

Tigray Resources Exploration Update and Financing Arrangement

04.12.2013 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA -- (Marketwired - Dec 4, 2013) - [Tigray Resources Inc.](#) (TSX VENTURE:TIG) ("Tigray" or the "Company") is pleased to provide an update on its exploration activities and planned drilling on the Adyabo project (the "Adyabo Project") and the Harvest project (the "Harvest Project" and, together with the Adyabo Project, the "Projects") in Ethiopia, and announces a loan in the amount of \$2.0 million.

Exploration Update

A diamond drill program totalling 2700 metres will be undertaken to expand upon the discovery at Mato Bula (*refer to Tigray's news release dated July 16, 2013*), and to follow up on other recent exploration successes at the Projects.

Earlier in 2013, Tigray's diamond drill tested part of the Mato Bula Trend on the Adyabo Project with a broad spaced drill program of six holes for a total of 963 metres. All six holes intersected significant widths and grades of gold and copper mineralization (*refer to Tigray's news release dated July 16, 2013*). At Mato Bula, two parallel zones of quartz vein-related mineralization were intersected over a strike length of 500 metres, open along strike and at depth, including:

- 17.57 metres at 4.20 grams per tonne gold and 1.05% copper from 56.05 metres (Main Lode), and 8.20 metres at 4.90 grams per tonne gold and 0.73% copper from 127.10 metres (Upper Lode) in WMD004; and
- 13.51 metres at 15.15 grams per tonne gold¹ from 53.31 metres (Main Lode), and 12.28 metres at 12.25 grams per tonne gold and 0.30% copper from 86.20 metres (Upper Lode) in WMD006^{2,3}.

Recent geological work on the property has defined a porphyry style copper-gold association along the trend with associated intense phyllic alteration (pyrite-sericite-silica alteration), increasing potential along the mineralized corridor. The Mato Bula Trend has been extended to 8 kilometres long with the recent definition of a 1.4 kilometre long copper anomaly (>200ppm copper) at Adi Nigisti associated with sulfidic porphyry and copper-rich gossan.

Follow-up and first pass drilling has been prioritized to test the high grade vein-style gold targets, where 80 x 80 metre step out drilling at Mato Bula is aimed at an increase in the size and definition of the mineralization envelope, and first pass drilling over 240 metres strike at Da Tambuk will test the down dip extent of surface gold mineralization (trench sampling at Da Tambuk revealed 4 metres at 14.53 grams per tonne gold - *refer to Tigray's news release dated July 16, 2013*).

The Company is keen to advance the prospective Adyabo Project based on what Tigray feels was a successful 2013 program.

Work planned on the Harvest Project includes down plunge diamond drill testing of VMS targets at the Terakimti and VTEM09 Prospects (10.21 metres at 3.97 grams per tonne gold, 3.16% copper, 3.82% Zinc and 87 grams per tonne silver intersected at VTEM09 - TVD01 - *refer to Tigray's news release dated July 23, 2013*)⁴.

Financing Arrangement

The Company is also pleased to announce that it has entered into a \$2.0 million loan agreement (the "Loan") with [East Africa Metals Inc.](#) (the "Lender" or "East Africa Metals"). The Loan has been fully advanced to the Company and will be used to continue funding the exploration of the Projects and for general corporate purposes. The Loan is due and payable in full on June 3, 2014 (the "Maturity Date"), subject to a

six-month extension period (the "Extension") at the sole discretion of the Lender. The Loan is secured by a charge on the shares of Tigray Resources Holdings Inc., a wholly-owned subsidiary of the Company which holds the controlling interest in the Company's Ethiopian subsidiaries and the Projects, and bears interest at a rate of 12% per annum, calculated and compounded quarterly, and is payable in full on the Maturity Date. The Company may, at its option, prepay all or part of the Loan at any time provided the Lender has received not less than 10 business days' notice.

In connection with the Loan, Tigray issued an aggregate of 8,000,000 warrants (the "Warrants") to East Africa Metals, with each Warrant entitling the holder to purchase one common share of Tigray at a price of \$0.15 at any time prior to the Maturity Date, including the potential Extension. The Warrants represent approximately 9.50% of the outstanding common shares of the Company, assuming full exercise of the Warrants (based on a total of 72,229,665 common shares of Tigray issued and outstanding prior to such exercise). Following this acquisition, the Lender holds 8,000,000 common shares of Tigray and 12,000,000 common share purchase warrants, representing approximately 23.74% of the outstanding common shares of Tigray (based on a total of 72,229,665 common shares of Tigray issued and outstanding prior to such exercise), assuming exercise in full of all of the common share purchase warrants held by the Lender. The number of Warrants will be reduced or cancelled on a pro rata basis if the Loan is reduced or paid out prior to the Maturity Date and any such reduction or cancellation will occur within 30 days after the reduction or paying out of the Loan.

The Lender has agreed with the TSX Venture Exchange and Tigray to not exercise such number of Warrants that would result in the Lender becoming a Control Person of Tigray (as such term is defined in the policies of the TSX Venture Exchange) without prior shareholder approval.

The Warrants were acquired as consideration for the Loan. The common shares of Tigray are listed on the TSX Venture Exchange.

East Africa Metals acquired the securities for investment purposes. East Africa Metals has no current intention to obtain beneficial ownership of additional securities of the Company, however East Africa Metals may, as investment conditions warrant, acquire additional securities or dispose of securities of the Company, in the market or privately.

