

## **Quarterly Report for Period Ended 31 December 2009**

### **HIGHLIGHTS**

#### **KIPOI PROJECT**

- US\$33.9 million (approximate) financing package from Trafigura pursuant to conditional agreement, comprising:
  - Placement of 50 million shares at an issue price of A\$0.15 for proceeds of A\$7.5 million (approximately US\$6.9 million) - completed in November 2009.
  - Loan note debt facility for US\$12 million - scheduled for completion in March 2010.
  - Subordinated debt facility for US\$15 million - scheduled for completion in April 2010.
- Financing package will secure Tiger's ability to meet payment obligations to acquire its 60% interest in the Kipoi Project and together with the Nedbank proposed senior debt facility will provide funds to bring the US\$30 million Stage 1 copper mining operation at Kipoi into production.
- Nedbank facility due diligence in progress. Targeting receiving final approvals in late March / early April 2010.
- Stage 1 mine works continue in accordance with development plan. Mining tenders issued. Confirmation received that treatment plant and infrastructure can be completed within the 6 month ramp up period. Targeting commencement of production for early fourth quarter 2010.
- Measured & Indicated JORC resource reported for the high grade Cobalt mineralisation. Results from preliminary metallurgical test work to identify a process able to produce marketable cobalt product encouraging.
- Highly favourable metallurgical test results confirm suitability of the oxidized ore at Kipoi to be treated by the planned Stage 2 SXEW process.

## KIPOI PROJECT

The Company has a staged development strategy for the Kipoi Project designed to optimize the substantial resource potential of the project area. Stage 1 involves processing high grade oxide copper mineralization through a heavy media separation (“HMS”) and spirals plant to produce the equivalent of 116,000 tonnes of copper in concentrate over a three year period. Profits generated over the three year life of Stage 1 will be reinvested into the much more capital intensive Stage 2 project.

Stage 2 of the development is proposed to be the construction of a Solvent Extraction and Electrowinning (“SXEW”) plant to produce LME Grade “A” cathode copper. The intention is to complete construction of a 25,000tpa (scaleable) SXEW by 2014 and by the time Stage 1 is coming to the end of its mine life. The expanding resource base at Kipoi has the potential to support a 100,000tpa SXEW production capacity.

### **Project Acquisition and Stage 1 Development Funding**

During the quarter the Company entered into a conditional agreement with Trafigura Beheer BV (“Trafigura”) for a combined equity and debt financing package for a total of approximately US\$33.9 million. The funds will primarily be used to enable Tiger to complete the key payment obligations at the Kipoi Project, being:

- Completion of the acquisition of Tiger’s 60% interest in the Kipoi Project; and
- Funding requirements for the Stage 1 development (in conjunction with the proposed debt facility from Nedbank Limited).

The financing package from Trafigura comprises three components:

- Placement of 50 million shares at an issue price of A\$0.15 for proceeds of A\$7.5 million (approximately US\$6.9 million) – which was completed in November 2009.
- Loan note debt facility for US\$12 million – scheduled for completion in March 2010.
- Subordinated debt facility for US\$15 million - scheduled for completion in April 2010.

As previously advised the Company’s strategy to date has been for the Stage 1 development expenditure to be primarily debt funded given the short payback period.

#### *Stage 1 Development Funding – US\$30 million*

Capital expenditure for the proposed Stage 1 development at the Kipoi project has been estimated by Arccon Mining Services in the Revised Definitive Feasibility Study (“RDFS”) to be approximately US\$30 million.

### Principal Debt Component

In September 2009 the Company mandated Nedbank Limited (“Nedbank”) to act as exclusive arranger of an Export Credit Insurance Corporation of South Africa Limited (“ECIC”) supported US\$16 million debt facility, for use in the Stage 1 development at the Kipoi project. Key indicative terms of the proposed debt facility were included in the news release dated 15 September 2009.

During the quarter Nedbank commenced its due diligence review, which comprises reviews of various aspects of the planned development by Nedbank and by independent consulting groups, including detailed technical, legal, insurance and financial modelling analysis. This due diligence is expected to be completed during the March 2010 quarter. The Company is targeting receiving the final approvals from Nedbank and ECIC in late March / early April 2010. The board of the ECIC meets on a quarterly basis, and the next such meeting is scheduled for late March.

