



## **NOTICE OF ANNUAL GENERAL MEETING**

**&**

## **EXPLANATORY STATEMENT**

**To be held**

At 10.00am, Monday, 17<sup>th</sup> November 2014

**at**

Hilton Cairns, 34 The Esplanade,  
CAIRNS QLD 4870

*This page has been left blank intentionally.*

# CONSOLIDATED

## TIN MINES LTD

ABN 57 126 634 606



8<sup>th</sup> October 2014

Dear Fellow Shareholder,

Please find enclosed the Notice of Annual General Meeting for the Shareholders' Meeting to be held at the Hilton Cairns, 34 The Esplanade, Cairns, QLD 4870 at 10.00am on Monday, 17<sup>th</sup> November 2014.

The purpose of the meeting is to conduct the annual business of the Company, being consideration of the annual financial statements, the remuneration report and in addition seek shareholder approval in accordance with the Corporations Act 2001 and the Listing Rules of the ASX to a number of resolutions, which are set out in the attached Notice of Meeting paper.

Your Directors seek your support and look forward to your attendance at the meeting.

Yours sincerely

A handwritten signature in dark ink, reading "Ralph De Lacey". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Ralph De Lacey  
Executive Chairman

---

**CONSOLIDATED TIN MINES LIMITED**

ACN: 126 634 606

Registered Office: 395 Lake Street

North Cairns QLD 4870

Phone (07) 4032 3319

CONSOLIDATED TIN MINES LIMITED

ABN 57 126 634 606

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Consolidated Tin Mines Limited will be convened at 10.00am (AEST) on Monday, 17<sup>th</sup> November 2014 at the Hilton Cairns, 34 The Esplanade, Cairns, Queensland.

AGENDA

1. Discussion of Financial Statements and Reports

To discuss the annual Financial Report together with the declaration of the directors, the Directors' Report, the Remuneration Report and Auditor's Report for the financial year ended 30 June 2014.

2. Adoption of the Remuneration Report

To consider, and if thought fit, to pass, with or without modification, the following resolution as a **non-binding resolution**:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2014."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

Voting Prohibition Statement

*A Restricted Voter means Key Management Personnel and their Closely Related Parties.*

*The Company will disregard any votes cast on the Resolution by or on behalf of a Restricted Voter. However, the Company need not disregard a vote if:*

- (a) it is cast by a Restricted Voter as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and*
- (b) it is not cast on behalf of a Restricted Voter.*

*Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:*

- (a) the appointment specifies the way the proxy is to vote on those Resolutions; or*
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution. Shareholders may also choose to direct the Chair to vote against the Resolution, or to abstain from voting.*

3. Re-Election of Director – Mr Ralph De Lacey

To consider, and if thought fit, to pass, with or without modification, the following **ordinary resolution**:

*"That, for the purposes of the Company's Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Ralph De Lacey, a Director, retires by rotation in accordance with the Company's Constitution, and being eligible, offers himself for re-election, is re-elected as a director."*

4. Re-Election of Director – Mr John Banning

To consider, and if thought fit, to pass, with or without modification, the following **ordinary resolution**:

*"That, for the purposes of the Corporations Act and for all other purposes, Mr John Banning, who was appointed to the Board since the last Annual General Meeting of the Company, retires and being eligible, offers himself for re-election, be re-elected as a director."*

**CONSOLIDATED TIN MINES LIMITED**

ABN 57 126 634 606

**NOTICE OF ANNUAL GENERAL MEETING**

**5. Approval of the Issue of Equity Securities up to 10% of the issued capital**

To consider and, if thought fit, to approve the following resolution, with or without amendment, as a **special resolution**:

*"That, for the purpose of Listing Rule 7.1A and all other purposes, the Company approves the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."*

The proposed issue to be in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

**Voting Exclusion Statement**

*The Company will disregard any votes cast on the Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed, and any person associated with those persons.*

*However, the Company need not disregard a vote if:*

- (a) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

**6. Adoption of Consolidated Tin Mines Limited Performance Rights Plan**

To consider, and if thought fit, to pass, with or without modification, the following **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt a performance rights plan on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

