



# TIGER RESOURCE FINANCE PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002





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## OFFICERS AND PROFESSIONAL ADVISERS

### DIRECTORS

R B Rowan – Chairman  
C Bird  
M H Nolan

### SECRETARY

R Samtani (CIMA)

### REGISTERED OFFICE

7-8 Kendrick Mews  
London  
SW7 3HG

### NOMINATED BROKER

WH Ireland Limited  
Cannon Gate House  
62-64 Cannon Street  
London  
EC4N 6AE

### NOMINATED ADVISER

Davy Corporate Finance Ltd  
Davy House  
49 Dawson Street  
Dublin 2  
Ireland

### REGISTERED NUMBER

2882601

### AUDITORS

Deloitte & Touche  
Chartered Accountants  
180 Strand  
London  
WC2R 1BL

### BANKERS

Allied Irish Banks plc  
10 Berkeley Square  
London  
W1J 6AA

### SOLICITORS

Matheson Ormsby Prentice  
3rd Floor  
Pinnacle House  
23-26 St. Dunstan's Hill  
London  
EC2R 8HN

### REGISTRARS

Computershare Investor Services (Ireland) Limited  
Heron House  
Corrig Road  
Sandyford Industrial Estate  
Dublin 18

### WEBSITE

[www.tiger-rf.com](http://www.tiger-rf.com)



## REPORT OF THE CHAIRMAN

2002 was a good year for Tiger, with strong profits realised from investments and a significant 26% increase in net asset value (NAV) per share. This was achieved during a period of global market volatility and investor uncertainty.

Your Board took the view that the volatility presented good opportunities, particularly on the selling side and consequently a number of investments were sold at their peak or close to it. It was thought better to sell near the top and await for buying opportunities at or nearer the market bottom, which your directors felt was not reached during the year in review. This strategy has resulted in your company holding significant cash reserves at the year end, with a sound portfolio and generally good prospects. We are not unique in this philosophy and the better performing investment companies in all sectors have adopted this strategy.

Gold has enjoyed an excellent rally, which your board views with caution. Recent history suggests that major gold price rallies are short lived, driven by perception and not sustainable fundamentals. This view underpins our strategy for disposals and has allowed us to maximise profits in 2002. Our view on gold has not changed and we believe that the current price increase is driven by short-term economic and political events and a strong correction could occur when global economic conditions improve.

We feel that it is unfortunate that gold acts as the barometer for the entire mining industry and as such affects investor decisions, resulting in short-term views taken on a long-term business.

We believe the outlook is positive for the year 2003 and our investment strategy will embrace all levels of operation across a range of commodities and countries.

Improving global economic conditions will impact favourably on copper, nickel, zinc and other metals. China and South East Asia are already showing rapid recovery with China leading the demand. The thirst for raw materials in China will benefit the mining industry two-fold: a) through metal demand and b) through company investment within China targeted towards developing in situ resources.

We also feel positive for Platinum Group Metals (PGM) and particularly platinum. On the supply side, we foresee delays in new production and older producing mines proving more difficult to operate. Demand continues to be positive with catalytic converters being the main user of this metal. In the mid-term the emergence of the fuel cell will create even greater demand for this commodity.

Our view on diamonds and industrial minerals is generally neutral and any investment will be driven by the specific opportunity.

Tiger will continue to seek out investments, which match our aforementioned beliefs and provide above average upside potential with a well-understood and manageable risk profile.

I would like to thank my fellow Directors and administrative staff for their advice, support and commitment throughout the year.

Finally, let me reiterate my confidence in the future for Tiger, where I foresee rapid NAV growth following the solid platform built in 2002.

**R B Rowan** - Chairman

27 February 2003



## PORTFOLIO REVIEW

### Portfolio Review – 2002 and 2003 to date

Shareholdings	Number 31/12/02	Cost 31/12/02 £	Valuation 31/12/02 £	Number 27/02/03	Cost 27/02/03 £	Valuation 27/02/03 £
African Eagle Resources plc	1,241,174	112,264	93,088	1,241,174	112,264	83,779
Cluff Mining plc	100,000	178,477	170,000	100,000	178,477	159,000
Formation Capital Corp	1,350,000	161,777	106,720	1,350,000	161,777	143,100
Gold Fields Ltd	10,500	32,759	90,626	10,500	32,759	82,908
Ivanhoe Mines Ltd	460,000	348,494	594,550	460,000	348,494	657,340
Minmet plc	13,500,000	150,735	270,000	31,478,488	434,358	670,492
National Gold Corp <sup>1</sup>	500,000	33,632	67,194	-	-	-
Pacific North West Capital Corp	566,500	107,682	123,153	566,500	107,682	125,196
Rio Narcea Gold Mines Ltd	620,000	181,622	526,882	-	-	-
		1,307,442	2,042,213		1,375,811	1,921,815

<sup>1</sup> In addition, the Company continues to hold 250,000 National Gold Corp warrants exercisable at C\$0.25 per share until 29 April 2003 and at C\$0.35 after this date but before 29 April 2004.

