Alphamin set to benefit from the ‘staggering’ 22.76% rising tin prices over the past month

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One of the bigger trends of 2023 looks like being the reopening of China following 3 years of the COVID-19 pandemic. There are several ways to play this thematic – Chinese funds/ETFs, iron ore, but how about tin? The tin price is up a staggering 22.76% over the past month (at the time of writing).

Trading Economics states: “Tin futures were trading around the $30,000 per tonne mark, a level not seen since June 2022, as top consumer China made efforts to reopen and support its economy, thus lifting the outlook for demand.”

The 10 year tin price chart shows tin prices recovering in 2023 now at US$29,536/t

Source: Trading Economics

Tin is a key metal for the green energy transition as it is used in electric vehicles and solar panels. This is mostly because tin is used in solder (49% of tin demand comes from solder). Solder is used in practically every electronic product in the world today. As production and demand for consumer electronics recover in China that bodes well for tin prices.

Tin is the hidden green energy transition and consumer electronics metal of today and the future



Source: International Tin Association

Alphamin Resources Corp.

Alphamin Resources Corp. (TSXV: AFM) (Alphamin) currently produces ~4% of the world's tin (Sn), or ~12,000tpa. Alphamin state: "At a tin grade of roughly 4.5%, Mpama North is the world's highest-grade tin resource – about four times higher than most other operating tin mines in the world."

Alphamin is a low-cost tin concentrate producer from its high-grade deposit at Mpama North at their 84.1% owned Bisie tin mine in the DRC.

The 2022 Resource estimate is an Indicated Resource of 0.84 million tonnes at 2.53% Sn (21,400 contained tonnes of Sn) and an Inferred Resource of 4.99 million tonnes at 2.5% Sn (124,750 contained tonnes of Sn). Alphamin has recently managed to increase the Mpama North Resource as you can view in the video here.

The exciting part is that Alphamin is a low cost producer so is nicely leveraged to tin prices. Even better is that Alphamin intends to expand the mine's production from 12,000tpa Sn to ~20,000tpa Sn from FY2024, which would equate to about 7% of the world's tin supply.

As announced in October 2022, Alphamin's Mpama South development project is progressing according to plan. Alphamin stated: "The project is progressing on schedule for targeted commissioning in December 2023. Overall project completion is at 18.6%, and 84.3% of the procurement requirements have been finalised and ordered. The project is not expected to exceed its total cost estimate of US$116 million."

Alphamin's milestones and goals and Mpama North & Mpama South shown below



Source: Alphamin company presentation

Alphamin exploration continues

In addition to drilling for resource extensions at Mpama North and Mpama South, Alphamin is exploring for more tin deposits on its license areas. The Bisie Ridge Phase 1 new discovery has been accelerated with ~90 drill holes planned on six highly anomalous targets, following which a Phase 2 campaign will delineate any discoveries or else in fill the most prospective

targets.

Closing remarks

Alphamin Resources is a pure tin play highly leveraged to the tin price. Being a low cost producer allows Alphamin to remain profitable throughout the tin price cycle. As China reopens early price indications are suggesting 2023 will be a good year for tin, and hence the quality tin miners.

If Alphamin can successfully bring on Mpama South into production and further grow their resource, then the outlook is very bright for Alphamin this decade.

Alphamin Resources trades on a market cap of C$1.273 billion and a PE of 8.33. One to watch out for in 2023, especially if tin prices keep rising.