable segment, being minerals exploration, development and production in the Democratic Republic of Congo (DRC).

3. Revenue

	Consolidated	
	2015	**2014**
	$000s	**$000s**
From continuing operations		
Sale of copper cathode	140,311	79,489
Sale of copper concentrate	6,065	63,897
	146,376	143,386

4. Other income

		Consolidated	
		2015	**2014**
		$000s	**$000s**
Fair value gain on derivative liability	*(i)*	1,728	1,123
Fair value gain on settlement of forward commodity contracts		-	3,402
Interest income		24	58
Gain on disposal of fixed assets		5	-
		1,757	**4,583**

(i) Fair value gain on derivative liabilities		
Taurus 2014 options	536	1,123
Taurus 2015 options – tranche 1	103	-
Taurus 2015 options – tranche 2	1,089	-
	1,728	1,123

Notes to the financial statements (continued)

5. Cost of sales

	Consolidated	
	2015 **$000s**	**2014** **$000s**
Cost of sales - cathode		
Mining	3,077	2,089
Processing	43,875	18,664
Administration	19,645	13,384
Selling costs	14,159	7,140
Royalties	5,945	3,530
Depreciation and amortisation	17,843	8,371
Inventory movements and deferred waste	14,973	3,066
	119,517	56,244
Cost of sales - concentrate		
Mining	70	5,926
Processing	1,573	12,736
Administration	2,458	7,695
Selling costs	4,796	21,586
Royalties	315	2,792
Depreciation and amortisation	-	8,561
Inventory movements and deferred waste	2,355	(13,369)
	11,567	45,927
	131,084	102,171

Total operating expenses include $12.636 million (2014: $12.067 million) of employee benefit expenses, and $27.547 million (2014: $29.886 million) of costs relating to the consumption of inventories.

Notes to the financial statements (continued)

6. Expenses

	Consolidated	
	2015 $000s	2014 $000s
Finance costs		
Interest charged on loans	14,309	8,027
Other borrowing costs	4,405	4,189
Fair value of derivatives at inception	1,984	-
Less: interest expense capitalised	-	(3,580)
	20,698	8,636
Accretion of finance costs	2,389	1,662
	23,087	10,298

The fair value of derivatives at inception is the values of options issued to Taurus being $0.217 million for tranche 1 options and $1.767 million for tranche 2 options.

	2015 $000s	2014 $000s
Administration expenses		
Employee-related expenses and directors' fees		
Wages and salaries	2,721	2,713
Superannuation expense	108	135
Share-based payments expense	292	882
	3,121	3,730
Depreciation expense	50	42
Other administration expenses	3,183	8,156
	6,354	11,928

Total employee share-based payments expense for the period is $0.492 million of which $0.292 million is included in administration expenses and the balance of $0.200 million in cost of sales and exploration expense.

Notes to the financial statements (continued)

7. Income tax expense

	Consolidated	
	2015	**2014**
	$000s	**$000s**
(a) Income tax expense		
Current tax expense	2,645	2,360
Deferred tax (benefit)/expense	(1,361)	10,750
	1,284	13,110
Deferred income tax (benefit)/expense included in income tax expense comprises:		
(Increase) in deferred tax assets	(3,607)	(8,154)
Increase in deferred tax liabilities	2,246	18,904
	(1,361)	10,750

Notes to the financial statements (continued)

8. Financial assets and liabilities

(a) Cash and cash equivalents

	Consolidated	
	2015	**2014**
	$000s	**$000s**
Current assets		
Cash on hand	19,007	5,972
Deposits at call	-	15,511
	19,007	21,483

(i) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with a 24 hours' notice with no loss of interest.

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

	Consolidated	
	2015	**2014**
	$000s	**$000s**
Trade and other receivables - current		
Trade receivables	-	13,193
Other receivables	8,814	23,474
Current tax receivables	2,218	2,094
Prepayments	954	126
Security deposits	472	41
	12,458	38,928
Other current assets		
Prepaid finance costs	5,201	-
	5,201	-
Receivables - non current		
Tax receivable	8,244	6,316
	8,244	6,316

Trade receivables are for sales of copper concentrate and copper cathode under offtake agreements.

