

Update on African Pioneer, issue of equity and TVR

TIGER ROYALTIES AND INVESTMENTS PLC

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For immediate release

15 March 2021

Tiger Royalties and Investments Plc
("Tiger" or "the Company")
Update on strategy for African Pioneer and its proposed Standard Listing
and
US\$500,000 investment in African Pioneer by Sandfire Resources Limited, Related Party Transaction, Issue of Equity and TVR

Update on Strategy for African Pioneer

Tiger is pleased to provide the following update on its 50.75% owned subsidiary, African Pioneer Plc ("**African Pioneer**" or "**APP**"), which having identified suitable exploration assets in the mining sector based in Zambia, Namibia and Botswana, is now looking to take advantage of healthier resource markets to acquire these assets and list African Pioneer on the Official List (by way of Standard Listing under Chapter 14 of the Listing Rules) and on the London Stock Exchange's Main Market for listed securities (the "**Standard Listing**") in conjunction with a placing to raise approx. £1.75m.

African Pioneer has been a subsidiary of Tiger since 22 August 2012 and Mr Colin Bird, Tiger's Chairman, as well as Mr Raju Samtani, Tiger's Finance Director, are both directors of APP. African Pioneer and its advisors are working on the proposed Standard Listing and a further announcement regarding this will be made in due course.

Exploration Assets being acquired by African Pioneer: The directors of APP have now identified suitable exploration assets in the mining sector based in Zambia, Namibia and Botswana and APP has entered into share purchase agreements to acquire the following three companies and their projects (the "**Acquisitions**"):

1. 100 per cent. of Zamcu Exploration Pty Ltd ("**Zamcu**"), which via its subsidiaries Manmar Investments One Hundred & Twenty Nine (Pty) Limited ("**Manmar 129**") and Manmar Investments One Three Six (Pty) Limited ("**Manmar 136**") holds 70 per cent. interest in the two Namibia Exclusive Prospecting Licenses ("**EPLs**") located within the Matchless amphibolite Belt of central Namibia for a consideration of £798,981 to be satisfied by the issue on Standard Listing of; (i) 10,000,000 APP Shares to Zamcu shareholders, (ii) a total of approximately 4,742,857 APP Shares to Manmar 129 and Manmar 136 shareholders and (iii) approximately 4,900,000 APP

Shares to Avanti Resources Pty Ltd as trustee for the Marlow Family Fund pursuant to an introduction mandate agreement. In addition, AUS\$200,000 (£112,981) has already been paid to Manmar 129 and Manmar 136 shareholders in cash;

2. 80 per cent. of African Pioneer Zambia Limited ("**APZ**"), which holds 100 per cent. interest in the Zambian Prospecting Licences ("**Zambian PLs**") located in two areas namely the Central Africa Copperbelt (Copperbelt), which comprises four **Zambian PLs** and the Zambezi area which comprises one Zambian PL for a consideration of £1,925,000 to be satisfied by the issue on Standard Listing of 55,000,000 APP Shares; and
3. 100 per cent. of Resource Capital Partners Pty Ltd ("**RCP**"), which holds 100 per cent. interest in the Botswana Prospecting Licences ("**Botswana PLs**") located in two areas namely (1) the Kalahari Copperbelt (KC), which comprises six Botswana PLs and (2) the Limpopo Mobile Belt (Limpopo), which comprises two Botswana PLs ("**Botswanan Projects**") for a total consideration of £350,000 to be satisfied by the issue on Standard Listing of 10,000,000 APP Shares to RCP shareholders. The Botswanan Projects are subject to the Conditional Botswana Licence Sale Agreement, further details of which are set out below.

The Acquisitions are conditional *inter alia* on Standard Listing. In conjunction with the proposed Standard Listing African Pioneer will be conducting a placing to raise approx. £1.75m (the "**Placing**"). Additionally, £100,000 of Tiger's current outstanding loan to African Pioneer will be converted into APP's Ordinary Shares on Standard Listing (together the "**Transaction**"). As a result of the Transaction, Tiger's interest in APP will be diluted from 50.75% to 4.65% on Standard Listing.

Further details of Acquisitions; Further details of the Acquisitions set out in the Appendix to this announcement.

