

Metals X Limited

A major Australian and global tin miner

Metals X Ltd (ASX:MLX) is a leading tin producer whose core asset is its 50% ownership of the Renison tin mine in Tasmania, Australia. The Renison mine currently produces ~10ktpa of tin in concentrate making it a meaningful supplier in global markets producing ~3.5% of global mine supply. The mine is expected to produce ~10.2ktpa of tin for the next 10 years whilst ongoing exploration continues to demonstrate upside potential through the identification of further ore bodies. Renison is profitable and self-funds ongoing exploration and capital requirements at the mine to support the current life-of-mine plan. In addition, MLX has several investments in other listed companies and has an ongoing on-market share buy-back programme.

Portfolio Description

The **Renison mine** has a long history dating back to its discovery in the 1890s. Production under MLX commenced in 2008 post the merger with Bluestone Tin Limited in 2006. MLX owns 50% of Renison which is held in a joint venture with Yunnan Tin Group of China, whilst the mine is operated by the joint venture company, Bluestone Mines Tasmania Joint Venture Pty Ltd. Renison has a current production run-rate of ~10ktpa of tin in concentrate which makes the company a material global tin supplier. In a [December 2023](#) reserve update, MLX detailed a reserve of 8.3mt at 1.48% for 122kt of contained tin which supports a 10-year production plan that would enable the mine to produce an average of ~10.2ktpa of tin at an average All In Sustaining Cost (AISC) of A\$26.3k/t from 2024 onwards. The bulk of the mine plan would be sourced from the higher-grade Area 5 and Leatherwood ore bodies. A resource update for Renison in [July 2024](#) demonstrated 20.2Mt at 1.45% for 291kt of contained tin with ~88% classified as measured and indicated. In addition, there is another 104kt of contained tin in the Rentails Project. An updated life-of-mine plan is scheduled for release in Q324. **Exploration:** Ringrose is a discovery made in 2022 and is located approximately 750m south of the existing Renison mine and is a key exploration focus for MLX. The discovery hole, [S1671](#), intersected ~27m at 4.57% tin from 225m. Since then, drilling has continued to delineate a potential ore body with the most recent update detailing [hole S1686](#) which reported 87m at 0.65% tin from 204m which includes higher-grade zones of 7.5m at 1.13% tin, 5.3m at 0.52% tin and 10.5m at 3.08% tin. MLX has a current exploration programme at Ringrose which consists of 10 diamond holes for 2,800m focusing on infill, whilst the company has flagged a future programme consisting of 15 diamond holes for 4,750m comprising both infill and extension which should be commenced later in CY24.

Profitable operations enables self-funded exploration

On a rolling 12-month basis as of the [Q224 report](#), Renison produced revenue of ~A\$418m, EBITDA of ~A\$184m and Imputed Net Cash Flow of ~A\$106m from the production of ~10kt of tin. The profitability and cash flow of the mine enable the joint-venture company to self-fund ongoing exploration and capital investments whilst excess cash in MLX supports the company's ongoing investment and capital management initiatives. MLX has an active on-market buy-back to purchase up to 10% of issued equity, whilst to date ~1m shares have been purchased at a price of ~\$0.35/sh. MLX has investments of both equity and debt in several listed companies across tin, nickel and copper.

Look to both ASX-listed and global peers

Peers in the tin space are limited not just on the ASX, but globally. Locally, peers include Stellar Resource Limited (ASX:SRZ), Venture Minerals Limited (ASX:VMS) and Elementos Limited (ASX:ELT) whilst globally, peers include Alphamin Resources Ltd (TSXV: AFM), First Tin Plc (LON:1SN) and Cornish Metals Inc (TSXV:CUSN). We believe Alphamin is MLX's closest peer as it is also an independent tin producer. Alphamin is due to go from 12.5ktpa to 20ktpa of tin in concentrate post the completion of its latest expansion initiative at its Mpama Project which is ~2x that of MLX's targeted output.

Share Details

ASX code	MLX
Share price (27-Aug)	\$0.40
Market capitalisation	\$362M
Number of shares	906M
Options @ \$0.205-0.30	0M
Net cash at 30-Jun-2024	~\$181.7m

Share Price Performance (12 months)



Upside Case

- Ringrose resource that can add meaningful tonnage to the mine plan
- Area 5 and/or Leatherwood materially outperform mine-plan assumptions
- Including a dividend to capital management plans

Downside Case

- A material decrease in the tin price
- Failure for Area 5 and/or Leatherwood to meet mine-plan assumptions
- Material impairment in any of MLX's investment holdings

Catalysts

- Demonstrating sustained production above 10ktpa of tin
- Updated life-of-mine plan in Q324
- Ringrose exploration results

Comparative Companies (Australia & NZ)

SRZ, VMS, ELT

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FINANCIAL SERVICES GUIDE

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