# Tiger Resources Limited - Letter to Shareholders

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Perth, Australia (ABN Newswire) - The Board of Tiger Resources Ltd. (ASX:TGS) would like to take this opportunity to update you on a number of important initiatives the Company is taking to restore shareholder value.

2014 was a transformational year for Tiger that resulted in:

- the successful transition to a producer of copper cathode;

- the successful development and commissioning of the 25,000 tpa SXEW plant on schedule and within budget, which achieved commercial production on 1 July 2014 just six weeks after commencing operation; and

- the consolidation of Tiger's position at Kipoi through the acquisition of the remaining 40% shareholding in Société d 'Exploitation de Kipoi, the holding company for the Kipoi Copper Project.

However, the Tiger Board is acutely aware that the Company's share price performance since late 2014 does not reflect that success, and the Board shares the disappointment of many shareholders in this regard. In addition to the backdrop of a decline in sentiment for mining stocks generally, and a decline in the copper price in particular, there has been a perception in the market that the Company will face challenges in refinancing its current debt. This situation has led a number of shareholders to raise their concerns with Tiger and seek assurances from the Board that positive steps are being taken to restore shareholder value. The purpose of this letter is to outline briefly a number of initiatives currently underway, in addition to those announced to the ASX on 11 June 2015 (attached), which the Board is confident will achieve that objective.

i. Refinancing

As previously announced, the Company is well advanced in discussions with a syndicate of financiers led by RMB and Standard Bank to refinance the existing debt facilities provided by Taurus Mining Finance Fund and Gerald Metals and to fund the potential future expansion of operations at Kipoi from the current 25Ktpa copper cathode operation to a 50Ktpa operation.

RMB and Standard Bank have completed their technical due diligence of the Kipoi Project, including the expansion option just referred to, and final terms are being negotiated with a view to achieving credit approvals in July.

The Board considers the economics of the 50Ktpa expansion to be very robust. However, Tiger will not pursue that expansion at any cost, nor will it commit to incurring additional debt obligations to fund the expansion unless it is offered acceptable terms and prevailing market conditions support that course.

In the event the final terms offered by RMB and Standard Bank for the refinancing and expansion are not acceptable and/or market conditions are not supportive, Tiger has a number of other potential sources of capital to refinance the existing facilities.

ii. Existing Financiers

I should emphasise that the Company continues to enjoy a positive and constructive relationship with both existing financiers, Taurus and Gerald Metals.

As previously announced, Taurus has agreed to extend the repayment date for its existing US$100m bridging loan facility (currently drawn to US$75m) to 31 January 2016, to allow greater time for a long term funding structure for the Company to be put in place.

The facility with Gerald Metals, which is the Company's principal offtake partner, continues to be repaid in accordance with its terms, with repayments totalling over US$20 million already made to date. At the current rate of repayment, the facility will be completely repaid by 30 June 2016.

iii. Strategic Alternatives

It is important for shareholders to be aware that should the proposed expansion at Kipoi to 50Ktpa not present appropriate risk-adjusted returns, and/or the current refinancing initiatives not produce a financing structure on acceptable terms, the Company has a number of other strategic options. These could include a sale of an interest in the project to a third party or, potentially, a corporate transaction. Moreover, in addition to the 50Ktpa expansion option referred to above, the Company is exploring incremental expansions to cathode production volumes through modular additions to the existing SXEW plant.

Recognizing that the issues raised by each of these options may be complex, earlier this year the Company appointed Macquarie Capital (Australia) Limited to provide the Board with support and advice in considering its strategic options.

Most importantly, while Tiger is not immune from challenging conditions across the commodities sector, with the inevitable flow-on effects to listed mining companies, Tiger has a number of strategic options to maximize shareholder value available to it and is not dependent on the success of any one of those options.

In closing, on behalf of the Board I would like to record my thanks to Tiger's management team for their continuing hard work in advancing a number of parallel strategic and financial opportunities for the Company. Much of this work is unseen and is, of course, in addition to the safe and efficient day-to-day management of operations at Kipoi. On that front we are pleased with the progress being made; safety metrics are at an exemplary level and production and costs continue to track in line with guidance for the 2015 calendar year.

We will continue to keep shareholders and the market updated on developments as they occur. In the meantime, I take this opportunity of thanking shareholders for their continued support of the Company.

**About Tiger Resources Limited:**

Tiger Resources Ltd. (ASX:TGS) has established itself as a producing copper/cobalt company with excellent growth potential after making the transition from an explorer. We have a highly-rated portfolio of properties, all strategically located on the world renowned Katanga Copperbelt in the Democratic Republic of the Congo (DRC), central Africa.

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