Conditional sale of Botswana Projects by African Pioneer: on 12 March 2021 African Pioneer have entered into a conditional licence sale agreement with ASX listed Sandfire Resources Limited (ASX:SFR) ("**Sandfire**") (the "**Conditional Botswana Licence Sale Agreement**") which provides for;

- a) **The Sale of licences:** the sale to Sandfire of the 8 Botswana licences (the "**Licences**") being acquired at Standard Listing by the acquisition of Resources Capital Partners (Pty) Limited for an aggregate consideration of US\$1M (being a Guarantee Fee of US\$250,00 and a Licence Purchase Price of US\$750,000) of which US\$0.5M will be paid in cash (the "**Cash Consideration**") and US\$0.5M by the issue by Sandfire of its ordinary shares to African Pioneer (the "**Consideration Shares**") at an issue price per share based on the 10 day VWAP of the Sandfire share price as at the date before the signing of the Sandfire Conditional Botswana Licence Sale Agreement;
- b) **An Exploration Commitment:** Sandfire to spend US\$1M on the Licences (the "**Exploration Commitment**") within two years of settlement (the "**Exploration Period**") and if the US\$1M is not spent any shortfall will be paid to African Pioneer;
- c) **A Success Payment:** a success payment to be paid to African Pioneer for the first ore reserve reported under JORC Code 2012 edition on the Licences which exceeds 200,000 tonnes of contained copper (the "**First Ore Reserve**") in the range of US\$10M to US\$80M depending on the copper ore in the First Ore Reserve (the "**Success Payment**"). Sandfire have the option to elect to settle the Success Payment , if due, by the issue of Sandfire shares based on the 10 day VWAP of Sandfire shares at the time of announcing an Ore Reserve that triggers the Success Payment; ***Given the limited exploration conducted on the Botswanan Licences to date and the many years that it could take to establish an Ore Reserve, there can be no guarantee that any such Success Payment will be forthcoming.***
- d) **Conditions Precedents:** The conditions precedent to be completed (unless indicated otherwise) by the long stop date of 31 July 2021 are;
 - a. The parties having executed the Convertible Loan Note Share Subscription Agreement;
 - b. African Pioneer providing, at least 5 Business Days prior to the Settlement Date:
 - i. ministerial consent for the transfer of the Licences;
 - ii. all ASX and LSE regulatory approvals;
 - iii. bank details for the payment of the Licence Purchase Price and the Guarantee Fee;
 - iv. approval of the acquisition of the Licences by the Competition Authority of Botswana (or confirmation from such authority or from either party's Botswana legal counsel that such approval is not required); and
 - v. duly executed transfer applications for the Licences in the form required by the Mining Act or the Department under which a 100% interest in the Licences may be transferred to the Purchaser.
 - c. the Standard Listing having occurred by 30 June 2021. If Standard Listing has not occurred by 30 June 2021 then the initial long stop date of 31 July 2021 shall automatically be extended to 31 December 2021 (the "**Long Stop Date**") and the Cash Consideration shall not be payable.
- e) **Completion and Standard Listing not occurring by Long Stop Date.** If both i) completion of the Conditional Botswana Licence Sale Agreement and ii) Standard Listing have not occurred, by the Long Stop Date then African Pioneer will be due to pay Sandfire US\$500,000 by way of a cancellation fee.

Rationale for Conditional Botswana Licence Sale Agreement: African Pioneer has seen this as an opportunity for Sandfire to take over ownership and responsibility for the exploration stage of the Botswanan Projects whilst allowing African Pioneer to share in the potential upside should the exploration ultimately be successful in establishing a mineable reserve. Sandfire has the in-country infrastructure and technical expertise and financial resources to accelerate the rate of expenditure on the Botswanan Projects by agreeing to fund a minimum of US\$1 million of expenditure (compared to the APP's 18 month budget of \$176,000) and the proceeds from the sale to Sandfire will allow African Pioneer to concentrate its increased financial resources and its management capabilities on its remaining two projects in Namibia and Zambia. In addition, as part of the relationship with Sandfire, they have agreed to make a US\$500,000 cornerstone investment in African Pioneer (further details of which are set out below).