East Africa Metals relied on Section 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions* ("NI 45-106") in the acquisition of the securities, which exempts the issue of securities by the Company from the prospectus and registration requirements if the purchaser purchases as principal and is an accredited investor (as such term is defined in NI 45-106).

A copy of the report filed by East Africa Metals in connection with this acquisition will be available on the SEDAR website at www.sedar.com under the Company's profile or by contacting East Africa Metals at 604.488.0822 or toll free at 866.488.0822.

East Africa Metals' address is: Suite 3114, 1055 Dunsmuir Street, Four Bentall Centre, Vancouver, BC V7X 1G4

As a result of the fact that a control person of the Lender is also a control person of the Company, the borrowing pursuant to the Loan is considered a "related party transaction" pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The borrowing transaction is exempt from the requirement to obtain a formal valuation, pursuant to Section 5.5(b) of MI 61-101 as the Company is not listed on specified markets, and is exempt from the requirement to obtain minority shareholder approval, pursuant to Section 5.7(f) of MI 61-101, as it is a loan obtained by the Company from a related party on reasonable commercial terms that are not less advantageous to the Company than if the loan were obtained from a person dealing at arm's length with the Company, and the loan is not (a) convertible, directly or indirectly, into equity or voting securities of the Company or a subsidiary entity of the Company, or otherwise participating in nature; or (b) repayable as to principal or interest, directly or indirectly, in equity or voting securities of the Company or a subsidiary entity of the Company.

The Company did not file a material change report more than 21 days before the closing of the Loan as the Company wished to close the Loan on an expedited basis following regulatory approval for sound business reasons and in a timeframe consistent with usual market practices for transactions of this nature.

The Loan was considered and approved by the board of directors of the Company (the "Board"). The Board determined that the borrowing transaction is reasonable and in the best interests of the Company. The Board further determined that the Company satisfies the requirements of, and ought to rely on, certain exemptions available under MI 61-101 with respect to exemptions from the minority shareholder approval and valuation requirements.

Quality Control

The planning, execution and monitoring of Tigray's quality control programs at the Harvest and Adyabo Projects are under the supervision of Jeff Heidema, P.Geo., Tigray's Vice President Exploration. Mr. Heidema reviewed and approved the written disclosure on the exploration information on the Projects contained in this news release. Mr. Heidema is a Qualified Person as defined by National Instrument 43-101. Diamond drill core samples have undergone preliminary preparation at the Acme Laboratories facility in Ankara, Turkey, and are crushed to 80% passing 10 mesh, and pulverized to 85% passing 200 mesh (Acme R200-1000package). Analyses are conducted at Acme Laboratories in Vancouver, Canada, utilizing Aqua Regia digestion and ICP-ES for base metal and silver analyses. Gold analyses are conducted via Fire Assay Fusion with AA finish, and gravimetric analyses are completed for over-limit samples. Blanks and certified reference standards are inserted into the sample stream to monitor laboratory performance. Duplicate samples are inserted into the sample stream to both monitor laboratory performance and also characterize potential mineralization.

About Tigray

Tigray is a Canadian mineral exploration company focused on discovery through advancing early-stage mineral projects in Ethiopia. Tigray's key property is the 70%-owned Harvest polymetallic VMS exploration project, which covers approximately 199 square kilometres in the Tigray region of Ethiopia, 600 kilometres north-northwest of the capital city of Addis Ababa. The Company also entered into an agreement to acquire up to an 80% interest in the Adyabo property covering 415 square kilometres immediately west of the Harvest project. Tigray's shares trade on the TSX Venture Exchange under the symbol TIG.

On behalf of the Board of Directors:

Andrew Lee Smith, P.Geo.
President, CEO and Director

Cautionary Statement Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "anticipate", "believe", "plan", "expect", "intend", "estimate", "forecast", "project", "budget", "schedule", "may", "will", "could", "might", "should" or variations of such words or similar words or expressions. Forward-looking information is based on reasonable assumptions that have been made by the Company as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks associated with the proposed use of the Loan, the ability of the Company to repay the Loan, mineral exploration and development; metal and mineral prices; availability of capital; accuracy of the Company's projections and estimates; interest and exchange rates; competition; stock price fluctuations; availability of drilling equipment and access; actual results of current exploration activities; government regulation; political or economic developments; environmental risks; insurance risks; capital expenditures; operating or technical difficulties in connection with development activities; personnel relations; the speculative nature of strategic metal exploration and development including the risks of contests over title to properties; and changes in project parameters as plans continue to be refined, as well as those risk factors set out in the Company's listing application dated August 18, 2011.

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the proposed use of the Loan, the ability of the Company to repay the Loan, the price of gold; the demand for gold; the ability to carry on exploration and development activities; the timely receipt of any required approvals; the ability to obtain qualified personnel, equipment and services in a timely and cost-efficient manner; the ability to operate in a safe, efficient and effective manner; and the regulatory framework regarding environmental matters, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information that is included herein, except in

accordance with applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

¹Includes a 0.70m interval grading 284.5 grams per tonne.

² No top cut has been applied to individual assays.

³Intersection true widths are estimated at 70-90% of intervals stated.

⁴Interval adjusted from initial result following additional QAQC review.

Contact

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<https://www.rohstoff-welt.de/news/162043--Tigray-Resources-Exploration-Update-and-Financing-Arrangement.html>

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