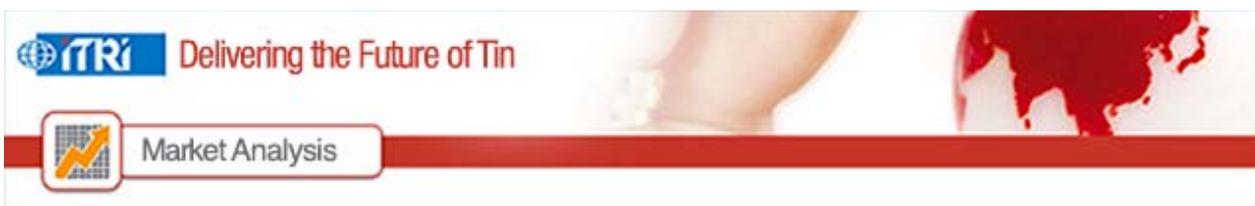


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2 June, 2016

Tin in the News

Following a small recovery from the price low of \$15,550 seen near the end of May, LME Tin has remained in the high \$15,000 to low \$16,000 range in the last week, ending at \$15,905 yesterday. Ample supply and high LME stocks seem to be suppressing any further recovery in the price at present. It was reported yesterday that, according to Broker Marex Spectron's positioning estimates, the speculative long position in LME tin has fallen for the sixth week in a row. This is in line with ITRI's understanding that a technical sell-off by longs was the main driver of the sharp slump in prices seen at the end of last month.

In this week's news we draw attention to praise for the iTSCi programme in the latest report on supply-chain initiatives from the OECD, as well as covering significant announcements by the Kuala Lumpur Tin Market and from two promising tin projects in the UK and Peru. We also report on the latest ore trade statistics from Myanmar and Q1 results from MSC.

Details of how to view photos taken at ITRI's recent international tin conference in Lima are also available below.

Tom Mulqueen - Analyst, Markets

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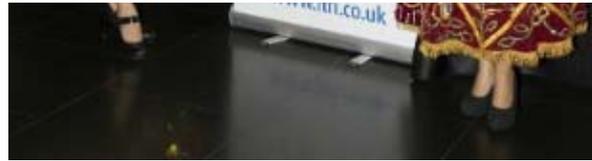
ITRI International Tin Conference 2016 Photo Gallery

1 June: The 2016 International Tin Conference in Lima was a truly international affair with over 200 delegates from 36 countries turning up in the Peruvian capital. This was the first time in a decade that the event had been held in South America and the Latin feeling was especially in evidence at the evening events and bodega tour.

A selection of photos from the 2016 Tin Conference is available to view by clicking [here](#). These cover presenters and delegates at the opening keynote session, the opening cocktail reception and conference dinner, and the tour to Minsur's Pisco smelter and a neighbouring winery.



As always, the hot topic as guests departed was the location of the next biennial tin industry gathering in 2018, with a wide range of suggestions coming from nearly every continent!



OECD praise for "Remarkable Progress" of the iTSCi Programme

2 June: The success of the iTSCi Programme in contributing to breaking the link between mineral trade and conflict in central Africa has been highlighted in the key findings of a detailed report from the Organisation for Economic Co-operation and Development (OECD) discussed at the recent multi-stakeholder due diligence forum in Paris.

The full report, which can be downloaded [here](#), looks at a number of supply chain initiatives developed in the last five years. It notes that "on-the-ground implementation of the Guidance in mineral producing and trading areas is by far most advanced in the 3T sector" and praises the work carried out by iTSCi as "the only on-the-ground due diligence programme that has effectively brought Great Lakes minerals to the international market." The OECD, whose mission is to promote policies that will improve the economic and social well-being of people around the world, highlighted in the report how "iTSCi has made remarkable progress and is the only on-the-ground traceability and due diligence programme that has to date been able to demonstrate a clear impact on mineral production and exports." iTSCi's work in the Great Lakes Region of Africa has led to an estimated 80,000 artisanal and small-scale miners - supporting an estimated 400,000 dependents - being granted access to the international market where they can sell their minerals freely.