**Voting Prohibition Statement**

*A Restricted Voter means Key Management Personnel and their Closely Related Parties.*

*A Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:*

- (a) the appointment specifies the way the proxy is to vote on those Resolutions; or*
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution. Shareholders may also choose to direct the Chair to vote against the Resolution, or to abstain from voting.*

**Voting Exclusion Statement**

*The Company will disregard any votes cast on the Resolution by any Director of the Company, other than any Directors who are ineligible to participate in any scheme or plan in relation to the Company, and any associates of those Directors.*

*However, the Company need not disregard a vote if:*

- (a) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

**CONSOLIDATED TIN MINES LIMITED**

ABN 57 126 634 606

**NOTICE OF ANNUAL GENERAL MEETING**

**7. Approval of the Allotment and Issue of Shares to Related Party – ARM (NQ) Pty Ltd**

To consider, and if thought fit, to pass, with or without modification, the following **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, the Company approves the allotment and issue of up to 29,302,929 Shares at an issue price of \$0.07 per Share to ARM (NQ) Pty Ltd, an entity in which Mr Ralph De Lacey and Mr Martin Cai have an interest, in satisfaction of the loan owing by the Company to ARM (NQ) Pty Ltd, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion Statement**

*The Company will disregard any votes cast on the Resolution by Directors Mr Ralph De Lacey and Mr Martin Cai, ARM (NQ) Pty Ltd and any of their associates.*

*However, the Company need not disregard a vote if:*

- (c) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

**8. Issue of Options – Priority Offer**

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, approval be given for the Directors to issue up to 61,674,990 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement**

*The Company will disregard any votes cast on the Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons.*

*However, the Company need not disregard a vote if:*

- (e) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- (f) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

**CONSOLIDATED TIN MINES LIMITED**

ABN 57 126 634 606

**NOTICE OF ANNUAL GENERAL MEETING**

**9. Issue of Options to Related Party – Mr Ralph De Lacey**

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 4,725,000 Options to Mr Ralph De Lacey (and/or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement**

*The Company will disregard any votes cast on the Resolution by Mr Ralph De Lacey (and/or his nominee) and any of their associates.*

*However, the Company need not disregard a vote if:*

- (g) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- (h) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

**10. Issue of Options to Related Party – Mr Andrew Kerr**

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10,000 Options to Mr Andrew Kerr (and/or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement**

*The Company will disregard any votes cast on the Resolution by Mr Andrew Kerr (and/or his nominee) and any of their associates.*

*However, the Company need not disregard a vote if:*

- (i) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- (j) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

**11. Issue of Options to Related Party – Mr Martin Cai**

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 15,687,500 Options to Mr Martin Cai (and/or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement**

*The Company will disregard any votes cast on the Resolution by Mr Martin Cai (and/or his nominee) and any of their associates.*

*However, the Company need not disregard a vote if:*

- (k) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- (l) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

**CONSOLIDATED TIN MINES LIMITED**

ABN 57 126 634 606

**NOTICE OF ANNUAL GENERAL MEETING**

**GENERAL NOTES**

1. With respect to Agenda Item 2, the vote on this item is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

**The Chairman of the meeting intends to vote undirected proxies, that are able to be voted, in favour of the adoption of the remuneration report.**

2. **Your vote is important**

The business of the Meeting affects your shareholding and your vote is important.

3. **Voting eligibility**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm (AEST) on 15<sup>th</sup> November 2014.

4. **Voting in person**

To vote in person, attend the Meeting at the time, date and place set out above.

5. **Voting by Proxy:**

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
  - (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed; and
  - (c) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).
-



**CONSOLIDATED TIN MINES LIMITED**

ABN 57 126 634 606

**NOTICE OF ANNUAL GENERAL MEETING**

**GENERAL NOTES (Continued)**

***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - (i) the proxy is not recorded as attending the meeting;
  - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

- 6. The Explanatory Statement to Shareholders attached to this Notice of General Meeting is hereby incorporated into and forms part of this Notice of General Meeting.

