

Kasbah's Achmmach Tin Project – new board, new management, build-ready

New CEO Russell Clark talks about Kasbah Resources (ASX: KAS), one of the few pure tin plays on the ASX, plans for its advanced Achmmach Tin Project and the strong outlook for tin.

What is Kasbah's current priority?

Reintroducing Kasbah to the market. We have a new board and management team focused on taking the project into production and realising value for shareholders. A new, updated definitive feasibility study (DFS) is due in the first half of 2018, and the tin price has risen by 61 per cent in the past two years – so the building blocks are in place.

Who are the major shareholders and your joint venture partners?

We have strong institutional support. Swiss-based resources sector fund Pala Investments is our largest shareholder, with 21 per cent. Other institutional shareholders include Lion Africa (14 per cent), Acorn Capital, Traxys and Thaisarco. The project is a joint venture; Toyota TTC and Nittetsu Mining are the joint venture partners, and have a 20 per cent and a five per cent project ownership respectively.

What does Kasbah want from its investment in Morocco?

A good return for shareholders. The Achmmach Project is one of the most advanced tin projects globally, and tin is projected to be in shortfall in the near term while demand continues to rise – and the tin price is steadily increasing. We have the right team, with supportive investors, and we are excited by the prospect of developing a tin mining industry in Morocco.

Tell us about the project's resources, reserves and mine life.

The resource has more than 120 kilometres of drilling, which has

delivered almost 15 million tonnes of resources and 6.5 million tonnes of reserves (JORC 2012). Current reserves will last 10 years, mining at a rate of 750,000 tonnes per annum. The ore body is open at depth and along strike, and additional drilling may significantly extend mine life.

How will it be mined?

It will be an underground mine. Adits will be used to access the ore body (as opposed to shafts), and mining will be long-hole open stopping. Achmmach will have a conventional tin processing plant, and we are considering a 750,000-tonne-per-annum capacity plant to produce approximately 4500 tonnes of tin in concentrate annually. Additional test work is currently underway (ore sorting and high-pressure grinding rolls), which may have major positive impacts on project economics.

How long until production starts?

All permits for construction and commencement of mining are in place. Assuming a successful DFS, funding is expected to take six to nine months, and project construction 12 to 15 months, with production potentially commencing in 2020.

Has Kasbah completed any offtake contracts?

Not as yet. The project will produce approximately 4500 tonnes per annum of tin, and our joint venture partners – as 25 per cent project owners – will have a quarter of production, leaving the remainder available for offtake.



What is the primary use of tin?

More than 50 per cent of tin output is used in solder, where it has replaced lead. Other major uses are in lead-acid rechargeable batteries, semiconductors and tin plate. Future generations of lithium-ion batteries may incorporate tin due to its superior performance compared to graphite.

What is the size of the tin market?

Global production is 320,000–350,000 tonnes per annum; however, in recent years, there has been significant underinvestment in tin, and production from major producers in Myanmar, China, Indonesia and Peru is falling. New tin mines need to be established to meet demand, which is increasing at two to three per cent per annum, and Achmmach is well placed to help meet future demand. 🏠