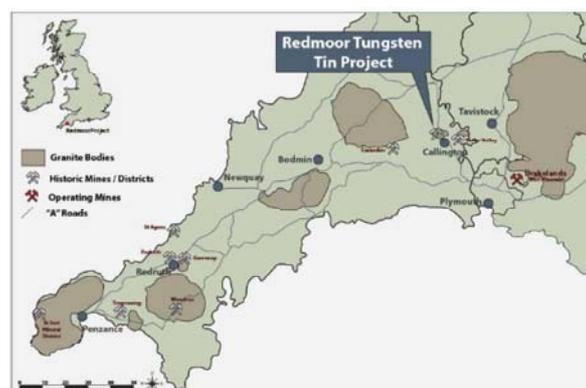


Whilst this is welcome recognition of the achievements of iTSCi, further investment and support is always needed from donors and downstream tin users to ensure that the work to date continues to be built upon to bring even more positive results. An open letter describing restrictions in on the ground activity and funding resulting from the currently poor metal market conditions was issued in December 2015, a copy of which can be found [here](#).

JV agreed for Redmoor project

2 June: New Age Exploration ("NAE"), have announced the signing of an earn-in agreement with AIM-listed Strategic Minerals Plc ("SML"), whereby SML can earn up to 50% interest in the Redmoor tin tungsten project in south east Cornwall, UK, for a total consideration of A\$2.1M.

The agreement includes an upfront non-refundable payment of A\$214,000 and an A\$1,931,000 Option Payment to be made before 31 December 2016. The option



payment will be used to fund the working capital cost of the new joint venture company and to fully fund the first stage of the planned 3-phase exploration drilling programme at Redmoor, focussed on the high grade lode mineralisation. Ongoing activities will be managed by a new Joint Venture company on an equal ownership basis. As part of the agreement, NAE will also subscribe for 35,000,000 ordinary SML shares at a total cost of £105,000.

The news follows the positive results of preliminary mining and processing studies announced in March this year by NAE and the release of an updated, JORC-compliant, inferred mineral resource for the project of 13.3 Mt of ore at 0.21% Sn, 0.16 % WO₃ and 0.32% Cu. at the end of 2015.

NAE's Managing Director, Gary Fietz, said: "NAE welcomes SML as its Joint Venture partner for the Redmoor Project and is confident that SML's access to funding via its AIM listing should enable it to raise sufficient funding to complete the Option Payment. This should allow the Redmoor drilling programme to proceed later this year which we expect will add significant value to the project and to NAE shareholders."

KLTM adds brands and new member

2 June: The Kuala Lumpur Tin Market, the oldest physical tin market in Asia, has expanded its range of registered tin brands as of May and will welcome a new member company, BTG Pactual Commodities Singapore, from 15 June.

KLTM was established as the successor to the 75-year old Penang Tin Market in 1986, and until now has been open to sales of four brands produced by Malaysia Smelting Corporation, Thaisarco and PT Timah. It has now expanded this to cover seven further brands – which are also LME registered – belonging to five Chinese producers and two Indonesian private smelters. BTG Pactual Singapore joins 10 existing members from Malaysia, Japan, China, the UK, Korea and Indonesia.



In a statement KLTM Company Secretary Muhamad Nor Muhamad commented: "Several applications from international metal trading companies for KLTM membership are in the pipeline for consideration. The interest shown in joining membership of the KLTM indicates the trust and confidence by market players in this long established regional physical tin market. It also indicates the integrity and transparency of the KLTM in attracting new memberships."