**BY ORDER OF THE BOARD**



Kevin Hart  
COMPANY SECRETARY

Dated this 8<sup>th</sup> day of October 2014

---

## CONSOLIDATED TIN MINES LIMITED

ABN 57 126 634 606

### EXPLANATORY STATEMENT

The purpose of the Explanatory Statement is to provide shareholders with information concerning all of the agenda items in the Notice of Annual General Meeting.

#### 1. Discussion of Financial Statements & Reports

Consolidated Tin Mines Limited's financial reports and the directors' declaration and reports, the Remuneration Report and the auditor's report for the 2014 financial year are placed before the meeting thereby giving shareholders the opportunity to discuss those documents and to ask questions. The auditor will be attending the Annual General Meeting and will be available to answer any questions relevant to the conduct of the audit and his report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.csdtin.com.au](http://www.csdtin.com.au).

#### 2. Adoption of Remuneration Report

During this item there will be reasonable opportunity for shareholders at the meeting to comment on and ask questions about the remuneration report. The remuneration report is set out in the Directors' Report section of the Annual Report.

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, the vote on the proposed resolution in Agenda Item 2 is advisory only and will not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Under the Corporations Act 2001, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, and at the first of those AGMs a Spill Resolution was not put to vote, shareholders will be required to vote at the second of those AGM's on a resolution (Spill Resolution) that another meeting be held within 90 days at which all of the Company's directors (excluding the Managing Director) must offer themselves for re-election. This additional shareholder meeting will be required if more than 50% of votes cast are in favour of the Spill Resolution.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the Company.

The proportion of votes cast against the adoption of the 2013 Remuneration Report was less than 25% of the total votes cast. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

The Board considers that its current practices of setting executive and non-executive remuneration are within normal industry expectations, and provides an effective balance between the need to attract and retain the services of the highly skilled key management personnel that the Company requires. As such the directors recommend that shareholders vote in favour of the Company's remuneration report at Agenda Item 2.

#### Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy***

***You must direct your proxy how to vote*** on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

---

## CONSOLIDATED TIN MINES LIMITED

ABN 57 126 634 606

### EXPLANATORY STATEMENT

#### 2. Adoption of Remuneration Report (Continued)

***If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).***

You ***do not*** need to direct your proxy how to vote on this Resolution. However, if you ***do not*** direct the Chair how to vote, ***you acknowledge that you are considered to have expressly authorised the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

***If you appoint any other person as your proxy***

You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to mark any further acknowledgement on the Proxy Form.

#### 3. Re-Election of Director – Mr Ralph De Lacey

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 11.3 of the Constitution provides, generally, that at the Company's annual general meeting in every year, one-third of the Directors (excluding the Managing Director) for the time being, or, if their number is not 3, nor a multiple of 3, then the number nearest one-third shall retire from office.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

The Company currently has 5 Directors, including the Managing Director, and accordingly 1 must retire.

Ralph De Lacey, the Director longest in office since his last election, retires by rotation and seeks re-election.

Mr De Lacey is one of the founders of the Company, which was established as a focused tin exploration and development company, to progress large tin deposits located on the lower Herberton Tin Field, near Cairns, to production

Mr De Lacey is an experienced, hands-on, mine manager and has extensive mining experience in north Queensland. He has managed successful large scale private mining operations and a number of successful mining and exploration projects throughout the region.

Mr De Lacey is also currently President of the influential lobby group, North Queensland Miners Association Inc.

Mr De Lacey has not been a Director of any other listed company in the last 3 years.

Mr De Lacey was appointed as a Director on 28th September 2007.

#### 4. Re-Election of Director – Mr John Banning

Section 201H(3) of the Corporations Act requires a person appointed by the other directors as a director of a public company, be confirmed by resolution at the company's following Annual General Meeting. Mr Banning was appointed by the Board as a director of the Company since the last Annual General Meeting and so is required to have his appointment confirmed at this meeting, accordingly Mr Banning retires and seeks re-election.