### Subordinated Debt Component

As part of the financing package noted above, Trafigura will arrange and underwrite a subordinated debt facility of US\$15 million to complete the funding required for the proposed Stage 1 development at the Kipoi project. Key terms of the proposed subordinated debt facility were included in the news release dated 9 November 2009. The availability of the subordinated debt facility is subject to various conditions precedent including completion of detailed documentation, the Nedbank facility being in place and available and receipt of shareholder approval. The Company is targeting completing detailed documentation in early February, and holding the required shareholder meeting in March 2010.

### *Project Acquisition Funding*

In November 2009 Tiger completed the acquisition of the indirect interest in the Kipoi Project owned by Groupe Orgaman for US\$3 million in cash. This payment was funded from the \$7.5 million private share placement made to Trafigura (refer above and news release dated 9 November 2009).

In accordance with the acquisition arrangements a further US\$12 million is required to be paid by May 2010 to the vendors to complete the acquisition by Tiger Congo sprl of 100% of Congo Minerals sprl (the company which owns 60% of SEK sprl, which is the holder of licences covering the Kipoi project).

This payment is to be funded by a US\$12 million loan note facility from Trafigura. Key terms of the proposed loan note facility were included in the news release dated 9 November 2009. The availability of the facility is subject to various conditions precedent including completion of detailed documentation and receipt of shareholder approval. The Company is targeting completing detailed documentation in early February, and holding the required shareholder meeting in March 2010.

In conjunction with the above combined equity and debt financing package, Tiger has also reached in principle agreement with Trafigura on the key terms of an offtake agreement and a technical services agreement. The proposed agreements will become effective only upon completion of detailed documentation. Trafigura is one of the world’s largest independent commodities trading companies, employing over 1,900 people in 42 countries, and with annual turnover (as at September 2008) of over US\$70 billion. Trafigura has extensive experience of operating in the DRC.

## **Development Timing**

The Company remains confident that funding for the Stage 1 development at Kipoi will be secured by April 2010. Based on the short construction and pre-strip period and the relatively simple nature of the proposed development and operation, the Company is targeting commencement of production for early in the fourth quarter of 2010.

## **Stage 1 Mining Development Work**

### HMS Treatment Plant & Supporting Infrastructure

In the last quarter DRA Mineral Projects (Pty) Ltd were awarded the contract to provide the Company with a lump sum turnkey proposal to design, supply and commission a modular treatment HMS and spirals plant capable of producing 900,000t of 25% copper concentrate product over the three year life of the Stage 1 development. DRA's work will also include the provision of all necessary infrastructure requirements.

During the quarter DRA have completed a full process review undertaken in conjunction with Tiger's consultant metallurgist Graeme Miller, principle of Miller Metallurgical Services ("MMS"). MMS have extensive experience in the Copper industry, including in the DRC. DRA advise they have completed 95% of their estimate and expect to have all work finished in early February together with all detailed design work.

The positive outcomes of the review are that DRA have confirmed that they can complete the installation of the treatment plants and the necessary infrastructure within six months of a formal order being placed, and subject to the longer lead items (Mineral Sizer, Scrubber and Apron Feeder) being ordered upfront. DRA and the Company are considering various options (including sourcing second hand equipment) to reduce time required to install treatment plants.

DRA have also confirmed that their current cost estimate for the required development works is within the range contained within RDFS.

### Continuing Project Optimization

The Company is continuing to review ways in which to optimize the development of the Stage 1 project, with the object of identifying further potential savings in CAPEX and OPEX costs. With this intention an independent Mining Consultant was commissioned during the Quarter to undertake a review of Stage 1 pit designs. Included in the review was a revision of the slope parameters to assess the potential to steepen the staged pit wall slopes.

Outcomes of the review are that the layouts of the Stage 1 pits have been adjusted to allow access to only oxide and oxide/transitional copper mineralization and not the primary mineralization that will be extracted during a later stage in the project's development.

The implications of the revisions are that while the overall stripping ratio has been increased over the life of Stage 1, during start up of mining operations less waste material will need to be removed than had been previously modeled. The effect will be a reduction in pre-strip time, and will allow earlier access to the oxide copper ore. There will also be a slight increase in the average grade of

copper extracted. The redesign also allows for improved efficiencies in the management of the various ore stockpiles which will lead to benefits in handling ore at the HMS facility.

