

TIGER

RESOURCES LIMITED



CONSOLIDATED INTERIM FINANCIAL REPORT

30 JUNE 2014



DIRECTORS

Neil Fearis	Non-Executive Chairman
Bradley Marwood	Managing Director
Stephen Hills	Finance Director
David Constable	Non-Executive Director
Michael Griffiths	Non-Executive Director

COMPANY SECRETARY

Susmit Shah

AUSTRALIAN BUSINESS NUMBER

52 077 110 304

REGISTERED & ADMINISTRATIVE OFFICE

Level 1, 1152 Hay Street
West Perth WA 6005
Australia

Telephone:	+61(8) 6188 2000
Facsimile:	+61(8) 6188 2099
Email:	tiger@tigerez.com
Website:	www.tigerresources.com.au

DEMOCRATIC REPUBLIC OF CONGO OFFICE

No 8935, Avenue Tiger
Quartier Kibembe
Lubumbashi, Katanga
Democratic Republic of Congo

AUDITORS

PricewaterhouseCoopers
Brookfield Place
Level 15, 125 St Georges Terrace
Perth WA 6000
Australia

SHARE REGISTRY

Computershare
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Australia

GPO Box D182
Perth WA 6840

Telephone:	+61(8) 9323 2000
Facsimile:	+61(8) 9323 2033
Email:	perth.services@computershare.com.au

STOCK EXCHANGE LISTINGS

Australian Securities Exchange (Code: TGS)
German Stock Exchanges (Code: WKN AOCAJF)

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Directors' Report

The Directors present their report on the consolidated entity consisting of Tiger Resources Limited ("Tiger" or the "Company") and the entities it controlled (collectively, the "Group" or the "consolidated entity") at the end of, or during, the half-year ended 30 June 2014.

All amounts are expressed in thousands of United States Dollars (\$000's) unless stated otherwise.

DIRECTORS

The following persons were directors of Tiger Resources Limited during the whole of the half-year and up to the date of this Report:

Neil Fearis	Non-Executive Chairman
Bradley Marwood	Managing Director
Stephen Hills	Finance Director
David Constable	Non-Executive Director
Michael Griffiths	Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the period under review consisted of the mining of copper and mineral exploration and development in the Democratic Republic of Congo (DRC).

OPERATING & FINANCIAL REVIEW

Overview

Tiger is an Australian-based minerals resource company engaged in the mining, production and sale of copper cathode and copper concentrate. Its ordinary shares are listed on the Australian Securities Exchange (ASX) under the code "TGS".

The Group's principal asset is a 60% interest in the Kipoi Copper Project, located approximately 75km north-northwest of Lubumbashi in the Katanga province of the DRC in Central Africa. The Kipoi Project is operated by Tiger's 60%-owned subsidiary, Société d'Exploitation de Kipoi SPRL (SEK).

In addition, the Company has a 100% interest in the Lupoto Project, located 10km south of Kipoi.

Subsequent to the half-year end Tiger entered into an agreement to acquire the remaining 40% interest in the Kipoi Project from Gecamines.

Tiger has developed the Kipoi Project in two stages. The Stage 1 heavy media separation (HMS) plant commenced production in May 2011 and involves the processing of high-grade ore to produce a copper concentrate product. The HMS plant is currently scheduled to cease production in early 2015.

The Stage 2 solvent-extraction and electro-winning (SXEW) plant produces copper cathode. Phase 1 of the SXEW development, a heap-leach/SXEW facility with a nameplate production capacity of 25,000 tonnes per annum, produced first copper cathode in May 2014. This SXEW plant is expected to reach its nameplate capacity in the September 2014 quarter.

In accordance with the Kipoi Project definitive feasibility study, Tiger intends to expand the SXEW's production capacity to 50,000 tonnes per annum of copper cathode. This will be achieved through the addition of a Phase 2 solvent extraction and crushing facility and a Phase 3 tank leach facility. Based on the current ore reserves, the expanded SXEW facility is expected to produce 532,000 tonnes of copper cathode over its 11 year mine life.

Tiger also envisages that other sources of ore from within the Kipoi Project area and the nearby Lupoto Project, in addition to the existing Kipoi Central, Kipoi North and Kileba reserves, will be processed during the Stage 2 operations and so provide an extension to the mine life.

Operating review

During the six months to 30 June 2014, the HMS produced 12,421 tonnes of copper-in-concentrate and the SXEW produced 1,499 tonnes of copper cathode.