Mr Banning is a mining engineering graduate of the Montana School of Mines. He is a highly experienced mining and management professional with 17 years' experience in the mining and construction industries.

Mr Banning was previously Regional General Manager for Australian base metals producer Kagara Ltd's (ASX: KZL) Central Region projects. He has also worked for Stillwater Mining, Goldfields Australasia and BHP Billiton in a variety of senior positions at its Olympic Dam mine, along with management roles with Xstrata Copper and at the Renison Tin Mine in Tasmania. Mr Banning has not been a Director of any other listed company in the last 3 years.

Mr Banning was appointed as a Director on 17 February 2014.

---

## CONSOLIDATED TIN MINES LIMITED

ABN 57 126 634 606

### EXPLANATORY STATEMENT

#### 5. Approval of the Issue of Equity Securities up to 10% of the issued capital

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if it is an eligible entity, meaning: (a) the entity has a market capitalisation of \$300 million or less; and (b) the entity that is not included in the S&P ASX 300 Index. The Company is an eligible entity for the purposes of Listing Rule 7.1A.

If Shareholders approve Agenda Item 5, the number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

The Company is putting Agenda Item 5 to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity.

Approval of the resolution to Agenda Item 5 will provide the Company with increased flexibility when evaluating its capital raising requirements over the next 12 months, to advance exploration and feasibility studies of the Company's Mt Garnet Tin Project, fund potential acquisition or exploration opportunities that may arise and to provide working capital, without the need to seek Shareholder approval under Listing Rule 7.1.

#### Listing Rule 7.1A

The effect of Agenda Item 5 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without subsequent Shareholder approval and without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has 3 classes of Equity Securities on issue, being:

- (a) the Shares (ASX Code: CSD);
- (b) unlisted Options exercisable at \$0.30 expiring 31 December 2014; and
- (c) unlisted Options exercisable at \$0.40 expiring 31 December 2015.

Based on the number of Shares on issue at the date of this Notice the Company has **250,614,381** Shares on issue and therefore, subject to Shareholder approval being sought under Agenda Item 5, **25,061,438** Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A at the time of issue of the Equity Securities. The table on the page below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

The resolution the subject of Agenda Item 5 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

**CONSOLIDATED TIN MINES LIMITED**

ABN 57 126 634 606

**EXPLANATORY STATEMENT**

**5. Approval of the Issue of Equity Securities up to 10% of the issued capital (Continued)**

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$(A \times D) - E$
--------------------

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

- i. plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- ii. plus the number of partly paid shares that became fully paid in the previous 12 months;
- iii. plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
- iv. less the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

**Specific information required by Listing Rule 7.3A**

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

(a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities in that class, calculated over the 15 ASX Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If the resolution the subject of Agenda Item 5 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The table below shows the dilution of existing Shareholders of the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity using different variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable "A" is based on the number of ordinary securities the Company has on issue at the time of this Notice of Meeting, being 250,614,381 Shares. The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**CONSOLIDATED TIN MINES LIMITED**

ABN 57 126 634 606

**EXPLANATORY STATEMENT**

**5. Approval of the Issue of Equity Securities up to 10% of the issued capital (Continued)**

The table shows:

- (i) examples of where variable “A” is at its current level, where variable “A” has increased by 15% and 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 7<sup>th</sup> October 2014 (current market price), where the issue price is halved, and where it is doubled; and
- (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

Variable ‘A’	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.0295 Issue Price at half the current market price	\$0.059 Issue Price at current market price	\$0.118 Issue Price at double the current market price
Current Variable A <b>250,614,381</b> Shares	Shares issued	25,061,438	25,061,438	25,061,438
	Funds raised	\$739,312	\$1,478,625	\$2,957,250
	Dilution	10%	10%	10%
15% increase in current Variable A <b>288,206,538</b> Shares	Shares issued	28,820,654	28,820,654	28,820,654
	Funds raised	\$850,209	\$1,700,419	\$3,400,837
	Dilution	10%	10%	10%
100% increase in current variable A <b>501,228,762</b> Shares	Shares issued	50,122,876	50,122,876	50,122,876
	Funds raised	\$1,478,625	\$2,957,250	\$5,914,499
	Dilution	10%	10%	10%

