

16 August 2019

TIGER SECURES US\$30M FUNDING

Perth, Western Australia: Tiger Resources Limited (ASX: TGS) ("**Tiger**" or "**Company**") advises that it has secured a funding facility with QMetco Limited ("**QMetco**"), which allows for the drawdown of up to US\$30 million over three tranches ("**Facility**"). The Facility provides important funding to support the Company's planned capital enhancement's at its Kipoi Copper Project in the Democratic Republic of Congo, as well as provide ongoing working capital.

The Facility will also allow the Company to continue to progress discussions with its senior lender group ("**senior lenders**") regarding potential options to achieve a more holistic restructure of the Company's current debt position, in order to provide the Company with a more stable and sustainable future capital structure ("**Proposed Restructure**").

The Company remains in voluntary suspension from trading on the ASX whilst it addresses its medium-term financing requirements and progresses discussions regarding the Proposed Restructure. By way of update on the Company's discussions with ASX, if the Company is unable to meet the ASX's listing requirements by February 2020, it is likely that the Company will be de-listed from the ASX.

Facility

The Company advises that it has executed a funding agreement whereby QMetco agrees to make available to Société d'Exploitation de Kipoi S.A. ("**SEK**") a US\$30 million "Super Priority Facility".

The Facility matures on 31 December 2020 (no penalty for early repayment) and is for a total amount of US\$30 million, with US\$5 million and US\$7 million to be made available under Tranche 1 and Tranche 2, respectively, as soon as possible, and the remaining US\$18 million to be made available under Tranche 3 subject to the satisfaction of various conditions precedent, as follows:

- Tranche 1: execution and delivery of all necessary documents to enter into the Facility, payment of all fees and expenses due, lodgement of security documents, internal and regulatory approvals, granting of initial equity conversion rights, budget that supports use of funds satisfactory to QMetco and no material adverse effect;
- Tranche 2: grant of marketing services engagement (see below); and
- Tranche 3: Tiger shareholder approval for the granting of the further equity conversion rights and the termination fee payable under the marketing services engagement (outlined below) by no later than 30 November 2019, or any such other time as may be agreed between SEK and QMetco.

The Facility is secured against all of the assets of Tiger and its subsidiaries, including SEK, in super priority and ranks alongside the existing Taurus Mining Finance Fund ("**TMFF**") Tranche D Facility. ASX has

granted a waiver of ASX Listing Rule 10.1 to permit the grant of this security to QMetco, given its relationship with a substantial shareholder of the Company (discussed further below).

The Facility provides QMetCo with conversion rights to convert the outstanding balance to ordinary shares on or prior to 30 September 2020 as follows:

- Initial Equity Conversion: at a conversion price of \$0.01 per share up to the amount of 150 million ordinary shares; and
- Further Equity Conversion: at a conversion price the lessor of \$0.01 per share or 25% discount to the per share equity value applied to the Proposed Restructure.

Shareholder approval will be sought for the Further Equity Conversion rights.

Other key terms of the Facility include:

- Interest rate: 8.00% per annum paid quarterly in arrears;
- Front end fee: 3.00% of each tranche upon the satisfaction of each respective tranche's conditions precedent;
- Commitment fee: 2.00% on any undrawn amounts which are available to be drawn following satisfaction of the relevant conditions precedent; and
- Right to appoint a non-executive Chairman to the Company's board on signing of the Facility documentation.

To the extent the outstanding amount of the Facility is not repaid through Tiger's cash flow generated over the term, or converted to equity, prior to the maturity date on 31 December 2020, the Company will be required to raise additional capital via debt or equity to fund the repayment of the Facility, or seek an extension to the maturity date.

Marketing services engagement letter

The Company has also signed an engagement letter pursuant to which QMetco will provide exclusive marketing services in respect of any saleable commodity (including, but not limited to, copper cathode, copper concentrate and cobalt products) ("**Products**") produced from Kipoi ("**Marketing Services Role**").

Pursuant to the Marketing Services Role, QMetco is required to secure off-take contracts which SEK can enter into which are no materially less favorable for SEK than those contained in the current Gerald Group off-take arrangement for copper cathode ("**Gerald Cathode Off-take**").

The Marketing Services Role will be for a term of 12 years commencing on the date the Gerald Cathode Off-take expires.

In consideration for the Marketing Services Role, SEK will pay a variable fee being an amount per metric tonne of Product sold pursuant to an off-take contract.

The Company may terminate the Marketing Services Role:

- without cause, with 3 months' notice and, subject to the approval of the shareholders of Tiger, payment of a termination fee equal to US\$10 million multiplied by the number of years of the term remaining at the time of termination divided by 12; and
- with cause and without payment of a termination fee in the case of an insolvency event in relation to QMetco, a material breach of the terms by QMetco which is not cured within 21 days

of notice or if the Company believes (in good faith) that QMetco is not competent to continue its Marketing Services Role.

QMetco may terminate the Marketing Services Role in the event of a change of control transaction involving SEK or Tiger and elect to receive a termination fee in-lieu of cancellation calculated as described above.

Shareholder approval will be sought by the Company for the above termination options which require the payment of the termination fee.

ASX Listing Rule 10.1 Waiver

Tiger understands that QMetco may be an associate of Taurus Mining Finance Fund LP c/o Taurus Funds Management Pty Ltd, which is a substantial holder in Tiger, holding a voting power in Tiger of 12.29%.

As a result, ASX Listing Rule 10.1.3 potentially applies to the security granted under the Facility. ASX has granted the Company a waiver from ASX Listing Rule 10.1 to the extent necessary to grant a first ranking security to rank alongside the existing TMFF Tranche D Facility in favour of QMetco or an affiliate of QMetco. The terms of the waiver are set out in Annexure A.

