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## **-LMEWEEK INTERVIEW-Australian firm eyes quick tin mine start**

- \* Australia's Venture racing to dig new tin mine
- \* Targets starting production in 2013
- \* Hopes to mine 1 pct of global supply as tin price soars

By James Regan

SYDNEY, Oct 8 ( Reuters) - Venture Minerals <VMS.AX>, which is raising funds to develop Australia's second operating tin mine, is targeting annual production of 3,000 tonnes in concentrate and is pursuing smelting contracts in China.

Managing Director Hamish Halliday said Venture's Mt Lindsay tin and tungsten project in Tasmania state was being fast-tracked -- five years after Venture acquired it -- in response to a dizzying rise in world tin prices, up 70 percent since June.

"We're earmarking our first production from Mt Lindsay in the first half of 2013," Halliday told Reuters. The material is likely to be shipped to China for smelting, he said.

"We will be looking to produce 3,000 tonnes-plus of tin metal in concentrate, or around 1 percent of world supply. Most likely we will be selling into Chinese smelters, though the option for Malaysia is there as well."

There are no tin smelters operating in Australia, which has had a start-stop history of tin mining over the past few decades in step with the ebb and flow of prices.

Currently, only one tin mine is running in Australia, a 50-50 joint venture between Australia-listed Metals X Ltd <MLX.AX> and China's Yunnan Tin.

Venture is raising A\$20 million (\$19 million) to fund exploration and mine development studies at Mt Lindsay, mostly via a placement to existing and new institutional investors.

The company is also exploring for uranium and iron ore in other parts of Australia but is counting on tin mining to be its main revenue driver.

The project currently stands as the world's fifth-largest tin exploration site, according to Halliday.

"One of the things I've learned is that if you've got a good project you just go for it and if your timing is right, so be it," Halliday said.

He said a shift in the tin market away from plating to wider use in solder since 2005 due to efforts in China and Europe to reduce lead in solder was behind the "real game changer for tin."

London Metal Exchange three-month tin <CMSN3> hit a record high of more than \$26,700 per tonne this month.

"Tin all of a sudden is a world metal again and the price much more inelastic," Halliday said.

Halliday predicted a push now to remove more lead from solder in the United States will tighten world lead supplies even further as Mt Lindsay comes into production.