



For personal use only

**THIRD QUARTER HIGHLIGHTS**

	Q3 2015	Q2 2015	Q1 2015
Copper produced	7,139 tonnes	6,732 tonnes	5,723 tonnes
Cash operating costs	\$1.40/lb	\$1.48/lb	\$1.55/lb

- Record Kipoi quarterly production of 7,139 tonnes copper cathode, with 6,833 tonnes sold at a realised copper price of \$5,359/t
- Cash operating cost<sup>1</sup> reduced 5% from \$1.48/lb Q2 2015 to \$1.40/lb Q3 2015; all-in sustaining cash cost<sup>2</sup> of \$1.63/lb (\$1.64/lb Q2 2015)
- On track to meet full year 2015 production guidance of 25,000t
- Grid power supplied 40% of Kipoi processing power requirements in the month of September: marked positive step change in grid power supply recorded
- Targeting first drawdown of the credit-approved Taurus/IFC \$162.5 million long-term finance facility in December 2015
- Board strengthened with the appointment of highly experienced mining executive Mr. Mark Connelly as a non-executive director
- No lost time injury for 4.4 million consecutive man hours

<sup>1</sup> Cash operating costs include all site-based costs plus selling and export charges.

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

<sup>3</sup> All references in this report to \$ are to US\$, unless otherwise stated.

## OPERATIONS - KIPOI COPPER PROJECT, Democratic Republic of Congo (“KIPOI”)

### Overview

An improved and consistent production performance was delivered in Q3 2015 with 7,139 tonnes of copper cathode produced and 6,833 tonnes sold. Cash operating costs were US\$1.40/lb, with a US\$1.63/lb all-in sustaining cash cost.

**Table A: Summary of Kipoi SXEW plant production, sales and costs**

KIPOI SXEW PLANT PRODUCTION, SALES AND COSTS SUMMARY FOR THE QUARTER ENDED 30 SEPTEMBER 2015		Q3 2015	Q2 2015	Q1 2015	YTD 2015
<b>PRODUCTION</b>					
Ore stacked	tonnes	270,769	262,483	224,146	757,398
Head grade	TCu %	3.88	3.82	3.02	3.61
Head grade <sup>1</sup>	AsCu %	1.94	1.88	2.74	2.16
Copper stacked	AsCu t	5,254	4,945	6,133	16,332
Copper-in-circuit	AsCu t	5,383	4,886	5,464	5,383
Copper produced	tonnes	7,139	6,732	5,723	19,594
<b>CATHODE SALES</b>					
Copper cathode sold	tonnes	6,833	6,972	6,314	20,119
Sales	\$'000	36,620	42,184	36,438	115,242
Realised price	\$/t	5,359	6,050	5,771	5,728
LME Grade A copper price	\$/t	5,259	6,043	5,818	5,698
<b>CATHODE STOCKPILE</b>					
Copper cathode	tonnes	1,081	775	1,012	1,081
<b>OPERATING COSTS</b>					
Mining	\$/lb	0.05	0.05	0.04	0.04
Processing	\$/lb	0.82	0.82	0.82	0.83
General & administration	\$/lb	0.23	0.31	0.39	0.30
Selling & export clearing	\$/lb	0.30	0.30	0.30	0.30
<b>Cash operating cost</b>	<b>\$/lb</b>	<b>1.40</b>	<b>1.48</b>	<b>1.55</b>	<b>1.47</b>
ROM inventory adjustment	\$/lb	0.13	0.26	0.29	0.22
<b>C1 costs</b>	<b>\$/lb</b>	<b>1.53</b>	<b>1.74</b>	<b>1.84</b>	<b>1.69</b>
Royalties	\$/lb	0.10	0.11	0.12	0.11
Sustaining capital	\$/lb	0.13	0.05	0.06	0.08
Non-cash ROM inventory adjustment	\$/lb	(0.13)	(0.26)	(0.29)	(0.22)
<b>All in sustaining cash costs</b>	<b>\$/lb</b>	<b>1.63</b>	<b>1.64</b>	<b>1.73</b>	<b>1.66</b>

### Safety

Kipoi's exemplary safety record was maintained. The lost time injury (LTI) rate at 30 September 2015 remained at zero with no LTIs reported in 4.4 million cumulative man hours. 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.