Sandfire's US\$500,000 Investment into African Pioneer: In connection with its intended Standard Listing, on 11 March 2021 African Pioneer entered into a US\$500,000 Convertible Loan Note Share Subscription Agreement (the "**Sandfire Investment Agreement**") with Sandfire which provides for Sandfire to subscribe for US\$500,000 of interest free unsecured loan notes ("**Sandfire Investment Notes**") automatically convertible upon Standard Listing into APP Shares constituting 15% of the African Pioneer's enlarged share capital on Standard Listing. Pursuant to the Sandfire Investment

Agreement, upon conversion, Sandfire has the right to nominate a director to the Board of African Pioneer whilst their shareholding remains at or above 15% of the issued share capital of African Pioneer; the appointment will be subject to customary due diligence, although Sandfire has not indicated that they will take up this right and has not identified a candidate to date; additionally, Sandfire will have the right to participate in all future share offerings by African Pioneer as subscribers so as to maintain its African Pioneer shareholding at 15%, irrespective of any disapplication or non-application of pre-emption rights. The APP Shares issued to Sandfire at Standard Listing will be subject to a 12 month lock-in during which the APP Shares are not permitted to be sold, followed by a 12 month orderly markets period during which Sandfire are required to work with the APP's broker for 10 days prior to making any sale.

Consequence of Standard Listing not occurring by 30 June 2021. If African Pioneer has not listed by 30 June 2021, then the Sandfire Investment Notes shall be automatically and immediately cancelled and the US\$500,000 invested by Sandfire will not be repayable by African Pioneer.

Proposed Placing by African Pioneer: It is intended that African Pioneer will undertake a placing in conjunction with its Standard Listing, Novum Securities Ltd the Company's existing Broker, will act as broker to African Pioneer in connection with the proposed placing details of which will be announced in due course.

Related Party Transaction in relation to Tiger: Mr Colin Bird and Mr Raju Samtani, both Directors of Tiger and African Pioneer, are also co-vendors of APZ and as a result each of Mr Colin Bird and Mr Raju Samtani will receive 15,000,000 APP Shares on Standard Listing and Campden Park Trading, a company owned and controlled by Mr Colin Bird, will receive 5,000,000 of APP Shares on Standard Listing carrying a value of £1,225,000 upon Standard Listing.

Accordingly, taking into account the fact that African Pioneer is currently a 50.75% subsidiary of Tiger, this is considered to be a related party transaction by Tiger pursuant to Rule 13 of the AIM Rules for Companies. The independent directors of the Company, Mr Alex Borrelli and Mr Michael Nolan consider, having consulted with the Company's Nominated Adviser, Beaumont Cornish Limited, that the terms of the proposed transaction between African Pioneer and aforementioned co-vendors of APZ are fair and reasonable in so far as the Company's shareholders are concerned.

In forming this view, the Independent Directors have considered the assessment of the Company's geologists of the APZ assets, the overall effect of the proposed African Pioneer Transaction and the positive effect which it would have on the value of Tiger's holding in African Pioneer and the validation of the involvement of Sandfire as regards both the investment in and arrangements over certain assets of African Pioneer. The current valuation of Tiger's interest in African Pioneer is close to £Nil given African Pioneer's negative net worth at 31 December 2020. In addition, as at the date of this announcement the Company is owed £231,112 by African Pioneer, £100,000 of which will be converted into APP Shares upon African Pioneer's Standard Listing whilst £131,112 will be repaid in cash when African Pioneer has the available funds to settle this outstanding amount.

Issue of Equity by Tiger: The Company also announces that it has separately agreed to settle a corporate creditor through the issuance 8,500,000 new ordinary shares of 0.1p each at an issue price of 0.53p per ordinary share ("**Settlement Shares**"). The Settlement Shares will rank *pari passu* with the existing Ordinary Shares and application is being made for the 8,500,000 Settlement Shares to be admitted to trading on AIM ("**Admission**"). It is expected that Admission will become effective and dealings in the Settlement Shares will commence at 8.00 a.m. on or around 18 March 2021.