Health and Safety

Tiger continued its strong safety performance at the Kipoi mine site, recording just one lost-time injury during the period, which was incurred by an employee of the principal contractor of the SXEW construction project during the March quarter.

Mining

A total of 602,465 tonnes of HMS material at an average grade of 5.7% copper, and 185,636 tonnes of SXEW material at an average grade of 1.4% copper, was mined during the six-month period.

Stockpiles

As at 30 June 2014, the HMS operations had produced stockpiles that in total contain 5.8 million tonnes of ore at an average grade of 2.7% copper for 159,600 tonnes of copper.

The HMS plant treats ores with a head grade of above 3.25% copper. HMS mining activities ceased in June 2014, and the current HMS operations are treating the remaining 0.7 million tonnes of run of mine (ROM) high-grade ore stockpiles grading 5.9% for 43,900 tonnes of contained copper.

During the course of HMS operations ore below a cut-off grade of 3.25% copper has been stockpiled as medium-grade ROM and low-grade ROM inventory. In addition, the HMS plant residues have been retained as slimes and floats. These stockpiles are providing the first feed to the Stage 2 SXEW plant, so that mining activities will not be required to restart until 2016.

Processing

During the first half of 2014, the Stage 1 HMS operation processed 436,889 tonnes of ore at an average head grade of 5.81% copper to produce 12,421 tonnes of copper-in-concentrate. Copper-in-concentrate production was lower than the first half of 2013 due to lower ore throughput and copper head grades as a result of the mine plan introducing transitional high-sulphur/silica-oxide ore (HSO). The HSO ore was targeted as the plant feed to extend the life of the HMS plant beyond its original 39 month life. However, the HMS plant was designed to process oxide ore only and the HSO ore contains elevated levels of silica with increased abrasiveness and lower pH. The combination of these factors has resulted in accelerated erosion and corrosion to the HMS plant, requiring increased maintenance and reducing plant availability.

Sales

Stage 1 HMS copper-in-concentrate sales for the first half of 2014 were 6,213 tonnes of payable copper, sold for a realised average copper price of \$6,687 per tonne (before local concentrate sales penalties of \$384 per tonne) for revenue of \$39.2 million. Sales for the first half of 2013 were 13,233 tonnes of payable copper, sold for a realised average price of \$7,318 per tonne (before local concentrate sales penalties of \$164 per tonne) for revenue of \$94.7 million. Sales volumes in the first half of 2014 were predominantly impacted by lower copper-in-concentrate production volumes.

Stage 2 SXEW copper cathode deliveries in the first half of 2014 were 900 tonnes, with a value of \$6.3 million. The receipts associated with these deliveries were capitalised as a credit to the capital work-in-progress account at the period end, as commercial production was not attained until July 2014.

Kipoi Central Ore Reserve Upgrade

On 15 January 2014 Tiger announced a 112% increase to the Ore Reserve at Kipoi Central. The updated Kipoi Central Ore Reserve was the result of additional drilling undertaken in 2013 and the inclusion of primary material in the mine plan following the completion of successful metallurgical testwork. The revised ore reserve estimate increased the copper grade by 10% and reduced the waste-to-ore stripping ratio by 33%.

Exploration & Evaluation

Exploration activities at Kipoi during the six-month period focused on identification of new exploration targets and a review of prior exploration programmes and results in preparation for exploration activities to recommence after the wet season.

Tiger has submitted an application to convert the Lupoto Copper Project exploration licence, PR-2214, to an exploitation permit (mining licence). To date Tiger has received approval of the environmental study, which is an important milestone towards issuance of the exploitation permit.

At La Patience Project Tiger is awaiting renewal of the exploration licence and has not undertaken any further exploration pending such renewal.

SXEW construction

The Phase 1 SXEW plant construction was substantially complete at period end. Commissioning activities were completed and the plant handed over to the operations team during May 2014, with first cathode production occurring on 25 May 2014.

Subsequent to period end commercial production was declared in July 2014, marking a substantial milestone for the Company. It is expected that the SXEW plant will reach its 25,000 tonne per annum nameplate capacity during the September 2014 quarter.

Corporate

In June the Company completed a capital raising for proceeds of approximately A\$20 million, before expenses of the issue, through a placement of 59,886,610 ordinary shares at an issue price of A\$0.34 per share.