#### **Cluff Mining plc:** London Stock Exchange (LSE) - CLU [www.cluff-mining.com](http://www.cluff-mining.com)



In 2001, Tiger purchased 249,000 shares in Cluff Mining plc ("Cluff") at an average price of £1.57. During the current year, Tiger sold 149,000 shares at an average price of £2.29 realising a profit of £129,914 against the original investment. Cluff have two platinum group projects in the Bushveld complex of South Africa. The Blue Ridge project is advanced and feasibility studies are underway. A further project, Sheba's Ridge, is progressing favourably and indications are that this project could progress to a significant mineral resource. Tiger currently holds 100,000 shares in Cluff valued at £170,000 at the year-end. Whilst the Cluff share price has currently declined to £1.59, we are of the opinion that mid-term share price appreciation is probable.

#### **Formation Capital Corporation:** Toronto Stock Exchange (TSE) - FCO [www.formcap.com](http://www.formcap.com)



Tiger holds 1.35 million shares in Formation Capital Corporation Inc ("Formation") purchased at a price of 11.9p per share at a total consideration of £161,777. Formation is a company listed on the TSE. Formation fully owns a primary cobalt project in the Idaho Cobalt Belt in the United States. The deposit is one of the only primary cobalt deposits under development in the world today and is unique in that it is not associated with nickel. The deposit contains independently calculated reserves of 2.1 million tons, grading 0.68% cobalt, 0.54% copper and 0.64 grams/gold per ton. The current share price of C\$0.25 values this investment at £143,100. Whilst this investment continues to under perform, improving economic conditions may impact favourably on the share price.



## PORTFOLIO REVIEW – CONTINUED

**Gold Fields Limited:** Johannesburg Stock Exchange (JSE) - GFI [www.goldfields.co.za](http://www.goldfields.co.za)

During the year, the company sold 70,000 shares realising a gain of £312,302 against the original cost of the investment. The average selling price was £7.77 within a range of £5.61 to £11.29. Gold Fields Limited ("Gold Fields") is one of the world's largest unhedged gold companies with production exceeding 4 million ounces per year. Reserves and resources amount to some 265 million ounces with operations based in South Africa, Australia and Ghana. The earnings potential for the company is excellent against current gold prices although vulnerability exists against the SA Rand/US Dollar exchange rate and escalating labour rates in South Africa. At year-end, Tiger held 10,500 shares in Gold Fields at a cost of £32,759. The current market value of this investment is £82,908 representing an unrealised gain £50,149 against cost.

**Ivanhoe Mines Limited:** Toronto Stock Exchange (TSE) - IVN [www.ivanhoe-mines.com](http://www.ivanhoe-mines.com)

Tiger held on to its investment of 460,000 shares in Ivanhoe Mines Limited ("Ivanhoe"). Ivanhoe has its key exploration assets in Mongolia. The Oyu Tolgoi project has undergone a major drilling programme of some 90,000 metres and is now sufficiently advanced for technical and financial modelling to take place. Various sources suggest a world class gold/copper resource has been defined with potential for a 20 year joint open pit and underground mine. The Kharmagtai project located some 130km from Oyu Tolgoi has "stand alone" potential and early results are very encouraging. This investment was purchased in 2001 for £348,494. The current price per share is C\$3.36, valuing the investment at £657,340 currently reflecting an unrealised gain of £308,846 against cost.

**National Gold Corporation:** Toronto Stock Exchange (TSE) - NGT [www.nationalgold.com](http://www.nationalgold.com)

Tiger realised its investment in National Gold Corporation in January 2003 by selling its holding of 500,000 shares in the company and crystallising a gain of £41,149 against the cost of acquiring the position. Tiger currently holds warrants on 250,000 shares exercisable at C\$0.25 per share until 29 April 2003 and at C\$0.35 per share after this date but before 29 April 2004.

**Pacific North West Capital Corp:** Toronto Stock Exchange (TSE) - PFN [www.pfncapital.com](http://www.pfncapital.com)

Pacific North West Capital Corp ("PFN") is exploring for platinum group metals close to Sudbury, the nickel/copper mining region of Ontario, Canada. The company has Anglo Platinum as partners who have spent over US\$10 million on the project to date. The company has drilled over 200 drill holes and a significant resource is being developed. Despite the aforementioned positive news, the share price continues to disappoint. It is considered that increasing the reserve base along with an improving platinum group metal demand may result in an improved share price. At year end, Tiger held 566,500 shares in PFN purchased at £107,682 (19p per share) and valued at £123,153 on 31 December 2002. This stock is currently valued at C\$0.52 per share reflecting an unrealised gain of £17,514.