Other receivables include amounts reimbursable for $7.519 million (2014: $19.014 million) of goods and services tax (GST) and value added tax (VAT) and $0.957 million (2014: $3.230 million) of withholding tax. These amounts are non-interest bearing and are repayable according to applicable government regulations.

Notes to the financial statements (continued)

8. Financial assets and liabilities (continued)

(b) Trade and other receivables and other financial assets (continued)

The current prepayments include an amount of $0.790 million paid 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. The prepayments will ultimately be realised on the basis of units of power drawn from the grid. In addition to this amount, $7.116 million is classified a non-current asset.

Prepaid finance costs of $5.201 million are arranging and legal fees accrued to the balance date, and will be amortised over the life of the long-term Facility.

The total income tax receivable is $10.462 million, of which $2.218 million is classified as current and $8.244 million is classified as non-current.

No receivables were impaired or past due as at 31 December 2015, and based on credit history of the receivables it is expected that the amounts will be received when due. No collateral is held in relation to these receivables.

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

(c) Trade and other payables

	Consolidated	
	2015 $000s	**2014 $000s**
Current liabilities		
Trade payables	30,411	38,298
Other payables - annual leave	482	215
	30,893	38,513
Non-current liabilities		
Deferred consideration	2,391	-

Trade payables are unsecured and include $5.201 million of accrued finance costs.

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

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

Deferred consideration relates to the purchase of two 30MVa substations installed at Kipoi. The total liability recognised is $4.620 million, of which $2.229 million is included in trade payables and the balance of $2.391 million is the present value of instalments due between January 2017 and March 2018.

Notes to the financial statements (continued)

8. Financial assets and liabilities (continued)

(d) Derivative financial liabilities

	Consolidated	
	2015 $000s	**2014 $000s**
Non-current liabilities		
Derivative financial liabilities	856	600
	856	600

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

These liabilities will only be settled via the issue of equity and are recorded at fair value.

(e) Borrowings

	Consolidated	
	2015 $000s	**2014 $000s**
Current borrowings		
Advance payment facility	25,090	75,608
Acquisition finance facility	100,422	74,221
Overdraft facilities	29,885	20,358
Prepayment facility	-	3,067
Short-term amortising facility	-	3,667
	155,397	176,921

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

Financing facilities

Advance Payment Facility

As at the balance date the principal amount of $25.000 million is outstanding on the advance payment facility from Gerald Metals, repayable in monthly instalments of $4.166 million. The facility bears interest at a fixed rate of 4.10% per annum, of which $0.090 million was accrued at the balance date. Early repayment of the facility is permitted.

In connection with the facility, SEK and Gerald Metals have entered into an off-take agreement for the purchase of 175,000 tonnes of copper cathode from the Kipoi SXEW plant, with 100% of cathode production committed until that tonnage has been delivered.

The facility is secured by a first-ranking charge over business assets of SEK including plant and equipment and ore stockpiles available as SXEW feed located at the Kipoi mine, but excluding the Stage 1 HMS plant, power station, accommodation units, low-grade run-of-mine ore stockpiles and run-of-mine cobalt stockpiles. Security is also held over certain SEK bank accounts and by way of multiple share pledges with the effect that the final secured share pledge is a 60% equity interest in SEK. The carrying value of assets pledged as security is $192.157 million.

Notes to the financial statements (continued)

8. Financial assets and liabilities (continued)

(e) Borrowings (continued)

The financial covenants applicable to the facility include a minimum Group tangible net worth of 80% of $69.000 million, and a ratio of financial indebtedness to SEK's trailing three-month annualised EBITDA (excluding ore stockpile adjustments) of not greater than 1.25 times, subsequently amended for the December 2015 quarter to 2.00 times.

The Group has complied with the covenants during the twelve months ended 31 December 2015.

Subsequent to balance date, facility was repaid with first drawdown from the long-term Facility on 29 January 2016. Details of events subsequent to the balance date are disclosed in note 13.

