

Tuesday, 25 October 2016

### Kipoi Operations and Funding Update

**Perth, Western Australia:** Tiger Resources Limited (ASX: TGS) (“Tiger”) provides the following update on the operations and financing arrangements at the Kipoi Copper Project, Democratic Republic of Congo.

#### Heap Leach operations

Operations staff reported seepage of process solution from the Intermediate Leach Solution (ILS) pond at 7:50am local time on Saturday 15 October. The ILS solution was exiting the pond wall at the toe of the eastern embankment. All flow to the ILS pond was ceased immediately and a diversion trench was excavated to divert the ILS flow to the process pond. All remedial containment work was completed by mid-morning. The estimated volume of ILS solution released was approximately 10-30m<sup>3</sup>. The ILS solution was neutralised with lime and recovered to the site waste disposal area. The source of leakage was quickly identified as coming from the connecting pipe in a lined trench between the heap leach and the ILS pond, resulting in solution seeping under the pond liner. The leakage source was repaired and the solution flow from the ILS pond ceased as of 11:20am on 15 October.

Environmental officers have checked downstream monitoring bores and reported no detection of contaminants. Local authorities were appropriately advised and mine inspectors conducted a site visit within hours of the incident being reported. Ongoing monitoring remains in place.

A representative of consulting engineers Knight Piesold (“KP”) attended site on 19 October 2016 and conducted a full assessment of the cause of the leakage and the structural integrity of the ILS pond. Following their advice, work is currently being undertaken to reinforce the existing ILS pond walls and pump out solution trapped under the HDPE liner. This is expected to take up to six weeks to complete, during which time production is expected to average between 55 – 60 tonnes of copper cathode per day. At the conclusion of this work and after a further review, production may be increased. In addition, a new ILS pond is being constructed as a permanent replacement and is expected to be commissioned during Q1 2017.

## Revised Annual Guidance

As a result, the Company has reviewed its annual production guidance range to 23,000 tonnes – 23,600 tonnes of copper cathode (previously 25,000 tonnes – 26,500 tonnes).

The 2016 annual cash operating cost<sup>1</sup> guidance range is amended to \$1.49/lb - \$1.52/lb (previously \$1.40/lb to \$1.46/lb), and the all-in sustaining cash costs<sup>2</sup> (“AISC”) guidance range is amended to \$1.69/lb - \$1.73/lb (previously \$1.56/lb - \$1.65/lb).

## EW Expansion – Debottlenecking Project

The final phase of the EW expansion which forms part of the Debottlenecking Project was completed on Sunday 23rd October with the tie-in of the new 14 additional EW cells to the existing tank house. The expanded EW plant has been handed over to the Tiger operating team, and plating of the additional cathode has commenced. The Tank Leach and the new Tailings Storage Facility are also nearing completion and will be reported separately.

## Senior Financing Facility

In anticipation of increased funding requirements, the Company has accepted a proposal whereby Taurus Mining Finance Fund (“TMFF”) and Resource Capital Fund VI L.P. (“RCF”) have provided a further commitment for a USD10 million bridge facility to accommodate short term funding needs as a result of the ILS remedial work and loss of production.

In addition, the Senior Lenders, (comprising TMFF, RCF and International Finance Corporation (a member of the World Bank) “IFC”)) have provided the Company:

- A two-month extension of the availability period of the remaining undrawn senior financing facility;
- Approval of the third drawdown request of USD6.3 million for the week commencing 24 October 2016;
- Capitalisation of interest of the next 4 interest repayments to 31 July 2017.

The approved additional funding is available for agreed uses including the completion of the debottlenecking, additional capital expenditures and working capital items.

The increase in existing commitments will be accommodated under a revision to the existing Common Terms Agreement, inter-creditor and securities documents with the lender group, and is provided at the same 9.25% coupon and undrawn basis as per the current agreement. Under the revised facility arrangements Tiger will issue the Senior Lenders a total of 6.2 new ordinary shares per US Dollar of funding advanced or interest capitalised. Assuming the revised facilities are fully utilised to expiry of the term this will result in a maximum of approximately 247 million shares being issued within the Company’s existing 15% discretionary placement capacity.

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<sup>1</sup> Cash operating costs include all mining, processing, site administration & support costs and selling, export & transport costs.

<sup>2</sup> The all-in sustaining cash costs (“AISC”) is calculated as cash operating costs plus royalties and sustaining capital costs.

## Board Change

Mr. Russell Middleton has decided to resign from the Board effective 23 October 2016 and the Board thanks Mr Middleton for his contribution.

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**Caution Regarding Forward Looking Statements and Forward Looking Information:** *This announcement contains forward looking statements and forward looking information, which are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements and forward looking information involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of copper, the actual results of current exploration, the availability of debt and equity financing, the volatility in global financial markets, the actual results of future mining, processing and development activities, receipt of regulatory approvals as and when required and changes in project parameters as plans continue to be evaluated. Except as required by law or regulation (including the ASX Listing Rules), Tiger Resources undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.*

**Production Targets:** *All Production targets referred to in this Report are underpinned by estimated Ore Reserves which have been prepared by competent persons in accordance with the requirements of the JORC Code.*