

HD Tiger Resources buys Congo's **stake** in Kipoi **copper** mine

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MELBOURNE, Aug 28 (Reuters) - Tiger Resources Ltd has agreed to buy out the Democratic Republic of Congo state miner's **stake** in the Kipoi **copper** mine for \$111 **million**, taking full control of the mine, the Australian **company** said on Thursday.

The agreement was sealed just a month after state-owned miner Gecamine's chief executive was sacked after the **company** came under fire for selling assets cheaply and without the government's approval.

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The deal with Tiger is subject to no objections from the DRC government.

"The **purchase** price is considered a good outcome for all parties," Tiger Managing Director Brad Marwood said in a statement, pointing to the fact that the operation's existing separation plant is nearing the end of its life.

Kipoi is currently producing 25,000 tonnes a year of **copper** cathode and Tiger is looking to double that by expanding its new plant at the site in a region that has attracted miners like Glencore and **China's** MMG Ltd.

Tiger, which has been trying to buy Gecamines' **stake** in Kipoi for at least two years, said it aims to raise A\$73 **million** (\$68 **million**) through the **sale** of new shares to institutions and existing shareholders and \$100 **million** in debt arranged with fund manager Taurus to help fund the **purchase**.

The shares are being offered at A\$0.30, in line with Tiger's last traded price.

The \$111 **million** price for the 40 percent **stake** was a good buy for Tiger compared with the A\$180 **million** valuation the market had on a 40 percent **stake** in Kipoi, Foster Stockbroking director Mark Hinsley said.

Analysts said with Tiger set to take full ownership of the low-cost, expandable mine, it could become more attractive to potential suitors, especially as the **company** is trading at a steep discount to broker valuations.

"We think the corporate appeal of Tiger has also improved, as Gecamines would have been considered to be a 'poison pill' for many potential acquirers," Hinsley said.

(\$1 = 1.06 Australian dollars) (Reporting by Sonali Paul)

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CO tiger : Tiger Resources Ltd

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