

press clip



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# Cleveland on the comeback trail

**E**lementos Ltd could soon have two development-ready tin plays at the starting gate with the company confident a few small tweaks will vastly improve the economics for its longstanding Cleveland project in Tasmania.

While the Oropesa tin project in Spain has assumed flagship status in the portfolio over recent years, Elementos insists it has no intention of being a one-trick pony, especially with record LME tin prices only enhancing the already strong development case for Cleveland, about 80km south-west of Burnie.

At the time of print, Elementos was completing a five-hole diamond drilling programme at Cleveland. The first hole targeted an untested zone which occurs between the north-east and south-west dipping limbs of the historical underground workings and the current resource area. The remaining four holes are designed to test geophysical anomalies along strike and to the north-east of the existing resource.

Elementos managing director Joe David said there was no question the Cleveland project could one day become an operating tin mine.

"On current tin prices, if we had a plant there right now, we'd be making good money," David told *Paydirt*.

"What has always challenged that project has been the mine life to be able to build a plant. So whilst we think right now on today's tin prices it would be easily financial and we have a beset project on our hands, we think extending the mine life there is the absolute key focus.

"We're very hopeful that we're going to get some good results out of this drilling and identify some additional mineralisation along strike or within the resource. That will certainly go a long way in giving us the confidence there's more resource there to run through some really robust studies and get a second project up and running for the company."

Cleveland currently boasts an open pit resource of 1.89mt @ 0.95% tin and 0.34% copper containing 17,955t tin and 6,436t copper and an underground resource of 5.58mt @ 0.68% tin and 0.28% copper containing 38,100t tin and 15,700t copper. These estimates were last updated in September 2018.

Cleveland previously operated as an underground mine from 1908 to 1917 and again from 1968 to 1986 under the control of Aberfoyle Resources. When low tin prices forced operations to cease in 1986, production had totalled 23,519t tin and 9,691t copper.

It is a very different investment climate



Elementos has resumed drilling at its Cleveland tin project, about 80km south-west of Burnie

today with LME tin prices recently breaking through \$US50,000/t for the first time. While prices have since pulled back from those record levels, the tin market is still entering its fourth consecutive year of deficit and there is no obvious supply coming onstream.

David said such forecasts presented a challenge for the entire tin industry.

"Historically, tin has had a fair bit of elasticity; when the price went up, the illegal miners out of Southeast Asia and Africa would step up, but there also used to be some really big strategic stockpiles," he explained.

"The US had 60,000t of tin metal at the turn of the millennia, now they have 4,000t because it's been sold into deficit periods. Right now, there's no known strategic stockpiles. The listed warehouses are down to 1-2 days of supply and most of the major producers – China, Indonesia, Peru, Bolivia, Myanmar and in particular the DRC – are dropping off their supply.

"Everyone is struggling to increase supply, so the reliance is very much on new projects in new countries or new areas to come online. But, based on all the data I've seen in the tin industry to date, if every single project comes on, we're still not going to meet the demand.

"It's a challenge to see how that gap is going to be filled. We really don't want the in-

dustry to start looking for other alternatives. We think it would be good if supply can meet demand, but we also think there's no risk in the price coming down anytime soon."

Elementos will continue to progress Cleveland in conjunction with the more advanced Oropesa which is currently in DFS mode following a recent optimisation study. The study supported 3,350 tpa tin production over an initial 13-year mine life at the Spanish project.

David, who joined the company as chief executive a little more than a year ago, was able to visit Oropesa for the first time in February and admitted to being "absolutely blown away" by the passion shown by the local team for the project in the Andalusia province.

"I've been working with these guys for a year now, formed great relationships over Skype and email, I knew they were producing great work and they've been great to work with, but just when you meet these guys in person, the passion they have for this project is unwavering," he said

"Good projects need passionate people and we certainly have a very passionate group over there who really want to bring this project on."

– Michael Washbourne