Acquisition finance facility

As at balance date, $100.000 million was outstanding on the acquisition finance facility provided from Taurus. Terms of facility included interest at a fixed rate of 11.00% per annum, and an extension fee of 0.5% of the principal outstanding upon each monthly extension of the facility term from 17 April 2015 to 17 October 2015. The facility is secured by multiple share pledges with the effect that the final secured property is a 35% equity interest in SEK. The carrying value of assets pledged as security is nil.

On 11 February 2015 the facility terms were amended to permit its use for working capital purposes, and provide the right to extend the facility from 17 October 2015 to 31 January 2016, during which extended term a fixed interest rate of 11.00% per annum applied. The amendment required the issue of 55 million options to Taurus, presently exercisable at A$0.097 each on or before 31 May 2019.

As at 31 December 2015, the facility was fully drawn to $100.000 million, with $0.422 million of interest accrued.

Subsequent to balance date, this facility was repaid with first drawdown from the long-term Facility on 29 January 2016. Details of events subsequent to the balance date are disclosed in note 13.

Overdraft facilities

SEK has two overdraft facilities in place with local DRC banks, Rawbank and Banque Commerciale du Congo (BCDC). The Rawbank facility limit is $15.000 million and was drawn to $14.983 million at balance date. The BCDC facility limit is $15.000 million and was drawn to $14.902 million at 31 December 2015. The facilities are unsecured and accrue interest at prevailing commercial rates.

Prepayment facility

The interest-free advance payment facility of $4.600 million was fully repaid during the reporting period (2014: $3.067 million).

Short-term amortising facility

The $5.000 million short-term interest-bearing facility was fully repaid during the reporting period (2014: $3.667 million).

Notes to the financial statements (continued)

9. Non-financial assets and liabilities

(a) Inventories

	Consolidated	
	2015	**2014**
	$000s	**$000s**
Current assets		
Consumables - at cost	7,619	5,967
Ore stockpiles - at cost	11,086	26,383
Copper in circuit - at cost	8,714	7,810
Finished goods - cathode - at cost	4,664	5,423
Finished goods - concentrate - at cost	-	2,355
	32,083	47,938

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

(b) Mine properties and development

	Consolidated	
	2015	**2014**
	$000s	**$000s**
Opening balance	77,537	71,440
Additions	19	6,650
Rehabilitation asset (reduction)/addition	(1,982)	1,973
Deferred stripping	-	2,326
Amortisation	(350)	(4,852)
Closing balance	75,224	77,537

During the year, the rehabilitation provision was re-estimated based on updated economic assumptions. The decrease in the provision, was predominantly due to the revision of the discount rate applied to rehabilitation liability, resulted in a corresponding reduction in the cost of the rehabilitation asset.

Mine properties and development expenditure is amortised over the life of mine.

Notes to the financial statements (continued)

9. Non-financial assets and liabilities (continued)

(c) Property, plant and equipment

	Consolidated				
	Motor Vehicles $000s	Plant & Equipment $000s	Land & Buildings $000s	Construction in Progress $000s	Total $000s
At 1 January 2014					
Cost	3,369	21,145	4,219	130,264	158,997
Accumulated depreciation	(1,935)	(15,745)	(379)	-	(18,059)
Net book value	1,434	5,400	3,840	130,264	140,938
Year ended 31 December 2014					
Opening net book amount	1,434	5,400	3,840	130,264	140,938
Additions	-	34	-	80,817	80,851
Write off - cost	-	(189)	-	(106)	(295)
Transfers (to)/from other classes	126	206,195	306	(206,627)	-
Depreciation charge	(665)	(11,492)	(230)	-	(12,387)
Write off - accumulated depreciation		189	-	-	189
Closing net book amount	895	200,137	3,916	4,348	209,296
At 31 December 2014					
Cost	3,494	227,187	4,525	4,348	239,554
Accumulated depreciation	(2,599)	(27,050)	(609)	-	(30,258)
Net book value	**895**	**200,137**	**3,916**	**4,348**	**209,296**
Year ended 31 December 2015					
Opening net book amount	895	200,137	3,916	4,348	209,296
Additions	-	1,020	74	15,055	16,149
Write off - cost	(22)	-	-	-	(22)
Transfers (to)/from other classes	-	13,991	92	(14,083)	-
Depreciation charge	(503)	(16,980)	(238)	-	(17,721)
Write off - accumulated depreciation	22	-	-	-	22
Closing net book amount	392	198,168	3,844	5,320	207,724
At 31 December 2015					
Cost	3,472	242,196	4,691	5,320	255,679
Accumulated depreciation	(3,080)	(44,028)	(847)	-	(47,955)
Net book value	392	198,168	3,844	5,320	207,724