SUBSEQUENT EVENTS

Advance payment facility

In July 2014 SEK arranged a \$25 million increase (Second Advance) in the advance payment facility from Gerald Metals SA (Gerald) to SEK. This advance payment is in addition to the existing \$50 million advance payment facility (First Advance) provided by Gerald. Under the new agreement the First Advance and Second Advance are combined, with the total advance of \$75 million being repayable by SEK in 18 equal monthly instalments from January 2015 to June 2016. Gerald has an off-take agreement for 175,000 tonnes of copper cathode, with 100% of cathode production from the SXEW plant committed until that tonnage has been delivered. All other material terms remain unchanged from the First Advance.

SXEW commercial production

Subsequent to period end the SXEW plant achieved commercial production of copper cathode. The Company achieved the milestone of commercial production in July 2014, producing 1,501 tonnes of copper cathode operating at 72% of nameplate capacity.

Acquisition of 40% interest in SEK and associated funding package

In August 2014 Tiger announced that it has entered into a share purchase agreement to acquire the remaining 40% shareholding in SEK held by Gecamines for an acquisition price of \$111 million. The Tiger Group currently holds 60% of the shares in SEK. Upon completion of the transaction, which remains subject to the satisfaction of certain conditions precedent, SEK will become a wholly-owned subsidiary of Tiger. The 40% interest will be acquired together with all associated rights, other than a 2.5% gross turnover royalty payable by SEK which will be retained by the vendor. Completion is due by 10 November 2014. Post completion of the transaction, Tiger intends to cede a 5% interest in SEK to the DRC Government to bring the mining title into alignment with the current DRC mining law and regulations.

The acquisition will be funded by a combination of equity and a debt finance facility. On 28 August 2014, Tiger announced an equity raising of A\$73.4 million by way of a private placement and an underwritten entitlement offer. The private placement and the institutional component of the entitlement offer were completed on 8 September 2014, with proceeds of A\$43.5 million paid to the Company. The retail balance of the entitlement offer is scheduled to complete on 29 September 2014, for gross proceeds of \$29.9 million. Tiger has also arranged a \$100 million debt finance facility with Taurus Mining Finance Fund, expected to be drawn to \$50 million in part funding of the transaction.

Other than disclosed above, there are no matters or circumstances that have arisen since 30 June 2014 that have significantly affected, or may significantly affect, the Group's operations in future financial years, or the results of those operations in future financial years, or the Group's state of affairs in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

ROUNDING

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investment Commission and in accordance with the Class Order, amounts in the financial report and the Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of Directors.



Brad Marwood
Managing Director

Perth, Western Australia, 12 September 2014

Competent Person Statement:

The information in this Director's 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 Ore Reserves (Stage 1 HMS) – 3 April 2014;
Kipoi Central Ore Reserves (Stage 2 SXEW) – 15 January 2014;
Kipoi North and Kileba Ore Reserves (Stage 2 SXEW) – 3 April 2014;
Kipoi Central Mineral Resource – 3 April 2014;
Kipoi North Mineral Resource – 3 April 2014;
Kileba Mineral Resource – 3 April 2014;
Judeira Mineral Resource – 26 November 2013; and
Sase Central Mineral Resource (Lupoto concession) – 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 underpinning the production targets and 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.

Caution Regarding Forward Looking Statements and Forward Looking Information:

This Directors' 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 Stage 1 HMS and spiral system operations and the development and commissioning of the Stage 2 SXEW plant at Kipoi, 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 financing, the volatility in global financial markets, the actual results of future mining, processing and development activities and changes in project parameters as plans continue to be evaluated. There can be no assurance that the Stage 1 HMS and Stage 2 SXEW plants will operate in accordance with forecast performance, that anticipated metallurgical recoveries will be achieved, that future evaluation work will confirm the viability of deposits identified within the project, that future required regulatory approvals will be obtained, that the Stage 2 Phases 2 and 3 expansions of the Kipoi Project will proceed as planned and within expected time limits and budgets or that, when completed, the expanded Kipoi Stage 2 SXEW plant will operate as anticipated.

Production Targets: All production targets referred to in this Directors' 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 market release dated 21 January 2014.



Auditor's Independence Declaration

As lead auditor for the review of Tiger Resources Limited for the half-year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Tiger Resources Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Craig Heatley', is written over a faint horizontal line.

