



Tin explorer finds the mother lode

Daryl Passmore

A HOST of coal kings have emerged in recent years but the next Queenslander to strike it rich in the resources sector could be a tin man.

John Lawton, 59, executive chairman of Brisbane-based Auzex Resources, believes a huge tin deposit discovered in north Queensland could be worth \$400 million a year for at least 10 years.

"It's very exciting," said the veteran explorer. "It's much more exciting than winning a lottery because you have worked on it and your ideas have come to fruition."

The Khartoum project is near Mt Garnet, 100km southwest of Cairns.

Mr Lawton describes it as "world class".

"We can see our project delivering 20,000 tonnes of tin a year for, nominally, 10 years and that's conservative."

That would put it in the Top 5 tin producers in the world.

Tin has been a fairly unfashionable metal in recent decades but with demand now outstripping supply — China alone consumes a third of the world's

300,000-tonne production — the price has soared from \$US5000 to \$US25,000 a tonne.

It is increasingly being used to replace lead in the electronics and electrical industries. And with oil prices likely to continue to rise, pushing up the cost of plastics, Mr Lawton believes tin will become even more popular.

He said the Khartoum deposit showed signs of old manual workings in the area. But unlike the pick and shovel approach of old, his exploration project was a very modern, high-tech affair.

Using geological data, Auzex developed sophisticated computer programs to painstakingly scan the entire east coast of Australia from north Queensland to Tasmania — in 200m by 200m grids — to find the areas most likely to contain the metals and minerals they were seeking.

"We picked the best spots and took out applications for tenements," said Mr Lawton.

Khartoum was in the top three.

Once the results of further drilling are known this year, Auzex will begin negotiations with potential joint partners interested in establishing a mine.

"Some companies prefer digging holes but we're an explo-

ration company. For us, the fun is in the finding.

"We will do deals with good operators who give us a good return."

Mr Lawton said a tin mine of that size would create up to 150 permanent jobs.

Auzex Resources' share price has risen from 50¢ on floating in October 2005 to more than \$1 earlier this month, before settling back to 90¢ last week.

Mr Lawton, whose 30 years in the resources industry includes founding the Ross Mining gold company, has a 22 per cent stake in Auzex, which has a market value of about \$30 million.

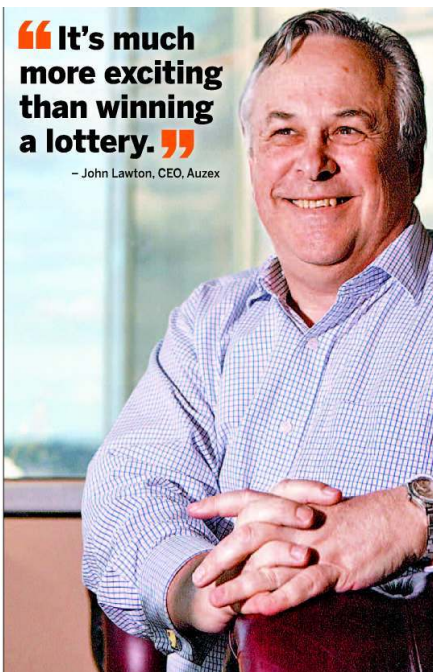
Its other major project is Kingsgate near Glen Innes in New South Wales, where molybdenum, bismuth and quartz has been found.

Molybdenum is used in stainless steel alloys for construction and in oil and gas pipelines. Bismuth is used in cosmetics such as lipsticks and in alloys for fire alarm and sprinkler systems.

Silica extracted from quartz is in growing demand around the globe for uses such as LCD screens, lighting and fibre optics.



'WORLD CLASS': Drilling at the Khartoum tin deposit



HIGH-TECH SEARCHER: Veteran resources hound John Lawton

Picture: Jono Searle