Tiger has been exploring funding options for some time. As required by the waiver, Tiger confirms that QMetco (being a Listing Rule 10.1 party) was ultimately the only party who was able to provide funding on acceptable terms within the timeframe required.

The Tiger directors determined that the terms of the QMetco Facility were commercially acceptable given the Company's circumstances, and the Facility was independently negotiated between Tiger and QMetco at arm's length with the support of their respective independent legal advisers. Accordingly, the Tiger board considered that the Facility, including the grant of the security, was fair and reasonable to Tiger's shareholders taking into account all of the prevailing circumstances.

Management changes

In accordance with the terms of the Facility noted above, QMetco has exercised its right to appoint a non-executive Chairman and Mr Michael Anderson has been appointed to this position.

Mr Anderson has over 25 years' industry experience, largely in southern Africa and Australia. His career commenced as a geologist with Anglo American, followed by roles in the metallurgical and engineering industries with Mintek, Bateman and Kellogg Brown & Root. He subsequently held senior management positions including Corporate Development Manager at Gallery Gold Limited, and Managing Director at Exco Resources Limited, where he oversaw the successful development of the White Dam Gold Project, and the sale of the Company's Cloncurry Copper Project to Xstrata. He joined Taurus Funds Management as a Director in August 2011 where his role comprises origination, due diligence and management across a range of the firm's equity and debt investments. Mr Anderson has served as Taurus' nominee on the boards of a number of private and publicly listed companies and is currently a Non-Executive Director of Alliance Mining Commodities, Hot Chili Limited and QMetco Limited.

Tiger Managing Director, Caroline Keats has said of this appointment: *"We are very pleased to have Mr Anderson join the Company as non-executive Chairman. Mr Anderson has a wealth of experience in the mining industry, bringing over 25 years' experience of senior leadership and technical expertise to the Company."*

The Company also advises that Mr David Wrigley has resigned from his position as Chief Financial Officer, effective in 3 months. The Company would like to thank Mr Wrigley, who has been instrumental in progressing the QMetco financing as well as the restructure discussions with senior lenders and for his management of stakeholders during challenging times. The Company wishes Mr Wrigley well in the future.

The Company has commenced a search for a replacement Chief Financial Officer and Mr Wrigley will assist with the transition process once the appropriate candidate is found.

The Company continues to enjoy the support of its senior lenders as it navigates through the restructuring process and strengthen its capabilities both at site and in the corporate office, including the recent appointments of highly experienced mining executives Caroline Keats as Managing Director and Jozsef Patarica as its Chief Operating Officer.

Tiger Chairman, Michael Griffiths has said of these appointments: “The Company has an opportunity to re-build the business with the QMetco funding and the new management team headed by Caroline and Jozsef will be an integral component of its success. The task at hand will be challenging and the board is confident that success will be achieved”.

Shareholder approval

The Company has commenced the process of preparing the notice of meeting and accompanying materials for shareholders to consider the various matters requiring approval in connection with the facility and associated arrangements. This includes for a purposes of the conversion right, marketing arrangements (if required) and the marketing termination fee.

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

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Annexure A – ASX Waiver of Listing Rule 10.1

Waiver Decision

1. *Based solely on the information provided, ASX Limited (“ASX”) grants Tiger Resources Limited (the “Company”) a waiver from listing rule 10.1 to the extent necessary to permit the Company, including its subsidiary Societe d’Exploitation de Kipoi S.A. (‘SEK’) to enter into the facility and security documentation which will enable the super priority loan facility with QMetco Limited (“QMetco”), an associate of Taurus Mining Finance Fund LP (“Taurus”) (a substantial holder of the Company) for the provision of interim funding of an amount of up to USD30 million (“QMetco Facility”) to be secured over the Company’s assets (“Security”) without obtaining shareholder approval, on the following conditions:*
- 1.1.1. *The terms of the QMetco Facility include a term that if an event of default occurs and QMetco exercises its rights under the Security, neither QMetco nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company’s obligations under the Security documents with respect to the QMetco Facility, or otherwise deal with the assets of the Company or its subsidiaries, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by QMetco exercising their power of sale under the Security and selling the assets to an unrelated third party on arm’s length commercial terms and conditions and distributing the cash proceeds to QMetco in accordance with their legal entitlements.*
- 1.1.2. *A summary of the material terms of the QMetco Facility and Security documents are made in each annual report of the Company during the term of the Security.*
- 1.1.3. *Any variation to the terms of the QMetco Facility or the Security documents which are:*
- (a) *not minor changes; or*
- (b) *inconsistent with the terms of the waiver,*
- must be subject to shareholder approval.*
- 1.1.4. *The Company and QMetco must seek to discharge the Security when the funds advanced under the QMetco Facility are either repaid to QMetco or converted into shares (assuming security holder approval for the issue of shares is subsequently obtained), or if it is not discharged, seek security holder approval for the continuation of the Security for any further period.*
- 1.1.5. *The Company immediately releases to the market an announcement which:*
- (a) *sets out the material terms of the transaction and this waiver, and the Company’s plans with respect to the repayment of the funds advanced under the QMetco Facility, including the timeframe within which it expects the repayment to occur; and*
- (b) *includes a statement of the reasons why the Company has chosen to obtain a financial accommodation from a listing rule 10.1 party rather than a lender that is not a listing rule 10.1 party, and the steps the Company’s board has taken to satisfy itself that the transaction is being entered into on arm’s length terms and is fair and reasonable from the perspective of the holders of the Company’s ordinary securities.*