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

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

Notes to the financial statements (continued)

9. Non-financial assets and liabilities (continued)

(c) Property, plant and equipment (continued)

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

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

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

(d) Prepayments

	Consolidated	
	2015 $000s	2014 $000s
Prepayments – non current	7,116	-

The non-current prepayments are comprised of the non-current portion of the aggregate $7.906 million paid 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. The prepayments will ultimately be realised on the basis of units of power drawn from the grid. The risks to achieving grid power include, but are not limited to availability of power from the DRC national grid, climatic factors and the performance of the DRC national grid. In addition to this amount, $0.790 million is classified a current asset.

Notes to the financial statements (continued)

10. Contributed equity

(a) Share capital

	2015 Number	**2015 $000s**	**2014 Number**	**2014 $000s**
Ordinary shares fully paid net of costs	1,484,618,275	286,210	1,143,541,406	273,537

(b) Movement in ordinary share capital

Date		**Number of shares**	**Issue price ($A)**	**$000s**
	2014			
01-Jan-14	**Opening balance**	**802,710,269**	**-**	**179,196**
07-Feb-14	Vesting of performance rights	601,426	-	-
10-Apr-14	Shares issued as consideration	35,585,922	0.3400	12,000
19-Jun-14	Capital raising	59,886,610	0.3200	19,052
08-Sep-14	Capital raising	152,114,492	0.2800	42,785
26-Sep-14	Capital raising	92,642,687	0.2600	24,511
	Capital raising costs	-		(4,007)
31-Dec-14	**Closing balance**	**1,143,541,406**		**273,537**
	2015			
01-Jan-15	**Opening balance**	**1,143,541,406**	**-**	**273,537**
17-Dec-15	Share placement	124,449,054	0.0665	6,000
23-Dec-15	Issue under Rights entitlement	216,627,815	0.0470	7,368
	Capital raising costs	-	-	(695)
31-Dec-15	**Closing balance**	1,484,618,275		286,210

Notes to the financial statements (continued)

11. Accumulated losses

	Consolidated	
	2015 **$000s**	**2014** **$000s**
Opening balance	(69,454)	(72,614)
Net (loss)/profit for the year	(17,507)	3,160
Closing balance	(86,961)	(69,454)

12. Cash flow information

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

	Consolidated	
	2015 **$000s**	**2014** **$000s**
(Loss)/profit for the year	(17,867)	7,756
Gain from fair value of other financial assets	(1,728)	(1,124)
Depreciation and amortisation	17,893	9,149
Share-based payments	492	882
Non-cash finance costs	2,422	1,471
Net exchange differences	1,304	(87)
	2,516	18,047
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivable	24,542	(13,157)
Decrease/(Increase) in inventories	15,855	(22,080)
(Decrease)/increase in trade payables	(3,322)	16,534
(Decrease)/increase in deferred tax liabilities	(1,361)	10,750
Net cash inflow from operating activities	38,230	10,094

(b) Non-cash investing and financing activities

In 2014 the Company issued 20 million options to Taurus Mining Finance Fund L.P. (Taurus) pursuant to terms of the acquisition finance facility entered into on 27 August 2014. The options were issued for no consideration with an exercise price of at A$0.40, expiring on 16 October 2018. The value of these options, being $1.724 million, was derived using an appropriate valuation methodology based on the aforementioned terms. During the year, the fair value of the options issued in 2014 decreased by $0.536 million (2014: $1.124 million).

