

TIGER

RESOURCES LIMITED

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21 January 2014

Tiger boosts Kipoi NPV 100% to US\$755M for Stage 2

Perth, Western Australia: Tiger Resources Limited (ASX: TGS) is pleased to announce updated economics for Stage 2 production at its 60%-owned Kipoi Copper Project in the Democratic Republic of Congo (DRC).

Tiger has updated the figures from its definitive feasibility study (DFS), released on 9 January 2013 (“DFS”), following the recently announced 112% increase in the estimated Ore Reserve for Kipoi Central Stage 2 open pit to 30.14Mt at 1.31% Cu for 394,500 tonnes of contained copper (ASX release dated 15 January 2014 refers).

Highlights for Stage 2 solvent extraction electro-winning (SXEW) operation

- After-tax **net present value (NPV) of US\$755million**; 100% increase from DFS (excluding sunk capital expenditure of US\$121 million incurred on the SXEW development to date)
- **Production of 532kt¹** copper cathode over 11 years; 41% increase
- After-tax **internal rate of return (IRR) of 107%**; 143% increase
- Life of mine (LOM) cash operating costs of **US\$1.04/lb**; 8.7% decrease
- Cash operating costs unchanged at **US\$0.72/lb** during first two years of production
- Mine life extended two years to 11

Highlights for Stage 1 heavy media separation (HMS) plant in 2014

- Production guidance of **39,000 tonnes copper** in concentrate
- Direct **cash operating cost of US\$0.30/lb** of copper
- Operating cash flow of **US\$114m** at current copper price of US\$7,300/t

The SXEW plant is on schedule to commence production of copper cathode in Q2 2014. The plant is expected to produce 25,000 tonnes of copper cathode in its first full 12 months of operation and 50,000 tonnes per annum in subsequent years.

Managing Director Brad Marwood said: “The numbers speak for themselves – Kipoi is a world-class copper project.”

¹ The SXEW project economic update is based on total Ore Reserves of 653,500t (Kipoi Central stockpiles 137,000t; Kipoi Central Ore Reserves 394,500t; Kileba Ore Reserves 98,000t; and Kipoi North Ore Reserves 24,000t)

Tiger is currently producing copper in concentrate from its Stage 1 HMS plant. Production guidance for Kipoi for 2014 is 39,000 tonnes of copper in concentrate at an average operating cost of US\$0.30/lb of copper produced, and 12,000 tonnes of copper cathode from the SXEW plant.

Tiger has reviewed all key assumptions in the DFS released on 9 January 2013 and has confirmed there are no changes to the key assumptions or financial parameters, with the exception of the addition of sulphide ore recoveries at 60%. The headline parameters used are:

- Copper price of US\$3.40/lb until 2018 and US\$3.00/lb thereafter
- The NPV start date updated to 1 January 2014 (excludes the sunk capital expenditure of \$121 million spent on the SXEW development to date).

The LOM cash operating cost reduction to US\$1.04/lb is attributable to a reduction in mining costs from the Kipoi Central Stage 2 open pit mine, following a 10% increase in the copper reserve grade and a 33% reduction in the stripping ratio, as detailed in the Kipoi Central Ore Reserve update market release dated 15 January 2014.

BACKGROUND

The Kipoi Project covers an area of 55 square km and is located 75km north-north-west of the city of Lubumbashi in the Katanga Province of the DRC. The project contains a 12km sequence of mineralised Roan sediments that host at least five known deposits: Kipoi Central, Kipoi North, Kileba, Judeira and Kaminafitwe.

The Company has reported JORC-compliant resources at four of the deposits: Kipoi Central, Kipoi North, Kileba and Judeira. The principal deposit is Kipoi Central, which contains a zone of high grade copper mineralisation within a much larger, lower grade global resource. Production targets are underpinned by estimated Ore Reserves which have been prepared by competent persons in accordance with the requirements of the JORC Code.

Tiger is undertaking a phased development at Kipoi, where the Stage 1 heavy media separation (HMS) plant is in production and on the basis of recently completed grade control drilling now expects to process 3.5Mt of ore grading approximately 7% Cu to produce a total of 132,000 tonnes of copper in concentrate over its 42-month life.

Construction of the Stage 2 SXEW plant commenced in January 2013 and is on schedule for first production of copper cathode in Q2 2014. The updates to the feasibility study (FS) for Stage 2 has confirmed the operation as a low-cost, high-margin project capable of producing 532,100 tonnes of copper cathode over the eleven years, processing ore reserves from the Kipoi Central, Kileba and Kipoi North deposits and reject floats, slimes and medium grade ore stockpiles from the Stage 1 HMS operation. The Stage 2 site cash operating costs are forecast at US\$0.72/lb for the first two years of the operation (no mining required) and US\$1.04/lb over the life of mine.

It is envisaged that ore from Judeira and other deposits within the Kipoi Project area, as well as the Lupoto Project, will also be processed during the Stage 2 operations, providing additional returns and increasing the mineral resources available as feedstock to the Stage 2 SXEW plant. Increased resources will potentially increase the mine life and/or annual plant throughput.

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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 Stage 1 mining, HMS and spiral system operations and the development of a Stage 2 SXEW plant at Kipoi Central, 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, 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 plant 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 expansion of the Kipoi Project will proceed as planned and within expected time limits and budgets or that, when completed, the expanded Kipoi Stage 2 project will operate as anticipated.*

The information in this report that relates to the Kipoi Central Ore Reserves was first reported by the Company in compliance with JORC 2012 in a market release dated 15 January 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement dated 15 January 2014 and further confirms that all material assumptions and technical parameters underpinning the ore reserve estimates contained in the market release dated 15 January 2014 continue to apply and have not materially changed.

The information in this report that relates to the Kipoi Central Stockpile Reserves, Kileba Ore Reserves and Kipoi North Ore Reserves was reported by the Company in compliance with JORC 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.