

## Quarterly Report for Period Ended 30 September 2009

### HIGHLIGHTS

#### KIPOI PROJECT

Significant progress made during the quarter towards the development of the proposed US\$30 million Stage 1 copper mining operation at the Kipoi project:

- Mandate of leading South African bank to arrange US\$16 million debt facility.
- Receipt of indicative proposals for offtake arrangements in conjunction with subordinated debt facility for US\$15 million. Company anticipates finalising negotiations for subordinated debt facility in November.
- Further progress made to bring Kipoi project into production by mid 2010. Engineering group appointed to design, construct and commission the Stage 1 facilities.
- Potential for significantly enhanced project economics as a result of increased copper price (estimates on 100% project basis and exclude finance costs):

	Copper Price US\$/Lb Cu		
	US\$3.00	US\$2.50	US\$2.00
Project cash flow	US\$209M	US\$146M	US\$97.5M
Project NPV (@10%)	US\$152M	US\$96.5M	US\$54M
IRR (after tax and royalties)	190%	130%	80%
Payback	7 months	10 months	15 months

- Payment of total of US\$8.14 million to increase interest in the Kipoi Project and resolve potential contract dispute. .
- Metallurgical testwork investigating (a) ways to upgrade cobalt rich ore (for Stage 1 development) and (b) copper recoveries via acid leaching (for Stage 2 development) continuing.

## **KIPOI PROJECT**

The JORC standard Inferred Resource for the Kipoi Project is currently 644,000t of Copper, 22,600t of Cobalt and 2,788,000oz of Silver (refer Appendix 1). There is significant potential for resource expansion through drilling of extensional targets over 12km strike at Kipoi.

The Company has a staged development strategy for the Kipoi Project. 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. Tiger is targeting mid 2010 as the date for commencement of 25% Cu concentrate production.

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

### **Development Funding**

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. The Company is planning for this to be primarily funded by a package of principal and subordinated debt given the short payback period (refer Table 1 below).

#### *Principal Debt Component*

During the quarter the Company mandated Nedbank Capital (the Investment Banking Business of Nedbank Group Limited) (“Nedbank”), to act as exclusive arranger of an Export Credit Insurance Corporation of South Africa Limited (“ECIC”) supported debt facility, for use in the Stage 1 development at the Kipoi project. Nedbank is one of the four largest banking groups in South Africa. The ECIC scheme facilitates and encourages South African export trade by underwriting bank loans and investments outside South Africa.

Key indicative terms of the proposed debt facility include:

- Facility amount of US\$16 million.
- Floating interest rate of LIBOR plus 2.5%.
- Facility includes comprehensive commercial and political risk insurance policies (terms and fees to be agreed with ECIC).
- Facility will include hedging requirement. Quantity of copper to be hedged dependent on hedge price. At a hedge price of US\$1.80/lb approximately 10% of total production is required to be hedged (quantity reduces as hedge price increases).
- Facility subject to standard conditions including due diligence (technical and legal), documentation, security / first ranking charges and ECIC and South African Exchange Control approval.

The Company anticipates the due diligence and documentation process will take approximately 4 – 5 months and is targeting funding drawdown for the first quarter of 2010.

#### *Subordinated Debt Component*

During the quarter the Company also received indicative debt and offtake proposals from metal trading groups seeking to secure rights to acquire the copper concentrate to be produced. These include proposals for subordinated debt facilities of US\$15 million.

The Company anticipates finalising negotiations with a metal trading group in November.

#### **Development Timing**

The Company remains confident that funding for the Stage 1 development at Kipoi will be secured by early 2010, and that the significant component of this funding will be debt. Based on the short construction and pre-strip period and the relatively simple nature of the proposed development and operation, the Company continues to target commencement of production for mid 2010.

#### **Key Project Economics**

The Company has previously issued the key financial findings of the RDFS based on a copper price of US\$2.00/lb. Following the recent improvement in the copper price and some industry analysts forecasting a strong copper price for 2010 to 2013 (the period of proposed Stage 1 production), below are key financial outcomes based on a range of copper prices. The results demonstrate significant increases in project profitability at increased copper prices, whilst also showing the project remains profitable at a copper price of US\$1.50/lb.