## PORTFOLIO REVIEW – CONTINUED

**Rio Narcea Gold Mines Limited:** Toronto Stock Exchange (TSE) - RNG [www.rionarcea.com](http://www.rionarcea.com)

Tiger acquired its holding of 1,020,000 shares in Rio Narcea in January 2002 at C\$0.67 per share. 400,000 shares were sold in May 2002 crystallising a gain of £187,990. A further 620,000 shares were sold in January 2003 at an average price of C\$2.36 realising a gain of £403,065 compared to the original cost of the investment.

**Minmet plc:** London Stock Exchange (LSE) - MNT [www.minmet.ie](http://www.minmet.ie)

Tiger purchased 13.5 million shares in Minmet plc ("Minmet") during the year. In January 2003, Tiger acquired a further 17.97 million shares taking its total holding in Minmet to 31.47 million shares purchased at a total cost of £434,358 being an average price of 1.38p per share. This investment represents a 6.31% interest in the equity of Minmet. The company's projects include "Sungem" zinc and a diamond bulk sampling plant in Coromandel - Brazil, El Aguila (silver-lead-zinc) - Peru, Minas de Oro (copper-gold) - Honduras and copper gold concessions - Dominican Republic. Minmet suffered a drastic decrease in its share price due to problems with a gold operation in Brazil. The company has significant cash reserves and a portfolio of promising exploration projects. The current price of 2.13p per share results in an unrealised gain of £236,134 and a return of 54% against the original investment.

**African Eagle Resources plc:** Trading on OFEX (OFEX) - AER [www.twigg.com](http://www.twigg.com)

African Eagle Resources plc ("African Eagle") has base metal projects in Tanzania, Mozambique and Zambia, with Tanzania being the most advanced. Gold Fields are joint venturing the gold projects in Tanzania and Avmin are joint venturing projects in Zambia. Tiger has acquired 1.24 million shares in African Eagle (formerly Twigg Minerals plc) representing 4.2% of the issued ordinary share capital of the company for a consideration of £112,264. The current price of 6.75p values this investment at £83,779 representing an unrealised loss of £28,485. It is felt that African Eagle has good prospects, which will impact favourably on the share price as exploration results emerge.



## REPORT OF THE DIRECTORS

The directors submit their report, together with the audited financial statements, for the year ended 31 December 2002.

### COMPANY ACTIVITY

The main activity during the year of Tiger Resource Finance plc (the "Company") was trading investments in the natural resource sector.

### RESULTS AND DIVIDEND FOR THE YEAR

	2002 £	2001 £
Profit/(loss) on ordinary activities before taxation	423,371	(121,299)
Tax on profit/(loss) on ordinary activities	(72,943)	(26,217)
Profit/(loss) on ordinary activities after taxation	350,428	(147,516)
Unrealised net gains on investments	610,108	-
Tax on gains/losses on investments	(15,124)	-
Total recognised gains/(losses)	945,412	(147,516)

At year-end the company held investments in nine companies valued at £2,042,213 and had a cash balance of £2,378,708. The net asset value per share as at 31 December 2002 was 1.84p (2001 - 1.46p per share). The eps is 0.16p per share (2001 - loss of 0.07p per share).

The directors have not declared a dividend in the current or prior year.

### FUTURE DEVELOPMENTS IN THE BUSINESS

The board of directors of the Company (the "Board") will continue to actively review investment opportunities in the mining and mineral exploration industries and adopt an investment policy that will enable the Company to benefit from the Board's extensive knowledge and experience in these industries.

### DIRECTORS AND SECRETARY

The present directors and secretary are listed on page 2. Throughout the year, except as noted, and up to the date of this report the following changes occurred:

- R B Rowan was appointed director on 16 January 2002
- C Bird was appointed director on 16 January 2002
- J P Metcalfe resigned as director on 30 April 2002
- A D Mooney resigned as director on 16 January 2002
- J F Molyneux resigned as director on 16 January 2002
- G P Riddler resigned as director on 31 March 2002
- A W J Banyard resigned as company secretary on 24 May 2002
- R Samtani was appointed as company secretary on 24 May 2002



## REPORT OF THE DIRECTORS – CONTINUED

**BOARD OF DIRECTORS****Ronald Bruce Rowan - Chairman**

A businessman who is a shareholder in a number of public companies, particularly on the OFEX and AIM markets in London. He is also Chairman of Sunvest Corporation Limited (listed in Australia) and Web Sharesop plc (AIM listed) and holds a number of other United Kingdom company directorships.

**Colin Bird - Director**

A chartered engineer and Fellow of the Institute of Mining and Metallurgy. He is currently managing director of Lion Mining Finance Limited and a director of Lion Capital Corporation Limited ("Lion Capital"), both based in London. Lion Capital, an FSA registered company advises on corporate matters and mining finance. Mr Bird is also a director of Jubilee Platinum plc (AIM listed) and several Canadian listed companies operating in the mining sector. He has spent over 20 years in operational mine management.