Craig Heatley
Partner
PricewaterhouseCoopers

Perth
12 September 2014

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Consolidated	
		six months ended 30 June 2014 \$000's	six months ended 30 June 2013 \$000's
Profit or Loss			
Revenue		39,223	94,664
Cost of goods sold		(18,177)	(63,825)
		21,046	30,839
Other income		3,470	2,229
Exploration and evaluation expenses		(1,100)	(1,179)
Administrative and other expenses	1	(3,165)	(7,614)
Finance costs		(3,614)	(1,232)
Foreign exchange gain		161	27
Profit before income tax		16,798	23,070
Income tax expense	2	(6,490)	(8,928)
Profit for the period		10,308	14,142
Profit is attributable to:			
Owners of Tiger Resources Limited		5,938	6,367
Non-controlling interest		4,370	7,775
		10,308	14,142
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss:</i>			
Changes in the fair value of available-for-sale financial assets		(1,137)	(2,164)
Other comprehensive loss for the period, net of tax		(1,137)	(2,164)
Total comprehensive income for the period		9,171	11,978
Total comprehensive income for the period is attributable to:			
Owners of Tiger Resources Ltd		4,801	4,203
Non-controlling interest		4,370	7,775
		9,171	11,978
Basic profit per share (cents per share)		0.66	0.94
Diluted profit per share (cents per share)		0.66	0.94

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

	Note	Consolidated	
		30 June 2014	31 December 2013
		\$000's	\$000's
ASSETS			
Current assets			
Cash and cash equivalents		21,804	37,274
Trade and other receivables and other financial assets	3	41,980	25,914
Inventories		42,778	25,858
Total current assets		106,562	89,046
Non-current assets			
Mine properties and development	4	77,081	71,440
Plant and equipment	5	225,028	140,938
Available-for-sale financial assets		624	1,391
Total non-current assets		302,733	213,769
Total assets		409,295	302,815
LIABILITIES			
Current liabilities			
Trade and other payables	6	91,532	47,007
Derivative Liability	7	1,220	-
Borrowings	8	82,274	49,560
Total current liabilities		175,026	96,567
Non-current liabilities			
Borrowings	8	1,667	25,000
Provisions		10,053	3,653
Deferred tax liabilities		14,110	9,029
Total non-current liabilities		25,830	37,682
Total liabilities		200,856	134,249
Net assets		208,439	168,566
EQUITY			
Contributed equity	9	209,442	179,196
Reserves	10	13,997	14,678
Accumulated losses		(66,676)	(72,614)
Capital and reserves attributable to the owners of Tiger Resources Ltd		156,763	121,260
Non-controlling interest		51,676	47,306
Total equity		208,439	168,566

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Consolidated					
	Contributed equity	Reserves	Accumulated losses	Total attributable to owners of Tiger Resources Limited	Non-controlling interests	Total Equity
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Balance at 1 January 2013	140,163	13,836	(85,448)	68,551	29,973	98,524
Profit for the year	-	-	6,367	6,367	7,775	14,142
Other comprehensive loss for the year	-	(2,164)	-	(2,164)	-	(2,164)
Total comprehensive (loss)/income for the year	-	(2,164)	6,367	4,203	7,775	11,978
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	339	-	-	339	-	339
Share based payments	-	403	-	403	-	403
	339	403	-	742	-	742
Balance at 30 June 2013	140,502	12,075	(79,081)	73,496	37,748	111,244
Balance at 1 January 2014	179,196	14,678	(72,614)	121,260	47,306	168,566
Profit for the year	-	-	5,938	5,938	4,370	10,308
Other comprehensive loss for the year	-	(1,137)	-	(1,137)	-	(1,137)
Total comprehensive income/(loss) for the year	-	(1,137)	5,938	4,801	4,370	9,171
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	30,246	-	-	30,246	-	30,246
Share based payments	-	456	-	456	-	456
	30,246	456	-	30,702	-	30,702
Balance at 30 June 2014	209,442	13,997	(66,676)	156,763	51,676	208,439