<sup>1</sup> Acid soluble copper (AsCu) grade excludes chalcocite component of HSO material (~33% of total copper) of which 80% is expected to be recovered in the heap leach.

## **Production**

Kipoi produced 7,139 tonnes copper cathode for the quarter. Production for the month of July was 2,459 tonnes, representing an annualised rate of 29,500 tonnes and highlighting the ability of the SXEW plant to exceed its nameplate design capacity.

Stacked ore volumes were up quarter on quarter, despite reduced availability of the primary stacker due to maintenance issues. Heap stacking was supplemented by excavator stacking during the months of July and August, with normal operations resumed in September.

As part of Kipoi's wet season management plan stacked volumes are expected to increase in the fourth quarter to maintain budgeted copper output.

The average grade of material stacked was 3.88% total copper, with a reported acid soluble copper grade (AsCu) of 1.94% copper. The lower average AsCu grade reflects the blend of ores stacked, comprising 30% high sulphur oxide material with the balance being HMS floats and medium-low grade ROM stockpiles.

## **Operating costs**

Cash operating costs for the quarter were \$1.40/lb with all-in sustaining costs of \$1.63/lb.

Following connection to the state-owned electricity network operated by Société Nationale d'Electricité in June, access to grid power commenced with 18% of Kipoi's total power requirements for the quarter sourced from the network. A step change in grid power utilisation occurred in September with 40% of the monthly power requirement accessed, and a progressive build-up of grid power has continued in October.

Processing costs were negatively impacted by reduced availability of the primary stacker, as highlighted above and unplanned maintenance costs.

The accelerated dry season development of heap leach pads 5 and 6 was the main contributor to sustaining capital expenditure of \$2.0 million during the quarter.

## **Sales of copper cathode**

Sales for the quarter were 6,833 tonnes of copper cathode at a realised average copper price of \$5,359 per tonne inclusive of quotational period (QP) pricing adjustments, a \$100/t premium to the average LME Grade A copper price of \$5,259/t.

QP pricing was fixed for all copper cathode delivered during the quarter, with no pricing exposure remaining for copper cathode sold up to 30 September 2015.

At 30 September 2015, Tiger had forward sold 1,750 tonnes of October cathode sales at \$5,343/t.

## **Production and cost outlook**

The improved production performance year-to-date has Kipoi on track to meet 2015 production guidance of 25,000 tonnes of copper cathode. The ability to meet production guidance in the first full year of operations reflects positively on Tiger's commitment to targeting best technical practice and continuing efforts to realise the capacity within the SXEW plant.

Lower acid usage and reduced energy consumption per tonne of copper relative to guidance have resulted in Kipoi remaining on target to meet the 2015 full year cost guidance, despite the slower than anticipated ramp-up to grid power.

Tiger reaffirms full year cash operating guidance at US\$1.30-1.40/lb and an all-in sustaining cash cost of US\$1.57-1.67/lb.

### **Debottlenecking study**

During the quarter Tiger commenced an engineering and costing study for the Kipoi debottlenecking being planned to increase the existing SXEW processing train capacity from 25,000tpa to 32,500tpa. (See ASX release, *Tiger announces positive results of engineering and costing study for debottlenecking of Kipoi*, 31 July 2015).

This study provides the basis for the revised life of mine Kipoi production plan and financial model. Detailed work has been undertaken to support an independent technical expert's evaluation of the debottlenecking expansion which was required in support of the Taurus/IFC finance facility. These workstreams include:

- revised environmental impact assessments;
- delivery of a modified Kipoi mine plan and mining schedule;
- initiation of a mining tender process for the planned re-start of mining activities in July 2016; and
- confirmation of model inputs for operating costs and capital expenditures for a tank leach, 4.5Mtpa crusher and expanded electrowinning circuit.