**Michael H Nolan - Non-Executive Director**

A director since 1995. He was appointed chief executive officer of Minmet plc in November 1999, having held the position of finance director for all the companies in the Minmet Group since 1994. A chartered accountant, he worked with Deloitte & Touche in Dublin and was executive director of Equity and Corporate Finance plc, the London based corporate finance and investment house.

**DIRECTORS' AND SECRETARY'S INTERESTS**

The beneficial interests of the directors and the secretary, their spouses and minor children in the share capital of the Company are as follows:

	Ordinary Shares of 1p each			Options		
	27/2/2003	31/12/2002	31/12/2001	27/2/2003	31/12/2002	31/12/2001
R B Rowan	44,666,239	44,666,239	-	10,000,000	10,000,000	-
C Bird	-	-	-	5,760,000	5,760,000	-
M H Nolan	125,000	125,000	125,000	1,940,000	1,940,000	750,000

On 27 February 2003 and 31 December 2002 a total of 16,950,000 ordinary shares were subject to option by the directors at an exercise price of 1.25p per share with an expiry date of 29 May 2012.

A further 750,000 options outstanding since 2001 were exercisable by the directors at a price of 2p per share with an expiry date of 31 December 2003.

The market price of the Company's shares on 31 December 2002 and on 27 February 2003 was 1p (31 December 2001 - 1p).



## REPORT OF THE DIRECTORS – CONTINUED

**CORPORATE GOVERNANCE****Directors' interest in contracts**

Colin Bird is director and shareholder of Lion Mining Finance Ltd. Lion Mining Finance Ltd has a contract with the Company providing office facilities, accounting, administrative and company secretarial services at £4,500 plus VAT per month.

**Internal control**

The Board has overall responsibility for ensuring that the Company maintains a system of internal financial control to provide it with reasonable assurance regarding the reliability of financial information used within the business and for publication and that assets are safeguarded.

The key features of the internal control system that operated throughout the year covered by this report can be summarised as follows:

- there is central head office control over all expenditures along with budgetary control over all costs and cash flows;
- appropriate segregation of duties is implemented for all cost authorisations;
- regular reporting of financial information to management; and
- all investment and capital expenditure proposals are documented and approved.

**SUBSTANTIAL SHAREHOLDINGS**

The following shareholders hold 3% or more of the issued share capital of the Company at 31 December 2002 and on 27 February 2003.

	27 Feb 2003	31 Dec 2002	31 Dec 2001
	%	%	%
R B Rowan	19.04	19.04	-
T D Waterhouse	4.75	4.82	4.78
Sharelink Nominees Ltd	4.14	4.18	4.87

**GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.



REPORT OF THE DIRECTORS – CONTINUED

**PAYMENT OF SUPPLIERS**

The company agrees terms of contracts when orders are placed. It is company policy that payments to suppliers are made in accordance with those terms, provided that suppliers also comply with all relevant terms and conditions. Trade creditors outstanding at year end represented 34 days trade purchase (2001 - 94 days).

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

There were no political or charitable contributions during the year or the previous year.

**AUDITORS**

The auditors, Deloitte & Touche, have offered themselves for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the Board:

**R B Rowan** - Chairman

**C Bird** - Director

27 February 2003



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in the United Kingdom and comply with the Companies Act 1985. The directors have responsibility for the system of internal control, for taking reasonable steps to safeguard the Company's assets and to prevent and detect fraud and other irregularities.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TIGER RESOURCE FINANCE PLC

We have audited the financial statements of Tiger Resource Finance plc for the year ended 31 December 2002 which comprise the profit and loss account, the statement of recognised gains and losses, the balance sheet, the cash flow statement and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TIGER RESOURCE FINANCE PLC – CONTINUED

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Deloitte & Touche**

Chartered Accountants and Registered Auditors  
London

27 February 2003



## PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Administrative expenses		(212,751)	(121,048)
<b>OPERATING LOSS</b>	2	<b>(212,751)</b>	(121,048)
Investment income	3	563,528	(96,641)
Interest receivable		72,594	96,390
<b>OPERATING PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>423,371</b>	(121,299)
Tax on profit/(loss) on ordinary activities	4	(72,943)	(26,217)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR</b>	10	<b>350,428</b>	(147,516)
Basic earnings/(loss) per share	5	0.16p	(0.07p)
Diluted earnings/(loss) per share	5	0.16p	(0.07p)

All profits are derived from continuing operations

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Profit/(loss) for the year	10	350,428	(147,516)
Unrealised gains on fixed asset investments		730,591	-
Unrealised losses on fixed asset investments		(120,483)	-
Tax on gains/losses on fixed asset investments	4	(15,124)	-
<b>Total recognised gains/(losses)</b>		<b>945,412</b>	(147,516)