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Consolidated	
	six months ended 30 June 2014 \$000's	six months ended 30 June 2013 \$000's
Cash flows from operating activities		
Receipts from product sales (inclusive of VAT)	45,165	83,263
Payments to suppliers and employees within the DRC (inclusive of VAT)	(22,608)	(37,945)
	22,557	45,318
Payments to other suppliers and employees (inclusive of GST)	(3,135)	(2,256)
Exploration expenditure	(756)	(2,197)
Interest received	53	26
Interest paid	(1,964)	(287)
Income tax expense	(3,904)	(9,323)
Proceeds from derivative facility settlement	3,470	-
ICA tax paid	-	(7,007)
Bank guarantees	-	125
Net cash inflows from operating activities	16,321	24,399
Cash flows from investing activities		
Purchase of plant and equipment	(54,622)	(31,016)
Contingent purchase consideration	(4,750)	(17,442)
Net cash outflows from investing activities	(59,372)	(48,458)
Cash flows from financing activities		
Proceeds from borrowings	19,207	9,716
Repayment of borrowings	(9,816)	(7,500)
Issue of shares	19,051	339
Share issue costs	(781)	-
Net cash inflows from financing activities	27,661	2,555
Net decrease in cash and cash equivalents held	(15,390)	(21,504)
Cash and cash equivalents at the beginning of the financial period	37,274	34,463
Net foreign exchange differences	(80)	101
Cash and cash equivalents at the end of the financial period	21,804	13,060

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. ADMINISTRATIVE AND OTHER EXPENSES

	Consolidated	
	six months ended 30 June 2014 \$000s	six months ended 30 June 2013 \$000s
Administrative expenses	3,165	3,007
Other expenses	-	4,607
	3,165	7,614

2. INCOME TAX

	Consolidated	
	six months ended 30 June 2014 \$000s	six months ended 30 June 2013 \$000s
<i>Income tax expense</i>		
Current tax	1,409	10,712
Deferred tax	5,081	(1,784)
	6,490	8,928
<i>Reconciliation of income tax expense to prima facie tax payable</i>		
Profit before income tax	16,798	23,070
Prima facie tax thereon at 30% (30 June 2013: 30%)	5,039	6,920
Add tax effect of:		
Equity compensation	133	121
Difference in overseas tax computation	(358)	-
Other non-deductible expenses	702	2,308
Adjustments for current tax of prior periods	1,015	-
Previously unrecognised tax losses recouped to reduce tax expense	(1,415)	(2,967)
Income tax benefits not brought to account	1,374	2,544
Income tax expense	6,490	8,928

3. TRADE & OTHER RECEIVABLES & OTHER FINANCIAL ASSETS

	Consolidated	
	30 June 2014 \$000s	31 December 2013 \$000s
Trade receivables	2,225	7,059
Other receivables	26,872	5,156
VAT receivable	12,883	13,630
Financial instruments	-	69
	41,980	25,914

4. MINE PROPERTIES AND DEVELOPMENT

	Consolidated	
	30 June 2014 \$000s	31 December 2013 \$000s
Opening cost	71,440	22,956
Additions	1,863	925
Deferred purchase consideration	8,039	13,750
Reclassification of exploration assets to mine properties	-	55,261
Amortisation	(4,261)	(21,452)
Closing	77,081	71,440

5. PLANT AND EQUIPMENT

	Consolidated				Total \$000s
	Motor Vehicles \$000s	Plant & Equipment \$000s	Land & Buildings \$000s	Construction in Progress \$000s	
At 31 December 2013					
Cost	3,369	21,145	4,219	130,264	158,997
Accumulated depreciation	(1,935)	(15,745)	(379)	-	(18,059)
Net book value	1,434	5,400	3,840	130,264	140,938
Six months ended 30 June 2014					
Opening net book value	1,434	5,400	3,840	130,264	140,938
Additions	-	-	9	86,953	86,962
Write offs	-	(122)	-	-	(122)
Depreciation charge	(176)	(2,452)	(122)	-	(2,750)
Closing net book value	1,258	2,826	3,727	217,217	225,028
At 30 June 2014					
Cost	3,369	21,023	4,228	217,217	245,837
Accumulated depreciation	(2,111)	(18,197)	(501)	-	(20,809)
Net book value	1,258	2,826	3,727	217,217	225,028

6. TRADE & OTHER PAYABLES

	Consolidated	
	30 June 2014 \$000s	31 December 2013 \$000s
Trade payables	32,095	2,429
Other payables	39,613	31,093
Deferred revenue	4,749	-
Current tax payable	3,857	5,533
Deferred purchase consideration	11,039	7,750
Employee entitlements	179	202
	91,532	47,007

7. DERIVATIVE LIABILITY

	Consolidated	
	30 June 2014 \$000s	31 December 2013 \$000s
Derivative liability	1,220	-
	1,220	-

During the reporting period the Company issued 35.6m shares as consideration for \$12 million of contract mining services to be provided during the reporting period and after the reporting period end. The agreement provides that, in certain circumstances when an election is made to dispose of the shares and the total value realised is less than the total value of the services, the Company will be required to cash settle the difference. The derivative liability represents the fair value of the obligation calculated as at 30 June 2014.