Table 1 - Key financial outcomes based on a range of copper prices

<b>Financial Model Findings<sup>1</sup></b>	<b>Copper Price US\$/Lb Cu</b>			
	<b>US\$3.00</b>	<b>US\$2.50</b>	<b>US\$2.00</b>	<b>US\$1.50</b>
Capital Expenditure	US\$29.8M	US\$29.8M	US\$29.8M	US\$29.8M
Cash Cost per pound	US\$0.34	US\$0.34	US\$0.34	US\$0.34
Project cash flow	US\$209M	US\$146M	US\$97.5M	US\$56.5M
NPV (@10%)	US\$152M	US\$96.5M	US\$54M	US\$17M
IRR (after tax and royalties)	190%	130%	80%	32%
Payback	7 months	10 months	15 months	24 months
Construction and Pre-Strip Period	6 months	6 months	6 months	6 months

*Note all the above findings are at the project level, on 100% Project basis and exclude any finance costs. The above economic analysis is based on the Company's previously published mineral resources and is not based on inferred mineral resources.*

## **Design, Construction and Commissioning of Treatment Facilities**

DRA Mineral Projects (Pty) Ltd of South Africa ("DRA") have been awarded a contract to review all process and infrastructure requirements for the Kipoi Stage 1 development and provide a lump sum proposal to undertake the design, construction and commissioning of the Kipoi Stage 1 treatment facilities by December 2009. DRA's scope of work will also include all necessary infrastructure and other works needed to get the operation suitable for Tiger to allocate operational staff and commence operations.

DRA has designed and constructed Heavy Media Separation (HMS) plants for nickel mines in Botswana, copper producers in the Katanga Province, and for platinum, coal and diamond producers in South Africa. DRA has a reputation for designing quality, cost effective fit-for-purpose plants. DRA and its associate companies employ over 2,000 staff in offices located around the world.

## **Additional Investigation Work**

The present Stage 1 financial modelling (Table 1) excludes any economic value from extraction of a cobalt rich zone material. This material is included within mine movements for the Stage 1 pit. This ore is amenable to selective mining in Stage 1. A bulk surface sample was obtained from a trench of the cobalt rich ore zone. The sample was collected to enable indicative testwork to be conducted on this ore, with the aim to identify potential methods to upgrade this material into a saleable product. Initial testwork attempted to improve the average grade of the ore to a saleable concentrate grade. Although testwork was successful in producing a 2.5 multiple upgrade of Cobalt concentrate, from a composite sample averaging 0.6% Co, it was not able to produce a 3% Co concentrate material which the Company was targeting as a saleable material. Testwork has proceeded to provide an upgraded quality Co product, which may then be amenable to producing a product such as Cobalt Carbonate, from site. This testwork is proceeding, and results thus far are encouraging, suggesting it may be possible to produce a marketable product at a low capital and operating cost.

The Company expects to be able to report a revised Measured and Indicated JORC resource statement for the high grade cobalt zones within the Stage 1 pit in November.

The Company has also commenced acid leach testwork as part of stage 2 feasibility work in order to determine estimated copper recoveries during the planned Stage 2 SXEW operation.

## **Project Tenure**

In November 2006 Tiger Congo sprl, an 85% owned subsidiary of the Company, entered into an agreement with various parties ("Vendors") to acquire 100% of Congo Minerals sprl ("Comin") in stages. Comin owns 60% of SEK sprl ("SEK"), which is the holder of licences covering the Kipoi project. The remaining 40% of SEK is owned by Gecamines.

In accordance with the agreement (as amended) in July 2009 Tiger Congo paid the Vendors US\$5.59 million in order to increase its interest in Comin to 50%.

In September 2009 Tiger Congo and the Vendors agreed to settle a potential contract dispute on the following terms:

- Tiger Congo paid the Vendors US\$2.55 million on 15 September 2009.
- The Vendors acknowledged Tiger Congo has met all contractual obligations to date and is entitled to its 50% shareholding in Comin.
- Tiger Congo assumed board control and management control of Comin.
- Upon payment by Tiger Congo of the amount due on or before 29 May 2010 into the trust account of an escrow agent, Tiger Congo is authorised (without further recourse to the Vendors) to transfer the remaining 50% shareholding in Comin to Tiger Congo (so that Tiger Congo holds 100% of Comin).

