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Pure Speculation

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Keeping tabs on the tin market

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AS we reported on Monday, the tin market has suddenly become unsettled.

The metal was, until recent weeks, the most stable of the complex traded through the London Metal Exchange, but Friday's trading there saw a 9.4 per cent slump.

Tin seems to have stabilised this week - at least for the moment - with the metal putting on \$US375/tonne last night to close at \$US16,325.

This will be seen as good news by Kasbah Resources (KAS) which this morning reported that it keeps intersecting wide zones of mineralisation at its Achmmach project in Morocco. The latest grades include 27m at 0.66 per cent tin, 5m at 1.59 per cent and 10m at 2.27 per cent. The company said the drilling at the Meknes zone continued to define potentially economic tin grades and provided increasing confidence that the mineralisation was open at depth and along strike.

The tin market is one that is in some stage of flux, but overall with positive trends. This will also be welcome news at Consolidated Tin Mines (CSD) which next Tuesday opens a \$2.18 million entitlements issue. Two weeks ago CSD said it was proceeding to a pre-feasibility study on its Mt Garnet tin project in north Queensland.

ITRI, the London-based organisation that follows the tin market, reports that the main world users of solder - one of the main uses for tin - are working on eliminating trade in conflict minerals, especially tin mined in the Democratic Republic of Congo.

Indonesia continues to crack down on illegal production. A customs vessel has just seized a ship carrying 15 tonnes of illegal tin ore to Malaysia.

And Russia's sole producer, Novosibirsk Integrated Tin Works is seeking bankruptcy, says ITRI. Its output has been declining steadily as most tin mines in Russia are now out of business. In 2009 Russia's production of refined tin was just 1022 tonnes.

But high prices always mean the potential for more producers.

The Malaysia Star newspaper says many mines that closed in the country in the 1980s when the tin price collapsed may be re-opened. Malaysia has the world's third largest tin resource.

The newspaper said studies were being done on some old tin mines in Perak state - the area that once produced 40 per cent of the world's tin - to find whether mining can be revived there.