During 2015 the Company issued 55 million options to Taurus, upon extension of the acquisition finance facility. The first tranche of 7.9 million options was issued on 9 March 2015 and second tranche of 47.1 million options on 29 May 2015. Both tranches of options were issued for no consideration with an exercise price of A$0.10, expiring on 31 May 2019. Based on these terms, the options were valued using an appropriate valuation methodology; the values derived being $0.217 million for tranche 1 options and $1.767 million for tranche 2 options. During the year, the fair value of the options issued in 2015 decreased by $1.192 million.

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

Notes to the financial statements (continued)

12. Cashflow information (continued)

During the year, the Company settled finance costs of $0.100 million through the issue of 1,641,648 options to Standard Bank and Rand Merchant Bank, a division of First Rand Bank. The options were issued on 31 July 2015 vesting immediately, with an exercise price of A$0.0816 and an expiry date of 30 June 2018.

No shares were issued by the Company as consideration to suppliers during the year (2014: $12.000 million).

13. Events subsequent to balance date

Financing facility

The first drawdown of the $162.500 million long-term finance facility (Facility) with Taurus and IFC was achieved on 29 January 2016 with an amount of $133.200 million drawn.

The Facility drawdown repaid the previous secured debt facilities with Taurus (acquisition finance facility) and Gerald Metals. The undrawn balance of the Facility of $29.300 million provides expansion capital for the debottlenecking initiative to increase the capacity of the Kipoi SXEW plant to 32,500tpa. The first scheduled repayment of the debt principal is due on 31 January 2017, so that obligations in relation to the Facility will be of interest only and other finance charges until that date.

Equity raisings

Subsequent to 31 December 2015, and as previously announced on 16 December 2015, the Company completed the equity raisings with the retail component of the non-renounceable accelerated rights issue by the issue of approximately 107 million new shares at A$0.047 per share raising approximately $3.500 million.

Resource Capital Funds (RCF) and International Finance Corporation (IFC) subscribed for 48.7 million shortfall shares ($1.57 million) and 154.7 million shortfall shares ($5.000 million) respectively under the terms of their subscription agreements with Tiger.

Except for the matters discussed above, no other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the Group's operations in future financial years, the results of those operations in future financial years, or the Group's state of affairs in future financial years.

14. Going concern

The Appendix 4E and the financial information therein 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.

Working capital deficiency

As at balance date the consolidated entity had a working capital deficiency of $117.965 million. Included in the working capital deficiency are current liabilities of $125.000 million, being the secured financing facilities more fully described in note 9(f) to the financial statements, namely the acquisition finance facility from Taurus drawn to $100.000 million and due for repayment on or before 31 January 2016; and the Advance Payment Facility from Gerald Metals SA drawn to $25.000 million and repayable by 30 June 2016.

The Directors have maintained the view that the continued viability of the Company is dependent on the successful replacement of the short-term facilities with long-term facilities with a sustainable repayment profile that would enable the Company to realise its assets and discharge its liabilities in the normal course of business.

Notes to the financial statements (continued)

14. Going concern (continued)

On 16 December 2015, the Company agreed terms for a $162.500 million finance facility with Taurus and International Finance Corporation (IFC) (the Facility), and subsequent to the balance date on 29 January 2016 completed the first draw-down of $133.200 of the Facility and repaid both the Taurus and Gerald Metals SA borrowings that existed on 31 December 2015 (refer to note 19 for further details on subsequent events). The new facility has a 99-month term to 31 January 2024, with interest only and other finance charges payable monthly to 31 January 2017, after which principal, interest and other finance fees are payable monthly. In addition, subsequent to the balance date, the Company has completed equity raising activities for proceeds of approximately $10 million, as per note 13.

The directors believe that the going concern assumption is appropriate, because the new financing arrangements provide sufficient funds to expand production at Kipoi to 32,500 tonnes per annum, and a repayment profile that can be reasonably expected to be serviced from cashflows generated by the planned operations at Kipoi.

Supplementary Appendix 4E Information

Details of entities over which control has been gained or lost during the year

Nil.

Details of associates and joint ventures

Nil.

Subsequent events

Refer to note 13 for details.

Accounting standards

Refer to note 1 for details.

Results of segments

Refer to note 2 for details.

Audit report

This report is based on financial statements which are in the process of being audited, therefore no audit report is attached to this report.