Myanmar tin ore trade still booming

24 May: Latest China customs data shows imports of tin ore and concentrates at 46,197 tonnes gross weight in April, or an estimated 5,500 tonnes contained tin. The April total was similar to the previous month's figure, but up by 40% compared to April 2015. In the first four months of this year, imports from Myanmar totalled 174,868 tonnes or close to an estimated 21,000 tonnes tin content.

ITRI View: The imports from the Man Maw area of Wa County are likely to remain at a similar high level in May, but should then decline significantly with the onset of the rainy season, which usually runs from June to October. We estimate that Myanmar's mine production of tin-in-concentrate this year will rise to some 47,000 tonnes, but this is based on some widely divergent underlying trends. Mining activity at some 200 sites in the Man Maw area is reported by informed sources to have declined considerably this year, with the number of workers having more than halved from peak

levels. However there are sizeable stockpiles of ore above ground and available for processing and there is always a possibility of new sites being discovered and exploited.

MSC reports positive Q1 results

24 May: Malaysia Smelter Corporation Bhd. (MSC) has released its Q1 financial results showing a net profit of 24.9 million RM (US\$ 6.0 million) due to higher refined tin sales and valuation adjustments as a result of higher tin prices at the end of the quarter.

The net profit compares to a 2.9 million RM loss made in the same period of 2015. The company said that, overall, its smelting operation is profitable, but that profits had been helped in Q1 by effect of the higher tin price on the valuation its tin inventory and a positive impact from foreign exchange rate variations. The company's Rahman Hydraulic Tin (RHT) open pit mine also saw a 9% year-on-year increase in profits for the period to 6.2 million RM, primarily due to a higher volume of sales.

The company concluded that "the underlying operations of the group, comprising the Butterworth International Smelter and the Rahman hydraulic tin mine, are expected to perform satisfactorily for the current financial year."

ITRI View: In 2015, MSC produced 30,209 tonnes of refined tin metal, down 13.6% on the previous year. The company also saw a 1.9% fall in tin-in-concentrate production from the RHT mine to 2,196 tonnes. The fall in output combined with the low tin price resulted in a 93% fall in pre-tax profit to 3.2 million RM during 2015. We expect production from the mine and smelter in 2016 to be broadly equivalent to last year's levels with movements in the tin price remaining the primary influence on financial performance.



Tinka reports first tin resource at Ayawilca

2 June: Canada-listed Tinka Resources Limited (TSXZ: TX) has announced a maiden inferred tin resource at its Ayawilca zinc project in Central Peru of 5.4 Mt at 0.76% Sn, or 41,000 tonnes of contained tin.

The Tin Zone also includes copper and silver mineralisation with the reported tin-copper-silver resource totalling 5.4 Mt at 0.89% Sn Eq. Both these estimates were calculated at a 0.45% Sn Eq. grade cut-off based on an underground mining scenario.



The Tin Zone is located below the zinc, indium, silver and lead mineralisation ("Zinc Zone") and the two mineralisation styles remain entirely separate. The Zinc Zone has been the main focus of exploration prior due to its earlier discovery with an updated inferred mineral resource of 18.8 Mt at 8.2 % Zn Eq. announced alongside the maiden tin resource.

Dr. Graham Carman, Tinka's President and CEO, stated: *"We are very pleased to report a tin-copper-silver Mineral Resource estimate for the first time. The updated zinc and first tin resources remain open for expansion in most directions, and will be tested through an extensive drill programme later in 2016, subject to obtaining final approvals... Tinka is well placed to take advantage of a supply shortfall in base metals as the mining cycle continues and as Tinka continues to prove the potential of a significant zinc/tin deposit at Ayawilca."*

11th International Tinplate Conference in London

5 – 6 October 2016, Copthorne Tara Hotel London Kensington, London, UK

The 11th International Tinplate Conference will take place at the Copthorne Tara Hotel London Kensington. The two-day conference will attract those interested in understanding the key commercial and technical tinplate developments and provide opportunities to network with the global industry.

Click [here](#) for more information.

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