8. BORROWINGS

	Consolidated	
	30 June 2014 \$000s	31 December 2013 \$000s
<i>Current borrowings</i>		
Overdraft facilities	24,703	16,892
Other borrowings	7,400	7,487
Advance payment facility	50,171	25,181
	82,274	49,560
<i>Non-current borrowings</i>		
Other borrowings	1,667	-
Advance payment facility	-	25,000
	1,667	25,000

Advance Payment Facility

As at the balance date, SEK had a fully drawn \$50 million advance payment facility (First Advance) from Gerald Metals SA (Gerald) and an off-take agreement with Gerald for 100,000 tonnes of copper cathode from the SXEW plant. The facility terms provided for amortisation of the \$50 million advance in 12 equal monthly instalments of \$4.166 million each commencing in July 2014 and interest at a fixed rate of 4.10% per annum. Early repayment of the facility is permitted. The financial covenants applicable to the facility included maintaining a minimum Group tangible net worth of 80% of \$69 million, and a ratio of financial indebtedness of SEK to annualised trailing three month EBITDA of not greater than 1.0 times. The facility is secured by a first-ranking charge over business assets of SEK including plant and equipment and ore stockpiles available as SXEW feed located at the Kipoi mine, but excluding the Stage 1 HMS plant, power station, accommodation units, low-grade run-of-mine copper stockpiles and run-of-mine cobalt stockpiles. Security is also held over certain of SEK's bank accounts and by way of a first-ranking pledge over the shares in SEK and in any affiliates of SEK held by subsidiaries of Tiger Resources Limited.

Subsequent to the period end, SEK arranged a further \$25 million advance payment facility (Second Advance) with Gerald. As a result, the First Advance and Second Advance facility amounts were combined. The facility amortisation schedule was revised to 18 equal monthly instalments of \$4.166 million each month commencing in January 2015 so that, on a pro-forma basis as at 30 June 2014, \$25 million of the facility amount was reclassified from current to non-current borrowings and the financial covenants were modified so that the three month EBITDA ratio was substituted with a twelve month trailing EBITDA ratio. Refer to note 15 for further information.

Overdraft facilities

The overdraft facilities are provided to SEK by local DRC financial institutions Rawbank and Banque Commercial du Congo. The facilities are unsecured and subject to interest at the banks' respective applicable interest rates of 8% and 7.5% per annum.

Other borrowings

SEK has two short term amortising loan facilities with Rawbank. The first loan of \$5 million is repayable in 10 equal monthly instalments, and at the period end an amount of \$1 million was outstanding. The second loan of \$5 million is repayable in 15 equal monthly instalments commencing September 2014, with the balance outstanding reported as \$3.333 million current and \$1.667 million as non-current at the period end. The facilities are unsecured and are interest bearing at a rate of 8% per annum.

Other borrowings also includes a balance of \$3.067 million outstanding on an interest-free advance payment facility with Trafigura Pte Limited.

9. CONTRIBUTED EQUITY

	Consolidated			
	30 June 2014 Shares	30 June 2014 \$000s	30 June 2013 Shares	30 June 2013 \$000s
At the beginning of the period	802,710,269	179,196	673,470,269	140,163
Shares issued	95,472,532	31,051	-	-
Performance rights vested	601,426	-	-	-
Options exercised	-	-	1,300,000	339
Capital raising costs	-	(805)	-	-
At the end of the period	898,784,227	209,442	674,770,269	140,502

In April 2014 Tiger issued 35,585,922 ordinary shares at an issue price of A\$0.36 in consideration for mining services. Refer to note 7 for further information. In June 2014 Tiger completed a placement of 59,886,610 ordinary shares at an issue price of A\$0.34 for proceeds of A\$20 million, before expenses.

10. RESERVES

	Consolidated	
	six months ended 30 June 2014 \$000s	six months ended 30 June 2013 \$000s
Share option reserve (a)	21,861	21,213
Available-for-sale financial assets reserve (b)	(1,831)	(71)
Foreign currency translation reserve	(6,033)	(6,033)
Non-controlling interest reserve	-	(3,034)
Total reserves	13,997	12,075
<i>(a) Share Option Reserve</i>		
Balance at the beginning of the period	21,405	21,213
Issued during the period	456	403
Balance at the end of the period	21,861	21,213
<i>(b) Available-for-sale financial assets reserve</i>		
Balance at the beginning of the period	(694)	2,093
Fair value adjustment	(1,137)	(2,164)
Balance at the end of the period	(1,831)	71

There was no movement in the foreign currency translation reserve or the non-controlling interest reserve during the half-year to 30 June 2014.