During the quarter the first technical committee meeting between Tiger and Trafigura technical staff was held. The Trafigura technical team has extensive mining operational experience and is willing to make available their services to assist in the early establishment of a mining operation at Kipoi. Trafigura are working in close collaboration with Tiger to identify what other initiatives can be taken to reduce capital costs during the development period as well as operating costs.

#### Mining Contract Tenders

During the quarter Coffey Mining Ltd ("Coffey") prepared a mining tender, as a units rate contract, for the duration of the Stage 1 mining operation: including pre-strip mining, the preproduction mining and the closure requirements for the first Stage of operations. Coffey were also responsible for identifying a list of suitable tenderers and undertaking a prequalification.

The interest in the tender exceeded expectations with five DRC based mining contractors and four southern African contractors expressing interest. The tender documents have been issued and selected contractors carried out a site inspection in January. Tenders are due to close on 12<sup>th</sup> February with evaluation, clarification and recommendation to the Tiger board expected at end of February or early March.

Most of the contractors have surplus mining equipment that was mothballed during last year's down turn in mining activities. As such it is not expected there will be delays in mobilising equipment to site once the contract is awarded. The entire tender process will be managed by Coffey.

#### **Cobalt Mineralisation**

##### Measured and Indicated Resource

During the quarter the Company announced a JORC Standard Measured and Indicated resource for the high grade deposit of cobalt mineralisation that outcrops and is contained within the Stage 1 pit design for Kipoi Central.

The resource calculation was undertaken by independent geological consultants CSA Global Pty Ltd ("CSA"). CSA reported a Measured and Indicated Resource of 1.18Mt @ 0.62% Co for 7,400t of contained cobalt metal.

##### *Kipoi Central COZ Zone High Grade Co Mineral Resource estimate*

<b>Kipoi Central - COZ Zone High Grade Co Mineral Resource estimate</b>			
<b>Classification</b>	<b>Million Tonnes</b>	<b>Cobalt Grade %</b>	<b>Cobalt (T)</b>
Measured	0.64	0.62	3,900
Indicated	0.54	0.63	3,400
<b>Combined Total</b>	<b>1.18</b>	<b>0.62</b>	<b>7,400</b>

Cobalt mineralisation is hosted in highly weathered rock, regolith unit, that is poorly consolidated and consists predominantly of clays and iron oxide minerals. The regolith unit is distinctive because of its dark brown colour, friable nature and high level of cobalt mineralisation. These properties should assist in the selective mining of the unit in the pit without any modification to the overall mine design and schedule. The cost of mining the unit will be minimal as the cost has already been included into the mining model developed for the extraction of the copper ore.

#### Metallurgical Testwork

Following the promising results of preliminary metallurgical investigation, reported last quarter, that identified a method for upgrading the cobalt ore at Kipoi, the Company has carried out further testwork to examine the viability of recovering cobalt through a process of leaching. Results from laboratory dissolution test work to separate Co from ore by means of leaching with sulphuric acid solution under atmospheric pressure were very encouraging. Further test work is now required involving selective precipitation methods to confirm that a marketable cobalt precipitate can be produced. Should the next round of test work confirm an economically viable leaching process route, the Company will explore the possibility of constructing a Co metal recovery plant using second hand equipment.

#### Processing Route

Test results support a process route whereby Co ore that has been stockpiled will pre-concentrated by means of screening followed by Wet High Intensity Magnetic Separation to produce an concentrate averaging 1.6% Co. The material will be subsequently processed through a metal recovery plant (MRP) to produce a cobalt hydroxide or cobalt carbonate final product, with an expected 60%+ cobalt content.

#### **Stage 2 Development Work**

Highly favourable metallurgical test results received in the Quarter have confirmed the viability of the Company's staged development approach for the Kipoi Project by confirming the suitability of the oxidized ore at Kipoi to be treated by the SXEW process.

Results of leach metallurgical test work undertaken by Amdel on diamond cores representative of the principle ore types at Kipoi were reviewed by MMS.

MMS was able to draw the following key conclusions:

- The leach kinetics are fast with high recovery >96% of acid soluble copper and with majority of leaching completed within four hours
- Gangue acid consumption ("GAC") is very low even for DRC ores, and is generally in the range of between 4.5 to 6.5kg/t
- Results indicate that the oxide ore is suitable for treatment by agitation or heap leaching

The positive leach results have significant economic benefits for Stage 2, including potential high levels of copper recovery, and lower operating and capital costs due to reduced sulphuric acid requirements.

