



## Central Afr. Min&Exp

### Acquisition

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Central African Mining&Exploration  
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Central African Mining & Exploration Company Plc  
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**Central African Mining & Exploration Company Plc**  
**('CAMEC' or 'the Company')**

#### **Acquires Extensive Copper & Cobalt assets in the DRC**

CAMEC, the emerging diversified producer, has agreed to acquire a 50% interest in Societe Miniere of Kabolela and Kipese Sprl ('SMKK'), a joint venture company with significant copper and cobalt assets in the Democratic Republic of Congo ('DRC'). The consideration for the acquisition is US\$85 million and will be satisfied by the allotment of 230,978,260 new ordinary CAMEC shares (the 'Consideration Shares') to the vendor (calculated at an agreed price per CAMEC share of 20 pence and an agreed GB£:US\$ exchange rate of 1:1.84). The remaining 50% of SMKK is held by Gecamines, the DRC state owned mining company.

SMKK is a joint venture company which controls the Kabolela Copper-Cobalt Project, consisting of two prospecting permits, 595/2003 and 596/2003, allowing for the research, development and exploration of copper, cobalt and nickel in the Kambove area of the Katanga province in the DRC. The mineralised zones are located within the Lufilian Arc, which hosts the Katangan and Zambian Copper Belts.

The consideration for the acquisition is based on an independent valuation conducted by South African based, independent mining and minerals management advisor Venmyn, which suggests a mean valuation of the Kabolela project of US\$170 million. This is based on a SAMREC compliant resource estimate produced by SRK of an indicated and inferred resource of 10.82 million tonnes at an average copper grade of 2.26% copper and a cobalt grade of 0.41%, plus additional exploration targets. Based on these reports, CAMEC's 50% interest therefore has a mean value of US\$85 million.

The acquisition of an interest in SMKK was originally envisaged at the time of the joint venture project between

CAMEC and Prairie (International) Limited ('Prairie') in November 2007. Prior to completion of the joint venture, as announced by CAMEC on 7 February 2008, it was agreed between CAMEC and Prairie that, subject to shareholder approval, following completion of the joint venture CAMEC would acquire Prairie's interest in the joint venture company ('JV Co') in consideration for the allotment to Prairie of 815,000,000 CAMEC shares. At the time of completion of the joint venture in March 2008, which was approved by shareholders in December 2007, and as described in the circular to shareholders circulated on 28 November 2007, it was anticipated that the JV Co might be required to acquire an interest in SMKK from parties related to Prairie, at a consideration based on an independent valuation, subject to a maximum value of US\$400 million.

As approved by shareholders on 29 May 2008, subsequent to completion of the joint venture with Prairie, CAMEC acquired Prairie's interest in the JV Co, making the JV Co a wholly owned subsidiary of CAMEC. Also, subsequent to completion of the joint venture with Prairie, an independent third party (the 'Vendor') acquired the interest in SMKK. CAMEC has now agreed to acquire this interest in SMKK from the Vendor with the transaction being effected by CAMEC's acquisition of 100% of the share capital of Cofiparinter Limited, the sole shareholder of Cofiparinter SA, which in turns owns 50% of SMKK.

Application has been made for the admission of the Consideration Shares to trading on the AIM market and admission is expected to occur on 24 October 2008. The Consideration Shares shall rank pari passu with the existing CAMEC ordinary shares in issue. 80% of the Consideration Shares shall be subject to a staged one year lock-in agreement.

CAMEC Managing Director Andrew Groves said, 'Notwithstanding the present difficult economic climate, this acquisition represents an important opportunity to add a further significant deposit to our portfolio. It is in line with the Company's longer term policy of consolidation of copper and cobalt assets in the DRC and I believe underlines our strong commitment to the country going forward.

'The Kabolela Project is located 27km from our Luita SX/EW plant and in the vicinity of our Kambove acid plant. The concession area was historically mined by Gecamines in the 1980s and has an open pit mine design, which we will look to exploit in the near future, with the ore feeding the Luita plant. This will complement the ore flowing from our current primary open pit operation at Disele located in the C19 concession area. Additionally, within the Kabolela series of deposits we also have the Kipese high grade gold deposit which we will also look to quantify and develop.'

The information on the assets of SMKK has been reviewed and approved by Mr Allan Saad, who is a consultant to the Company. Mr Saad qualifies as a qualified person for the purposes on the Guidance Note for Mining, Oil and Gas Companies published by AIM and takes responsibility for the release of this information.

**\*\* E N D S \*\***

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