### **Exploration**

Exploration activities for the quarter focused on geophysical surveys (gravity and Induced Polarisation-IP). The gravity work has been used as an orientation over the Kipoi open pit and surrounding areas to assist in identifying possible "mirror" signatures at depth.

The IP work has been completed to assist in mine planning and sterilisation within the Kipoi Mine footprint and areas to be covered by future heap leach pads.

A total of 2,045 gravity stations surveyed and 10.5 line km of IP were completed. Results are awaited.

Total expenditure on exploration activities at the Kipoi and Lupoto projects during the quarter was \$0.6 million (2Q 2015: \$1.0 million).

### **Taurus/IFC \$162.5m financing**

On 23 October 2015 Tiger announced that it had agreed to a terms sheet with Taurus Mining Finance Fund (Taurus) and the International Finance Corporation (IFC) for a \$162.5 million secured facility for the refinancing and expansion of Kipoi. The facility will refinance the existing debt facilities with Taurus and Gerald Metals SA and provide the required expansion capital for the debottlenecking initiative to increase the capacity of the SXEW plant to 32,500tpa.

Taurus and IFC have obtained their respective credit approvals. IFC has commenced its 30 day public disclosure period, which is required before the investment is presented to its Board of Directors for approval (see ASX release, *Taurus and IFC to provide \$162.5 million Kipoi financing*, 23 October 2015).

## Cash & borrowings

As at 30 September 2015 Tiger held cash on hand and deposit of \$18.2 million (30 June 2015: \$31.5 million). The balance of copper cathode inventory on hand was 1,081 tonnes, with a sales value of \$5.8 million.

After taking into account positive cash flows from the Kipoi operations, additional cash outflows for the quarter included:

- \$19.0 million for servicing of debt obligations, including \$12.5 million of debt principal repaid to Gerald Metals SA;
- \$1.2 million of capital expenditure;
- \$1.5 million of prepayments in respect to the energy efficiency and electricity network reinforcement program; and
- \$4.8 million for exploration and administration costs (including approximately \$1.2 million of one-off costs and \$1.2 million for DRC income tax payments).

Borrowings as at 30 September 2015 comprised \$137.5 million of secured facilities from Taurus (\$100 million) and Gerald Metals SA (\$37.5 million) and \$30.4 million of short-term facilities provided by DRC banks.

## Corporate

Mr. Michael Griffiths, a director of Tiger since December 2012, has assumed the role of Interim CEO pending the identification of a successor to Mr Brad Marwood, who retired as CEO and as a director of the Company on 17 August 2015. A recruitment process for a new CEO is in progress with a short list of candidates identified.

Senior mining industry professional Mr. Mark Connelly was appointed as an independent non-executive director of the Company on 14 October 2015. Mark has extensive resource industry experience in CEO and managing director roles at a number of international companies across multiple jurisdictions including Australia, North America, South America, Africa and Europe. In those roles Mark has been instrumental in the development, construction and operation of mining projects for a variety of commodities, including gold, base metals and other minerals.

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

**Michael Griffiths**

Interim CEO

Tel: (+61 8) 6188 2000

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

**Stephen Hills**

Finance Director

Tel: (+61 8) 6188 2000

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

**Nathan Ryan**

Media Enquiries

Tel: (+61 0) 420 582 887

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

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

**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.

**SXEW forecast financial information:** Reference ASX market release titled "Tiger Resources 2015 Guidance and Outlook" dated 31 January 2015.