**BALANCE SHEET** AS AT 31 DECEMBER 2002

	Notes	2002 £	2001 £
<b>FIXED ASSETS</b>			
Investments	6	2,042,213	2,039,129
<b>CURRENT ASSETS</b>			
Debtors	7	29,739	5,126
Cash at bank		2,378,708	1,269,195
		<b>2,408,447</b>	1,274,321
<b>CREDITORS:</b> amounts falling due within one year	8	<b>(137,390)</b>	(57,297)
<b>NET CURRENT ASSETS</b>		<b>2,271,057</b>	1,217,024
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,313,270</b>	3,256,153

**Represented by:****CAPITAL AND RESERVES**

Called-up share capital	9	2,345,819	2,234,114
Share premium account	10	1,550,856	1,550,856
Revaluation reserve account	10	734,770	-
Profit and loss account	10	(318,175)	(528,817)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	11	<b>4,313,270</b>	3,256,153

The financial statements were approved by the Board on 27 February 2003 and signed on its behalf by:

**R B Rowan** - Chairman

**C Bird** - Director



## CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Net cash outflow from operating activities	13	(224,038)	(55,696)
<b>Returns on investment and servicing of finance</b>			
Interest received		51,294	96,390
Other investment income received		10,805	-
<b>Taxation</b>			
Corporation tax paid		-	-
<b>Capital expenditure and financial investment</b>			
Payments to acquire fixed asset investments		(736,247)	(2,168,254)
Receipts from sale of fixed asset investments		2,007,699	32,583
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>		<b>1,271,452</b>	<b>(2,135,671)</b>
<b>Financing</b>			
	14		
Proceeds from share issue		-	3,474,889
Expenses paid in connection with share issue		-	(111,827)
Net cash inflow from financing		-	3,363,062
<b>Increase in cash in the year</b>	15	<b>1,109,513</b>	<b>1,268,085</b>



## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2002

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements are prepared under the historical cost convention as modified to include the revaluation of fixed asset investments. They are prepared in accordance with applicable accounting standards and are denominated in Pounds Sterling.

#### Investments

Investments made by the Company are carried at market value.

Unrealised gains or losses on the revaluation of investments are reflected in the statement of total recognised gains and losses, except where the unrealised loss indicates a permanent diminution in the value of the investment, in which case a current year loss is reflected in the profit and loss account and a loss arising in previous years is dealt with by a transfer from the revaluation reserve to the profit and loss reserve.

A gain or loss realised on the disposal of an investment is recorded in the profit and loss account to the extent of the difference between the disposal proceeds and the carrying value. In addition, any amount in the revaluation reserve relating to the investment disposed of is transferred from the revaluation reserve to the profit and loss account.

#### Foreign currency

Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at balance sheet date. Exchange gains or losses are recorded in the profit and loss account.

#### Taxation

Taxation arising in relation to gains or losses recognised in the profit and loss account is recognised in the profit and loss account. Taxation in relation to other gains or losses is recognised in the statement of total recognised gains and losses.

FRS 19, deferred tax, was adopted during the year, however, no restatement of prior-period amounts resulted.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax is not provided on timing differences arising from the revaluation of fixed asset investments, unless there is a binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.



## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

**2. OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>2002</b>	2001
	£	£
This is stated after charging:		
Auditors' remuneration - audit fees	<b>9,000</b>	1,000
Directors' emoluments	<b>74,356</b>	22,500

As Tiger Resource Finance plc has not carried out business in two or more business classes or geographical areas which differ substantially from each other, the directors have not presented segmental information.

There were no employees in the current or prior year.

**3. INVESTMENT INCOME**

	<b>2002</b>	2001
	£	£
Profit/(loss) on sale of fixed asset investments	<b>552,723</b>	(23,267)
Unrealised loss on fixed asset investments	-	(73,374)
Other investment income	<b>10,805</b>	-
	<b>563,528</b>	(96,641)

**4. TAX****(i) Analysis of tax charge on profit on ordinary activities**

	<b>2002</b>	2001
	£	£
United Kingdom corporation tax at 30% (2001 - 30%) Based on the profit/(loss) for the year	<b>(99,160)</b>	(26,217)
Adjustment in respect of prior years	<b>26,217</b>	-
	<b>(72,943)</b>	(26,217)



## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

**(ii) Factors affecting tax charge on profit for the current year**

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the United Kingdom: 30% (2001 - 30%).

The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	423,371	(121,299)
Tax at 30% thereon	(127,011)	36,390
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	(62,607)
Indexation allowances	11,170	-
Utilisation of tax losses not previously recognised	14,347	-
United Kingdom dividend income	2,334	-
Prior-year adjustments	26,217	-
Current tax charge for year	(72,943)	(26,217)

**(iii) Factors that may affect the future tax charge**

Deferred tax has not been provided on revaluation of investments. This tax will only become payable if the assets are sold. The estimated amount of tax that would become payable in these circumstances based on the revalued carrying amounts is £220,000.