Available-for-sale financial assets comprise an investment of 19.9% in ASX-listed Chrysalis Resources Limited (Chrysalis). The investment is recorded at fair value at each reporting date, with changes in value recognised directly in other comprehensive income. Refer to note 16 regarding the early adoption of AASB 9 *Financial Instruments* (as amended to September 2012) for further information.

11. RELATED PARTY TRANSACTIONS

During the period Tiger issued Performance Rights to Brad Marwood, Stephen Hills and Charles Carron Brown, who are all key management personnel of the Group. The Performance Rights were issued in accordance with the Tiger Resources Limited Performance Rights Plan as approved by shareholders at the Company's Annual General Meeting on 20 May 2014. The total share based payments expense associated with this issue of these Performance Rights was \$0.749 million, of which \$0.124 million was amortised during the period.

12. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

To provide an indication of the reliability of inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows below:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

As at the reporting date the Group had a financial instrument asset, being an equity investment in Chrysalis. As Chrysalis is a listed entity on the ASX, the fair value of its shares is determined in accordance with Level 1 valuation methodology. The carrying value of Tiger's investment in Chrysalis at the period end was \$0.624 million (31 December 2013: \$1.391 million). Refer to note 10 for further information.

The Group also had a derivative liability which is not traded in an active market, but which has a fair value that is derived using observable market data and is therefore considered a Level 2 financial instrument. The carrying value of the derivative liability at period end was \$1.220 million (31 December 2013: nil). Refer to note 7 for further information.

The Group does not have any other financial instruments carried at fair value, and consequently does not have any Level 3 financial instruments. There were no transfers between Level 1, 2 or 3 during the current or previous period.

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest payable is either close to current market rates or the instruments are short-term in nature.

13. SEGMENT REPORTING

The Group considers that it has operated in one reportable segment, being minerals exploration, development and production within the DRC.

14. COMMITMENTS & CONTINGENT ASSETS & LIABILITIES

Kipoi mineral properties

Under the terms of the shareholders' agreement between Congo Minerals SARL (Comin) and Gecamines SARL, Comin had an obligation to pay Gecamines \$35 per tonne of copper for reserves in excess of 200,000 tonnes of copper identified at the Kipoi Project. As at the reporting date, an increase in the Kipoi reserves to 796,811 tonnes had been recognised and a contingent liability existed in respect of future reserves identified in excess of that level. Subsequent to the period end, Tiger has entered into a share purchase agreement with Gecamines as a result of which an accrued amount of \$8.039 million will be extinguished through an adjustment to non-controlling interests acquired, so that there is no liability for payment and no contingent liability in respect of future additional reserves.

Tax assessment

SEK has received notice of an assessment for taxation in addition to the amount paid in respect of SEK's 2012 income tax return. SEK's external advice is that there is no legal basis for the assessment and it is seeking to have the assessment withdrawn. During the period a mandatory instalment of \$1.003 million was paid, as required by DRC tax legislation, so that arbitration can proceed. In the event that SEK is successful in having the assessment withdrawn the instalment amount is refundable or able to be applied against future income tax liabilities. Progress is not yet at a stage that it can be reliably determined whether further costs will be incurred by SEK.

15. EVENTS SUBSEQUENT TO BALANCE DATE

Advance payment facility

In July 2014 SEK arranged a \$25 million increase (Second Advance) in the advance payment facility from Gerald Metals SA (Gerald) to SEK. This advance payment is in addition to the existing \$50 million advance payment facility (First Advance) provided by Gerald. Under the new agreement the First Advance and Second Advance are combined, with the total advance of \$75 million being repayable by SEK in 18 equal monthly instalments from January 2015 to June 2016. Gerald has an off-take agreement for 175,000 tonnes of copper cathode, with 100% of cathode production from the SXEW plant committed until that tonnage has been delivered. All other material terms remain unchanged from the First Advance.

SXEW commercial production

Subsequent to period end the SXEW plant achieved commercial production of copper cathode. The Company achieved the milestone of commercial production in July 2014, producing 1,501 tonnes of copper cathode operating at 72% of nameplate capacity.