## **LUPUTO PROJECT – Sase Prospect**

The Sase Prospect is situated within the Lupoto Permit (PR2214), which is located approximately 10kms to the south of the Kipoi Project. The Sase Copper Prospect can be accessed by road from Kipoi and Lubumbashi.

The Company holds a 100% interest in the Lupoto Permit and Aurum sprl has the right to a 1% NSR from any production.

Previous drilling has delineated a west-north-west elongated mineralised envelope over a strike of about 600m that varies in width between 50 and 200m. The majority of mineralisation so far tested resides in the oxide zone that extends to 120m in depth. Better results included 38.85m @ 5.23% Cu, 73.25m @ 3.33%, 64m @ 3.27% Cu and 60.50m @ 3.49% Cu. Mineralisation remains open along strike and at depth. The drilling programme was targeted on following up anomalous Air Core (“AC”) drilling intersections. Mineralisation intersected by AC drilling has proven to be an excellent indicator of significant high grade sub – surface Copper mineralisation.

The Company has completed a detailed review of all exploration data from around the Sase Project. The information has been used to design a drill programme with the objectives of:

- Undertake infill drilling within the mineralised envelope delineated by previous diamond drilling programme to enable an initial JORC standard resource to be estimated.
- To test for extensions of the mineralisation along strike and at depth
- To follow up significant, including: 55m @ 0.77% Cu, 24m @ 0.30% Cu and 14m @ 0.20% Cu and as yet untested Air Core drilling mineralised intersections that occur within an approximate 1.5km radius of the main zone of mineralisation so far discovered at Sase.

The proposed targets areas to be tested in the drilling programme are shown in Figure 1. The drilling programme has been delayed due to the heavy rains.

## **Background**

There are five known copper deposits hosted in a 12km long fragmented sequence of mineralised Roan sediments that have been mapped within boundaries of the Kipoi Project.

The Company proposes a staged development at the Kipoi Project. The Company has completed a revised definitive feasibility study in respect of a Stage 1 mining, HMS and spiral system operation to produce approximately 116,000 tonnes of copper over a three year period. The Company has recently commenced a feasibility study to evaluate the economic viability of constructing an SXEW plant targeted to come on stream within three years of the start of the HMS operation. It is envisaged that ore from Kipoi Central, Kipoi North and Kileba South and the other deposits within the Kipoi Project and within the Lupoto Project would be processed at the Stage 2 development phase.

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

David Young	Brad Marwood	Reg Gillard
Managing Director	Director	Chairman
Tel: (+61 8) 9240 1933	Tel: (+61 8) 9240 1933	Tel: (+61 8) 9240 1933
Email: dyoung@tigerez.com	Email: marwoodb@crcpl.com.au	Email: gillardr@crcpl.com.au

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

## Notes

The information in this report that relates to Exploration Results at Kipoi Central is based on information compiled by Dr. Simon Dorling, who is member of the Australian Institute of Geoscientists ("MAIG") and the information in this report that relates to the Mineral Resource estimate for the cobalt resource is compiled by Mr David Williams who is a member of the Australasian Institute of Mining and Metallurgy ("MAusIMM"). Both Dr. Dorling and Mr Williams are full time employees of CSA Global Pty Ltd and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the "JORC Code") and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Dr. Dorling and Mr Williams consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Assay results in this release were prepared by the independent laboratory, ALS Chemex, South Africa.

Scientific or technical information in this report has been prepared by or under the supervision of Mr David Young, Managing Director and a full-time employee of the Company and a member of the AusIMM. Mr Young has sufficient experience which is relevant to the style of mineralization under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code and to qualify as a "Qualified Person" under NI 43-101. Mr Young consents to the inclusion in this news release of the matters based on his information in the form and context in which it appears.

**Caution Regarding Forward Looking Statements and Forward Looking Information:** This report 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, including but not limited to those with respect to the development of a Stage 1 mining, HMS and spiral system operation, a Stage 2 SXEW plant, and its plans to secure finance for the Stage 1 Project, 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, cobalt and silver, the actual results of current exploration, the availability of debt financing for a company that does not have any producing properties, the volatility currently being experienced in global financial markets, the actual results of future mining, processing and development activities, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's Annual Information Form, under the heading "Risk Factors". The Company's Annual Information Form is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).



Figure 1 – Sase Prospect