**Competent Person Statement:**

The information in this report that relates to Exploration Results is based on, and fairly represents information and supporting documentation prepared by Mr. Michael Griffiths, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Griffiths is a Director of the Company. Mr. Griffiths has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Griffiths 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 the Mineral Resources and Ore Reserves were first reported by the Company in compliance with JORC 2012 in market releases dated as follows:

Kipoi Central, Kipoi North and Kileba Ore Reserves (Stage 2 SXEW) – 16 April 2015;

Kipoi Central, Kipoi North and Kileba Mineral Resources – 16 April 2015;

Judeira Mineral Resource – 26 November 2013; and

Sase Central Mineral Resource - 12 July 2013.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred to above and further confirms that all material assumptions and technical parameters underpinning the ore reserve and mineral resource estimates contained in those market releases continue to apply and have not materially changed.

For personal use only

**KIPOI COPPER PROJECT, KATANGA PROVINCE, SOUTH-EAST DEMOCRATIC REPUBLIC OF CONGO  
(TIGER 95% at 30 September 2015)**

**Table B: Kipoi Mineral Resource**

Kipoi Mineral Resource Mining depleted to 31 December 2014 Kipoi Central grade tonnage reported above a cut off of 0.3% Copper Kileba, Kipoi North and Judeira grade tonnage reported above a cut off of 0.5% Copper						
Classification	Deposit	Tonnes (MT)	Cu Grade (%)	Co Grade (%)	Copper (000'T)	Cobalt (000'T)
Measured	Kipoi Central	7.0	2.6	0.14	180	9.6
Indicated	Kipoi Central	40.4	1.1	0.06	443	25.9
Indicated	Kipoi North	4.0	1.3	0.05	54	1.8
Indicated	Kileba	8.6	1.5	0.05	128	4.6
<b>Total Measured &amp; Indicated</b>		<b>60.0</b>	<b>1.3</b>	<b>0.07</b>	<b>805</b>	<b>41.9</b>
Inferred	Kipoi Central	2.9	0.8	0.07	23	2.1
Inferred	Kipoi North	1.0	1.1	0.03	12	0.4
Inferred	Kileba	2.2	1.2	0.04	27	0.9
Inferred	Judeira	6.1	1.2	0.04	71	2.2
<b>Total Inferred</b>		<b>12.2</b>	<b>1.1</b>	<b>0.05</b>	<b>133</b>	<b>5.6</b>
<b>Total</b>		<b>72.2</b>	<b>1.3</b>	<b>0.07</b>	<b>938</b>	<b>47.5</b>

**Table C: Kipoi Stage 2 SXEW Ore Reserve**

Kipoi Stage 2 SXEW Ore Reserves Mining depleted to 31 December 2014 Kipoi Central grade tonnage reported above a cut off of 0.3% Copper Kipoi North and Kileba grade tonnage reported above a cut off of 0.5% Copper				
Classification	Deposit	Tonnes (MT)	Cu Grade (%)	Copper (000'T)
Proven	Kipoi Central	1.7	2.6	45
Proven	Kipoi Central Stockpiles	5.2	2.6	134
<b>Total Proven</b>		<b>6.9</b>	<b>2.6</b>	<b>179</b>
Probable	Kipoi Central	34.3	1.1	372
Probable	Kipoi North	1.9	1.5	28
Probable	Kileba	7.4	1.5	110
<b>Total Probable</b>		<b>43.6</b>	<b>1.2</b>	<b>510</b>
<b>Total</b>		<b>50.5</b>	<b>1.4</b>	<b>689</b>

**LUPOTO COPPER PROJECT, KATANGA PROVINCE, SOUTH-EAST DEMOCRATIC REPUBLIC OF CONGO (TIGER 95% at 30 September 2015)**

**Table D: SASE Central Mineral Resources**

SASE Central Mineral Resources July 2013 Grade tonnage reported above a cut off of 0.5% Copper					
Classification	Tonnes (MT)	Cu Grade (%)	Co Grade (%)	Copper (000'T)	Cobalt (000'T)
Indicated	9.6	1.39	0.05	134.0	5.0
Inferred	2.8	1.21	0.03	34.0	1.0

For personal use only