Acquisition of 40% interest in SEK and associated funding package

In August 2014 Tiger announced that it has entered into a share purchase agreement to acquire the remaining 40% shareholding in SEK held by Gecamines for an acquisition price of \$111 million. The Tiger Group currently holds 60% of the shares in SEK. Upon completion of the transaction, which remains subject to the satisfaction of certain conditions precedent, SEK will become a wholly-owned subsidiary of Tiger. The 40% interest will be acquired together with all associated rights, other than a 2.5% gross turnover royalty payable by SEK which will be retained by the vendor. Completion is due by 10 November 2014. Post completion of the transaction, Tiger intends to cede a 5% interest in SEK to the DRC Government to bring the mining title into alignment with the current DRC mining law and regulations.

The acquisition will be funded by a combination of equity and a debt finance facility. On 28 August 2014, Tiger announced an equity raising of A\$73.4 million by way of a private placement and an underwritten entitlement offer. The private placement and the institutional component of the entitlement offer were completed on 8 September 2014, with proceeds of A\$43.5 million paid to the Company. The retail balance of the entitlement offer is scheduled to complete on 29 September 2014, for gross proceeds of \$29.9 million. Tiger has also arranged a \$100 million debt finance facility with Taurus Mining Finance Fund, expected to be drawn to \$50 million in part funding of the transaction.

Other than disclosed above, there are no matters or circumstances that have arisen since 30 June 2014 that have significantly affected, or may significantly affect, the Group's operations in future financial years, or the results of those operations in future financial years, or the Group's state of affairs in future financial years.

16. BASIS OF PREPARATION OF INTERIM REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2013 and any public announcements made by Tiger Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Going Concern & Working Capital Deficit

These financial statements have been prepared on a going concern basis. The consolidated entity had a working capital deficiency at the balance date of \$68.464 million. Of this amount, \$50 million is in respect of the Gerald Metals advance payment facility, which is reported as current borrowings and therefore included in the calculation of working capital. A contributing factor to the working capital deficiency is a one-off increase in payables related to the final stages of the Stage 2 SXEW plant construction.

The Directors are confident that the working capital deficiency will be eliminated in subsequent periods as operating cash flows are realised from the recently commissioned SXEW operations, and as a result of the Company's financing activities, which, as described in Note 15, include:

- Subsequent to the reporting date, \$25 million of the Gerald Metals advance facility amount has been reclassified as a non-current liability, which on a pro-forma basis has the effect of reducing the working capital deficiency to \$43.464 million at the balance date.
- The Company is undertaking an underwritten equity raising of A\$73.4 million, of which proceeds of A\$43.5 million have been received by the Company at the date of this report. In addition, the Company has arranged a \$100 million debt financing facility of up to 12 months' duration in connection with the acquisition of the 40% interest in SEK. It is intended that \$50 million of this facility will be drawn to part fund the acquisition. The balance of the facility will remain available to be drawn for funding costs and expenses incurred in connection with the exploration, development and construction of the Kipoi Project.

The Group is evaluating long term funding arrangements which would have the effect of deferring short-term interest bearing obligations, and can avail itself of other available funding sources if required.

Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except that the consolidated entity has early adopted AASB 9 *Financial Instruments* (as amended to September 2012) with effect from 1 January 2014. AASB 9 provides an option to designate and measure an investment in equity instruments at fair value with changes recognised in other comprehensive income, with only dividends being recognised in profit or loss. Tiger's investment in Chrysalis is of a strategic and long-term nature and the Group therefore considers that variability in the fair value of this investment should not impact operating profit or loss. Applying AASB 9 *Financial Instruments* (as amended to September 2012) achieves this by quarantining the fair value adjustments to other comprehensive income. These changes have been adopted retrospectively with no impact on retained earnings in the current or previous financial periods. There is no change in the valuation methodology applied to this investment as a result of the early adoption of AASB 9 *Financial Instruments* (as amended to September 2012).

A number of new or amended standards became applicable for the current reporting period. However, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There will be some changes to the disclosures in the 31 December 2014 annual report as a consequence of these amendments.

Directors' Declaration

In the opinion of the directors:

- (a) the financial statements and notes set out on pages 9 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
 - (ii) complying with accounting standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that Tiger Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Brad Marwood
Managing Director

Perth, Western Australia, 12 September 2014



Independent auditor's review report to the members of Tiger Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tiger Resources Limited (the Company), which comprises the consolidated balance sheet as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Tiger Resources (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tiger Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tiger Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Craig Heatley' in a cursive, flowing script.

Craig Heatley
Partner

Perth
12 September 2014