**(iv) Analysis of tax in statement of total recognised gains and losses**

	2002 £	2001 £
United Kingdom corporation tax at 30% (2001 - 30%) based on the profit for the year	(15,124)	-
Adjustment in respect of prior years	-	-
	(15,124)	-



## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

**5. EARNINGS PER SHARE**

	<b>2002</b>	2001
	<b>£</b>	£
Profit/(loss) for year after tax	<b>350,428</b>	(147,516)
Weighted average number of shares	<b>225,273,132</b>	223,411,371
Diluted weighted average number of shares	<b>225,273,132</b>	223,411,371
Basic earnings/(loss) per ordinary share	<b>0.16p</b>	(0.07p)
Diluted earnings/(loss) per ordinary share	<b>0.16p</b>	(0.07p)

The 20 million share options in issue (note 9) are not dilutive as these are exercisable at prices in excess of the market price of the company's shares at 31 December 2002.

**6. INVESTMENTS**

Quote	<b>2002</b>		2001	
	<b>Cost</b>	<b>Market</b>	Cost	Market
	<b>£</b>	<b>Value</b>	£	Value
		<b>£</b>		£
African Eagle Resources plc	<b>112,264</b>	<b>93,088</b>	-	-
AuIron Energy Limited	-	-	230,000	143,152
Brancote Holdings plc	-	-	256,293	222,250
Cluff Mining plc	<b>178,477</b>	<b>170,000</b>	390,057	538,462
Formation Capital Corp	<b>161,777</b>	<b>106,720</b>	245,176	151,620
Gold Fields Limited	<b>32,759</b>	<b>90,626</b>	251,152	266,020
Ivanhoe Mines Limited	<b>348,494</b>	<b>594,550</b>	348,494	415,292
Minmet plc	<b>150,735</b>	<b>270,000</b>	-	-
National Gold Corp	<b>33,632</b>	<b>67,194</b>	145,135	155,508
Pacific North West Capital Corp	<b>107,682</b>	<b>123,153</b>	246,196	146,825
Rio Narcea Ltd	<b>181,622</b>	<b>526,882</b>	-	-
	<b>1,307,442</b>	<b>2,042,213</b>	2,112,503	2,039,129

There were no unquoted investments held at 31 December 2002 (2001:None).



## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

**7. DEBTORS**

	2002 £	2001 £
Other debtors	29,739	5,126

**8. CREDITORS:** amounts falling due within one year

	2002 £	2001 £
Trade creditors and accruals	19,610	31,080
Other taxes and social security	3,496	-
Corporation tax	114,284	26,217
	<b>137,390</b>	<b>57,297</b>

**9. CALLED UP SHARE CAPITAL**

	2002 £	2001 £
<b>Authorised:</b>		
1,000,000,000 ordinary shares 1p each	10,000,000	10,000,000
<b>Allotted, called-up and fully paid:</b>		
234,581,939 ordinary shares of 1p each (2001 - 223,411,371)	2,345,819	2,234,114

At 31 December 2002 and 27 February 2003, 2,750,000 ordinary shares are subject to option at 2p per share and 300,000 ordinary shares are subject to option at 1.5p per share. These options expire on 31 December 2003.

A further 16,950,000 options are exercisable on ordinary shares at 1.25p per share with an expiry date of 29 May 2012.

On 6 November 2002, 11,170,568 ordinary shares were issued at 1p to acquire shares in African Eagle Resource plc (note 16).



## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

**10. RESERVES**

	<b>Share Premium £</b>	<b>Profit and Loss Account £</b>	<b>Revaluation Reserve £</b>	<b>Total £</b>
At 1 January 2002	1,550,856	(528,817)	-	1,022,039
Profit for the year	-	350,428	-	350,428
Other recognised gains and losses	-	-	610,108	610,108
Tax on other previously recognised gains and losses	-	(15,124)	-	(15,124)
Realised revaluation deficit	-	(124,662)	124,662	-
<b>At 31 December 2002</b>	<b>1,550,856</b>	<b>(318,175)</b>	<b>734,770</b>	<b>1,967,451</b>

The realised revaluation deficit relates to amounts included in the revaluation reserve at 31 December 2001 which, together with the allocated tax charges, have been realised in 2002 when the related investments were sold.

**11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2002 £</b>	2001 £
Profit/(loss) for the financial year	<b>350,428</b>	(147,516)
Net unrealised gains on investments	<b>594,984</b>	-
Issue of shares	<b>111,705</b>	-
Costs associated with placing and open offer	-	(111,827)
Net increase/(decrease) in shareholders' funds	<b>1,057,117</b>	(259,343)
Opening shareholders' funds	<b>3,256,153</b>	3,515,496
Closing shareholders' funds	<b>4,313,270</b>	3,256,153



## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

**12. CURRENCY EXPOSURES**

The Directors manage the risk of the business with reference to prevailing market conditions, however, the directors do not use financial instruments to manage the financial risk posed to the company by adverse currency or interest movements.