Tiger Congo is required to pay the Vendors a further US\$12 million on or before 29 May 2010 in order to acquire the remaining 50% interest in Comin.

### **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 a road that leads directly to Kipoi.

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 Company has designed an infill and step out drill programme to enable an initial resource to be estimated and to test extensions of the mineralisation along strike and at depth. The programme is planned to commence during the December quarter.

## 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:

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## Notes

The Information in this report that relates to Mineral Resources at Kipoi Central and Kipoi North is based on resource estimates compiled by Mr Ted Hansen and Mr Rick Adams, both of whom are members of the Australasian Institute of Mining and Metallurgy ("AusIMM"). Mr Hansen and Mr Adams are directors and full time employees of Cube Consulting Pty Ltd. Mr Hansen and Mr Adams each has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person 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"). Mr Hansen and Mr Adams consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The Information in this report that relates to Ore Reserves is based on a Reserve estimate compiled by Mr Quinton de Klerk, a member of AusIMM. Mr de Clerk is a director and full time employee of Cube Consulting Pty Ltd. Mr de Clerk has sufficient experience which is relevant to the style of mineralisation and type of deposit 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 de Clerk consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Information in this report that relates to Mineral Resources at Kileba South is based on information compiled by Dr Simon Dorling, who is member of the Australian Institute of Geoscientists ("AIG"). Dr Dorling is

a full time employee of CSA Global Pty Ltd. Dr Dorling has sufficient experience which is relevant to the style of mineralisation and type of deposit 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. Dr Dorling consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

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).

## Appendix 1 – Kipoi Mineral Resources and Reserves

The JORC standard Inferred Resource for the Kipoi Project is currently 644,000t of Copper, 22,600t of Cobalt and 2,788,000oz of Silver. This Resource comprises:

- Inferred Resource for Kipoi Central of 13.4Mt at 3.3% Cu containing 439,000 tonnes of copper, 20,000 tonnes of cobalt and 1,416,000 ounces of silver.
- Inferred Resource for Kipoi North of 5.3Mt at 1.36% Cu containing 71,600 tonnes of copper, 2,600 tonnes of cobalt and 1,372,000 ounces of silver.
- Inferred Resource for Kileba of 9.5Mt at 1.4% Cu containing 133,000 tonnes of copper.

In July 2008 an upgraded Resource estimation for that part of the Kipoi Central resource that will support the proposed 1 production schedule was estimated as follows:

### *Kipoi Central Project Classified Resource >5% Copper*

Classification	Category	Tonnes Mt	Copper %	Copper (000't)	Cobalt %	Cobalt (000't)	Silver g/t	Silver (000'oz)
Measured	Oxide	1.5	8.4	125	0.2	3	4.6	222
	Transition	0.3	8.8	24	0.1	0.3	5.9	52
	Fresh	0.2	8.2	14	0.1	0.2	3.9	21
Indicated	Oxide	0.2	6.9	17	0.1	0.3	3.4	27
	Transition	0.2	7.5	12	0.1	0.22	5.4	27
	Fresh	0.5	7.6	39	0.1	0.57	5.5	91
<b>Total</b>		<b>2.9</b>	<b>8.1</b>	<b>232</b>	<b>0.15</b>	<b>4</b>	<b>4.8</b>	<b>441</b>

A portion of the revised resource estimate was further upgraded to a proven and probable mineral reserve category.

Total Mineral Reserves at Kipoi Central were estimated in September 2008 as follows:

### *Kipoi Central Project – Stage 1 Mineral Reserve by Material Type*

Destination	Reserve Category	Material	Cutoff Cu%	Tonnes Mt	Cu %	Co %	Ag g/t	Contained Metal		
								Cu (kt)	Co (kt)	Ag (koz)
HMS Feed	Proven	Oxide,Transition	+3.25	2.54	7.1	0.2	4.5	181	4.1	371
	Probable	Oxide,Transition	+3.25	0.14	5.5	0.1	3.4	7	0.2	15
<b>Total Reserves</b>			<b>+3.25</b>	<b>2.68</b>	<b>7.0</b>	<b>0.2</b>	<b>4.5</b>	<b>188</b>	<b>4.3</b>	<b>386</b>

Note – the Mineral Reserve is the portion of the Measured and Indicated Mineral Resource (adjusted for modifying factors) contained within the mine design.