

Market Takes Tiger & Runs With It

By Stephen Clayson
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LONDON (ResourceInvestor.com) -- A look at the [prospects](#) of Tiger International resources [TSXv:[TGR](#)] penned some weeks ago by your correspondent has helped send the company's shares virtually into orbit, rocketing them from a long languishment at around C\$0.50 to close at C\$2.50 yesterday after blasting well above C\$3.00. What will happen now?

Tiger shares' marked move upward has gone starkly against the current of the market, and this alone will have alerted many to the company's existence. But what sparked the ascent off was recognition that Tiger has a lot more going for it than it was previously credited with by the market.

The primary focus of my earlier article on Tiger was its application for Tavai, a potentially elephantine nickel project in the state of Sabah, Malaysia, as this application is the most major constituent of the company's appeal as an investment. The application continues to wend its way through the various layers of Sabah's bureaucracy, and news of its acceptance could come at any time. This is partly what new investors in Tiger have been betting on.

As ever with such bureaucratic processes though, it is impossible to say exactly when success will come. It could be weeks, or it could be months, but it is logical to expect that the administration of Sabah will wish to encourage the development of a major mining project in their state, given that it is one of Malaysia's most impoverished, and that environmental considerations can be taken account of. The mining industry has come a long way in the latter respect, especially over the last decade or so, and it is now reasonable to expect projects not to inordinately damage the areas in which they are located.

As well as the Tavai application, Tiger's Esperanza gold project is also a major draw for investors. This is a high grade deposit that is currently thought by Tiger to host 300,000 ounces with grades running at an excellent 7-8 grams per tonne. Exploration could boost this figure, but a rapid drive towards production, which would likely be highly profitable in today's gold market, might be the way to go. This could eventually run concurrently with the development of Tavai and would nicely underpin Tiger as a company.

Investment Outlook

So what will happen to Tiger's share price now? Such a precipitous rise could well lead to a big pullback at some point, if a large enough group of investors decide to take their profits in a bunch. But is rather unlikely that such a pullback would take Tiger shares back to the level at which they sat before they came to their current prominence in the junior sector.

Many in the market must now be watching the company, and confirmation from Malaysia on the status of Tavai could give the shares another substantial boost, as could a push forward with Esperanza.

With a listing and associated fundraising on London's AIM being seriously considered by Tiger, further recognition is likely to be accorded to the company, and this should help the shares retain the ground they have gained this month as well the advances that may be still to come.