**Interest rate and currency profile**

Financial assets	Total £	Floating rate financial assets £	Non-interest bearing assets
			Equity investments £
<b>At 31 December 2002</b>			
Sterling	2,911,796	2,378,708	533,088
SA Rand	90,626	-	90,626
C \$	1,418,499	-	1,418,499
	<b>4,420,921</b>	<b>2,378,708</b>	<b>2,042,213</b>
<b>At 31 December 2001</b>			
Sterling	2,173,059	1,269,195	903,864
SA Rand	266,020	-	266,020
C \$	869,245	-	869,245
	<b>3,308,324</b>	<b>1,269,195</b>	<b>2,039,129</b>

All short-term debtors and creditors are denominated in Pounds Sterling.

There are no financial liabilities.

There are no hedging activities.

**Fair value of financial assets and liabilities**

Please refer to page 4 for a comparison of market value to cost of the equity investments.



## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

**13. NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2002 £	2001 £
Operating loss	(212,751)	(121,048)
(Decrease)/increase in debtors	(3,313)	45,971
(Increase)/decrease in creditors	(7,974)	19,381
Net cash outflow from operating activities	<b>(224,038)</b>	(55,696)

**14. MAJOR NON-CASH MOVEMENTS**

During the year 11,170,568 shares were issued at par during the year as consideration for the purchase of 1,274,174 shares in African Eagle Resources plc. This transaction did not result in a movement of cash.

**15. ANALYSIS OF NET CASH MOVEMENT IN THE YEAR**

	2002 £	2001 £
Increase in cash in the year	<b>1,109,513</b>	1,268,085
Net funds at 1 January 2002	<b>1,269,195</b>	1,110
Net funds at 31 December 2002	<b>2,378,708</b>	1,269,195

**16. RELATED PARTY TRANSACTIONS**

- (1) On 6 November 2002, Tiger purchased 1,241,174 shares in African Eagle Resources plc ("African Eagle") from Ronald Bruce Rowan (Director). The investment represented approximately 4.2% of the issued share capital of the company at that date.

The African Eagle shares were purchased at the prevailing market price of 9p per share and the consideration was satisfied by issuing 11,170,568 new ordinary shares in Tiger at its market value of 1p at that date. The new Tiger shares commenced trading on 13 November 2002.

- (2) As detailed in the director's report, Lion Mining Finance Limited, a company in which Colin Bird is director and shareholder, has provided management services to the company amounting to £31,500 plus VAT in the year.
- (3) Michael Nolan is a director of Minmet plc. Minmet plc has provided management services to the company amounting to £9,000 in the year.



## NOTICE OF ANNUAL GENERAL MEETING

The Notice is hereby given that the Annual General Meeting of TIGER RESOURCE FINANCE PLC will be held on 3 April 2003 at 11.30 a.m. at the Drayton Suite, Jury's Kensington Hotel, 109 - 113 Queensgate, London SW7 5LR when the following business will be transacted (items 1,2,3 and 5 will be proposed as ordinary resolutions and item 4 and 6 will be proposed as a special resolution):

### ORDINARY BUSINESS

1. To receive and if thought fit, to adopt the Report of the Directors and the Statement of Accounts for the year ended 31 December 2002 with the Auditors' Report thereon.
2. To re-appoint Messrs Deloitte & Touche as auditors of the Company to hold office until the conclusion of the next General Meeting of the Company at which Accounts are presented.
3. To authorise the Directors to fix the remuneration of the Auditors.

### SPECIAL BUSINESS

4. As an item of special business to consider and, if thought fit, pass the following resolution as a special resolution:

To amend the Articles of Association to make provision for the use of electronic communications between the Company and its members. The proposed amendments in relation to electronic communications are drafted to make provision for legislation which has been introduced permitting the use of electronic communications between the Company and its members in the giving of notice and sending of other documents, the delivery of the annual accounts and the appointment and delivery of proxies, in each case if the shareholder so wishes. Similar provision is also made for the giving of notices by and to Directors. The use of electronic communication will not be mandatory and the agreement of each member will be sought in each case to his or her receipt of notices and other documents by electronic communication.

5. As an item of special business to consider and, if thought fit, pass the following resolution as an ordinary resolution:

That pursuant to Article 5 of the Company's Articles of Association, the Directors be and are hereby authorised, generally and unconditionally for the purposes of section 80 of the Companies Act 1985 ('the Act'), to allot relevant securities (as defined in section 80(2) of the Act) for cash or money's worth in accordance with the provisions of the Act, up to the amount of authorised but yet unissued share capital, to the exclusion of and in substitution for any other such authority previously granted to them, provided that this authority shall expire on the earlier of the date of the next Annual General Meeting after the passing of this resolution and the close of business on 3 July 2004 save that the Company may before such expiry make an offer, agreement or other arrangement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer, agreement or other arrangement as if the authority hereby conferred had not so expired.