Total Voting Rights of Tiger: Following the issue of the Settlement Shares, the Company's total issued share capital will consist of 447,942,308 Ordinary Shares with voting rights. The Company also holds 4,500,000 Ordinary Shares in treasury but there are no voting rights in respect of these treasury Shares. On Admission, the abovementioned figure of 439,942,308 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in Tiger under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

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Appendix - Further information on the African Pioneer assets on completion of the Acquisitions

Table below sets out African Pioneer's interest in the various licences following completion of the Acquisitions:

Licence No.	Licence Name	Licence Holder	Mineral Groups	Area (km ²)	Expiry	APP % interest on Standard Listing
NAMIBIA						
Matchless Belt Projects						
EPL 5772	Ongombo	Manmar Investments 129 Pty Ltd	Base and Rare Metals, Precious Metals	120.9	8-March-2023 (2 nd renewal)	70%
EPL 6011	Ongeama	Manmar Investments 136 Pty Ltd	Base and Rare Metals, Precious Metals	81.2	27-Oct-2021 (2 nd renewal)	70%
ZAMBIA						
Central African Copperbelt Projects						
27771 HQ-LEL	Luamata South	African Pioneer Zambia Ltd	Co, Cu, Au and Ni	902.0	4-Nov-2024	80%

27770 HQ-LEL	Samuteba East	African Pioneer Zambia Ltd	Co, Cu, Au, Fe, Pb, Limestone, Mn, Ni, Ag and Zn	779.0	4-Nov-2024	80%
27768 HQ-LEL	Samuteba West	African Pioneer Zambia Ltd	Co, Cu, Au, Ni and Ag	361.1	4-Nov-2024	80%
27767 HQ-LEL	Samuteba Central	African Pioneer Zambia Ltd	Co, Cu, Au, Ni and Ag	324.2	4-Nov-2024	80%
Zambezi Belt Project						
27769 HQ-LEL	Chumbwe	African Pioneer Zambia Ltd	Bi, Cu, Au, Pt	436.0	4-Nov-2024	80%
BOTSWANA: Subject to Conditional Botswana Licence Sale Agreement						
Kalahari Copperbelt Projects						
PL96/2020	Karakubis	Resource Capital Partners Pty Ltd	Metals	636.8	30-Sep-2023	100%*
					(1 st renewal)	
PL98/2020	Junction	Resource Capital Partners Pty Ltd	Metals	217.2	30-Sep-2023	100%*
					(1 st renewal)	
PL100/2020	Ghanzi	Resource Capital Partners Pty Ltd	Metals	395.0	30-Sep-2023	100%*
					(1 st renewal)	
PL101/2020	Kuke	Resource Capital Partners Pty Ltd	Metals	180.3	30-Sep-2023	100%*
					(1 st renewal)	
PL102/2020	Kalahari	Resource Capital Partners Pty Ltd	Metals	347.5	30-Sep-2023	100%*
					(1 st renewal)	
PL103/2020	Maun	Resource Capital Partners Pty Ltd	Metals	169.0	30-Sep-2023	100%*
					(1 st renewal)	
Limpopo Mobile Belt Projects						
PL97/2020	Serule	Resource Capital Partners Pty Ltd	Metals	636.8	30-Sep-2023	100%*
					(1 st renewal)	
PL99/2020	Phikwe	Resource Capital Partners Pty Ltd	Metals	217.2	30-Sep-2023 (1 st renewal)	100%*

**The Botswanan Licences will be 100% owned by APP via its wholly owned subsidiary, Resources Capital Partners Pty Ltd, on Standard Listing, following which, all the Botswanan Licences are intended to be sold by APP to Sandfire in accordance with the Conditional Botswana Licence Sale Agreement*

Deascription of the African Pioneer Projects

1. Namibian Projects

Matchless Belt Projects

The two adjacent EPLs are located in central Namibia, 5 and 10 km respectively to the northeast of Windhoek, the capital of Namibia. Together, these comprise the Ongombo and Ongeama projects.

Both the Ongombo and Ongeama projects (EPLs 5772 and 6011) are geologically located within the Matchless Member of the Kuiseb Formation, a conspicuous assemblage of lenses of foliated amphibolites, chlorite-amphibolite schist, talc schist and metagabbro. This belt, up to 5 km wide in the Otjihase Mine (in care and maintenance) area, stretches 350 km east-northeastwards within the Southern Zone of the Damara Orogen from the Gorob - Hope area in the south, towards Steinhausen in the north. The belt hosts copper-gold mineralisation which has been in past production at two localities (Otjihase - and Matchless Mines owned by Weatherly International plc).

