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## Tin on the rise

Kevin Andrusiak | June 10, 2008

**ACCORDING to the immaculately researched and well presented daily updates from BNP Paribas on the state of the metals market, tin is now the most expensive base metal of them all.**

Well it was as of June 9.

The settlement price for the three month forward contract on the London Metal Exchange noted tin was worth \$US22,255 a tonne.

Compare that with the same contract for nickel, which had a settlement price of \$US21,950 a tonne. The rest of the base metals world doesn't even get close.

The copper contract settlement price was \$US7980 a tonne and aluminium at \$US2951 a tonne.

BNP's David Thurtell said in his June 9 note that tin had been trading very quietly.

Probably just as quietly as the thieves were who broke into a factory in Malaysia before they tied up the factory supervisor and robbed the joint of 14 tonnes of tin bullion last Sunday.

Tin thieves have even been hard at work in the UK where scrap metals are melted down and sold on the black market.

Much of the stellar rise in the tin price during the month of May was because Indonesian tin exports fell 28 per cent during the month to 7150 tonnes.

Indonesia is the world's third biggest supplier of tin to the global economy and any change in its production/export levels is bound to have a big impact on the price.

One person who is probably doing cartwheels right now is Metals X managing director Peter Cook.

Despite a couple of hiccups in the past, Metals X couldn't have picked a better moment to again be a tin miner with the imminent reopening of the historic Renison mine in Tasmania.

A couple of months ago, analysts believed Metals X could generate cash flows of around \$100 million a year from Renison. However that might have all changed now that the tin price is on a high.

Of course it all depends on just what kind of contracts the company has arranged with its customers for the anticipated 8500 tonnes a year of production from Renison.

What makes Metals X even more tantalising is the fact that both APAC Resources and Jinchuan Group look like they want to take the biggest positions possible on the company's share register.

APAC yesterday announced it had picked up a further 20 million shares in Metals X which took its total shareholding to 208.3 million shares, or 17.64 per cent of the company.

According to resource industry intelligence company Intierra, Jinchuan is listed as controlling 14.9 per cent of Metals X.

All this has happened while the rest of the market's eyes were on all things iron ore and coal. It's also of interest to note that at least one analyst in Sydney believes that Metals X is trading below its Net Present Value asset price.

The world's athletes might be going for gold, silver and bronze in Beijing at the upcoming Olympics, but there are at least two Chinese groups seemingly more focused on tin in Tasmania.

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