## NOTICE OF ANNUAL GENERAL MEETING – CONTINUED

6. As an item of special business to consider and, if thought fit, pass the following resolution as a special resolution:

That the Directors be and are hereby empowered, pursuant to section 95 of the Companies Act 1985 ('the Act'), for the period commencing on the date of passing of this resolution and expiring on the earlier of the date of the next Annual General Meeting after the passing of this resolution and the close of business on 3 July 2004, and at any time thereafter pursuant to any offer, agreement or other arrangement made by the Company before the expiry of this power, to the exclusion of and in substitution for any other such power previously granted to them, to allot out of any relevant securities (as defined in section 80(2) of the Act) equity securities (as defined in section 94(2) of the Act) which they are from time to time authorised to allot, as if section 89(1) of the Act did not apply to such allotment:

- (i) up to a maximum aggregate nominal amount of £586,455 being 25% of the issued share capital of the Company; and
- (ii) in connection with an issue by way of rights (including, without limitation, under a rights issue, open offer or similar arrangement) to holders of equity securities (as so defined) in proportion as nearly as may be to their respective holdings of such securities or in accordance with the rights attaching thereto (but with such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, record dates or other legal or practical problems under the laws of, or other requirements of, any recognised regulatory body or any stock exchange in any territory or as regards shares held by an approved depository or in issue in uncertificated form).

By Order of the Board

**Raju Samtani** CIMA - Company Secretary

Registered Office: 7-8 Kendrick Mews, London SW7 3HG

Administrative Office: 7-8 Kendrick Mews, London SW7 3HG

27 February 2003

Note: A member entitled to attend this vote at the above mentioned meeting is entitled to appoint a proxy to attend and on a poll, vote in their stead. To be effective the form of proxy must be received at the office of the Company's Registrars, Computershare Investor Services (Ireland) Limited, PO Box 954, Dublin 18, Ireland, not later than 48 hours before commencement of the meeting. A proxy need not be a member of Company.

# FORM OF PROXY

Shareholders may vote by proxy by returning this form duly completed to Computershare Investor Services (Ireland) Limited, PO Box 954, Dublin 18, Ireland, to arrive no later than 11.30 am on the 1st April 2003. Before completing this form, please see the explanatory notes below.

I/We want the following person (called a 'proxy') to vote on my/our behalf  
(The proxy need not be a member of the Company)

**(Please place a mark in one box only to indicate your choice).**

The Chairman  
of the meeting

**(Please leave this box blank if you are selecting  
someone other than the Chairman).**

**OR**

The following  
person:

**Please leave this box blank if you have selected the Chairman.  
Do not insert your own name(s).**

To attend and vote on my/our behalf at the Annual General Meeting of Tiger Resource Finance Plc to be held on 3rd April 2003 and at any adjournment of the Meeting. I/We would like my/our proxy to vote on the resolutions proposed at the Meeting as indicated on this form. Unless otherwise instructed, the proxy may vote as he or she sees fit or abstain in relation to any business of the Meeting.

Signature

Date

**(In the case of joint shareholders any one joint holder may sign)**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

## Resolutions

	For	Against
1 To adopt the 2002 Report and Accounts	<input type="checkbox"/>	<input type="checkbox"/>
2 To re-appoint Deloitte & Touche as Auditors of the Company	<input type="checkbox"/>	<input type="checkbox"/>
2 To authorise the Directors to fix the remuneration of the Auditors	<input type="checkbox"/>	<input type="checkbox"/>
4 To amend the Articles of Association to make provision for electronic communication between the Company and its members	<input type="checkbox"/>	<input type="checkbox"/>
5 To authorise the Directors to allot relevant securities	<input type="checkbox"/>	<input type="checkbox"/>
6 To authorise the Directors to allot securities for cash or money's worth	<input type="checkbox"/>	<input type="checkbox"/>

## Notes:

- 1 A member entitled to attend and vote is entitled to appoint a proxy investor to attend, speak and vote instead of him.
- 2 The form of proxy must be executed under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a body corporate either under the seal or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.
- 3 To be effective, the form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, should be deposited with Computershare Investor Services (Ireland) Limited, PO Box 954, Dublin 18, Ireland not later than 48 hours before the time appointed for the meeting.
- 4 In the case of joint holders, the vote of the senior of them who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register.
- 5 Completion and return of a form of proxy shall not preclude a member from attending and voting at the Meeting should he/she so wish.

SECOND FOLD

PLEASE  
AFFIX  
STAMP

**COMPUTERSHARE INVESTOR SERVICES (IRELAND) LIMITED**

PO Box 954  
Dublin 18  
Ireland

FIRST FOLD

THIRD FOLD AND TUCK IN