Both EPLs are accessed via the B6 road leading eastwards towards Hosea Kutako International Airport. EPL 6011 (Ongeama) is accessed via the D1527 road lading northwards towards the Weatherly International plc Otjihase Mine (now under administration), while the D2102 (branching from the D1510) district road provides access to EPL 5772 (Ongombo). The international airport is approximately 12 km east of the combined EPLs area. Labour will be available from the city of Windhoek. Potential tailings storage areas, waste disposal areas, heap leach pads and potential processing plant sites can only be supplied after an Environmental Impact Assessment has been completed. Windhoek should also be able to supply most exploration requirements and comply with all sustenance supplies.

2. Zambian Projects

Central African Copperbelt Project

The APZ licences are located on the western edge of the fold-thrust belt of the Lufilian Arc. The Lufilian Arc is a Pan-African fold-and-thrust belt that extends over 800 km in an east-west direction, curving to the northeast. It originates in Luanshya (Zambia), extending through Kolwezi (Democratic Republic of the Congo) and terminates in south-eastern Angola. The Lufilian Arc comprises metasedimentary rocks of the Katanga Supergroup, which hosts the Central African

Copperbelt. The Central African Copperbelt is the largest and most prolific mineralized sediment-hosted copper province known on Earth. In Zambia, the Lufilian Arc unconformably overlies the basement, which consists of older metamorphosed gneisses, schists, migmatites, amphibolites and granitoids. The geology within the African Pioneer projects predominantly comprises supracrustal metasedimentary rocks of the Nguba and Kundulungu Groups. Although exact stratigraphic placement of these lithologies is difficult on site, mostly due to the structural complexity of the area and limited outcrop, the regional geological setting of the area points towards similarities with the Ivanhoe Mines Ltd Kamoa-Kakula deposits in the adjacent Democratic Republic of the Congo ("DRC").

Zambezi Belt Project

The Zambezi licence located within the Zambezi Belt of southern Zambia, hosts a lower Katanga Supergroup succession which, although less studied than its northern counterpart, also hosts a number of Copperbelt-style occurrences. The Mwembeshi Shear Zone forms the northern boundary of the Zambezi Belt, separating it from the Lufilian Arc. The Mwembeshi Shear Zone, which comprises multiple strands over a width of kilometres, has been interpreted to continue as the Matchless Belt in the Damara Supergroup of Namibia.

3. Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement

The Botswana Prospecting Licences ("PLs") are located in two areas namely:

1. The Kalahari Copperbelt Projects ("KC") - comprise six licenses (PLs 96, 98 and 100 to 103 / 2020) and are located in western Botswana near the towns of Ghanzi and Maun. The northeast-trending Meso- to Neoproterozoic belt, approximately 1,000 km long by up to 250 km wide, stretches discontinuously from western Namibia into northern Botswana along the northwestern edge of the Palaeoproterozoic Kalahari Craton. The belt contains copper-silver mineralisation which is generally stratabound and hosted in metasedimentary rocks that have been folded, faulted and metamorphosed to greenschist facies during the Damara Orogeny.

2. The Limpopo Mobile Belt Project ("Limpopo") - comprises two licenses (PLs 97 and 99 / 2020) and is located in eastern Botswana within 30 km of the town of Selebi Phikwe. The Selebi Phikwe regional area in eastern Botswana (comprising PLs 97 and 99 / 2020) is underlain by rocks of the Archaean basement which regionally forms part of the Azanian Craton, a fragment of Archaean continental crust comprising, from south to north, the Kaapvaal Craton, the Limpopo Belt and the Zimbabwe Craton. The Limpopo Project is set within the Motloutse Complex of eastern Botswana, a transitional boundary between the Zimbabwe Craton to the north and the Limpopo Mobile Belt to the south.

As stated above, the Botswanan Projects are subject to the Conditional Botswana Licence Sale Agreement under which African Pioneer guaranteed the sale to Sandfire following Standard Listing of the Botswanan Licences. If the conditions of the Conditional Botswana Licence Sale Agreement are met by its long stop date of 31 July 2021 or such later date agreed by the parties then African Pioneer will no longer own the Botswana Projects owned by RCP.

Assets, liabilities and trading results of the Acquisitions: There are no significant assets, liabilities or trading results attached to any of the Acquisitions.