Note: this table assumes:

- (i) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (ii) No Options or Performance Rights are exercised into Shares before the date of the issue of the Equity Securities;
- (iii) The Company issues the maximum number of Equity Securities under the Additional 10% Placement Capacity and the issue of Equity Securities consists only of Shares;
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholders holding at the date of the Annual General Meeting.
- (v) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances;
- (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- (vii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

**CONSOLIDATED TIN MINES LIMITED**  
**ABN 57 126 634 606**

**EXPLANATORY STATEMENT**

**5. Approval of the Issue of Equity Securities up to 10% of the issued capital (Continued)**

(c) Approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid), (Additional Placement Period).

(d) The Company may seek to issue the Equity Securities under the 10% Placement Facility for the following purposes:

- (i) cash consideration. If Equity Securities are issued for cash consideration, the Company intends to use the funds to advance exploration and feasibility studies of the Company's Mt Garnet Tin Project, fund potential acquisition or exploration opportunities that may arise and to provide working capital; or
- (ii) non-cash consideration for the acquisition of new assets. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) The Company's allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s). Securities issued pursuant to the allocation policy will be determined following consideration of a number of factors including, but not limited to, the following matters:

- (i) the purpose of the issue;
- (ii) the ability of the Company to raise funds at the time of the proposed issue of Equity and alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the dilutionary effect of the proposed on the issue of the Equity Securities on existing Shareholders at the time of proposed issue of Equity Securities;
- (v) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company;
- (vi) prevailing market conditions; and
- (vii) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

At the date of this Notice, the Company has not formed an intention as to whether the securities will be offered to existing security holders, or to any class or group of existing security holders, or whether the securities will be offered exclusively to new investors that have not previously been security holders of the Company. The Company will give consideration before making any placement of securities under Listing Rule 7.1A whether the raising of any funds under such placement could have been carried out in whole, or in part, by an entitlements offer to existing security holders.

The recipients under the Additional 10% Placement Capacity have not been determined as at the date of this Notice and could consist of current Shareholders or new investors (or both), but will not include related parties (or their associates) of the Company.

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

---

**CONSOLIDATED TIN MINES LIMITED**  
**ABN 57 126 634 606**

**EXPLANATORY STATEMENT**

**5. Approval of the Issue of Equity Securities up to 10% of the issued capital (Continued)**

(f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, and therefore no existing Shareholder will be excluded from voting on Agenda Item 5.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

(h) Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its 2013 Annual General Meeting.

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding 17 November 2014, being the date of the Meeting, the Company issued a total of 27,300,000 Shares. The Shares have been issued on the exercise of Options, so the total net number of New Securities issued is Nil.

The total amount of New Equity Securities issued represents a net nil overall dilution of the total diluted number of Equity Securities on issue in the Company on 17 November 2013, being 318,889,371.

Information relating to issues of Equity Securities by the Company in the 12 months prior to 17 November 2014 is as follows:

Date	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price <sup>1</sup> on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds  If issued for non-cash consideration – a description of the consideration and the current value of the consideration
30 December 2013	27,300,000 shares	Note 2	Ordinary fully paid shares issued to Snow Peak International Investments Limited on exercise of unlisted options, exercisable at 7 cents each and expiring 31 December 2013.	\$0.07 per share	\$1,911,000 cash  The funds raised were used to fund the Company's ongoing Definitive Feasibility Study at the Mt Garnet Tin Project and to provide working capital.

(h) Previous Approval under ASX Listing Rule 7.1A (Continued)

Notes:

- 1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises).
- 2. Fully paid ordinary shares in the capital of the Company, ASX Code: CSD (terms are set out in the Constitution).

**Directors Recommendation**

The Board recommends Shareholders vote in favour of Agenda Item 5.



**CONSOLIDATED TIN MINES LIMITED**  
**ABN 57 126 634 606**

**EXPLANATORY STATEMENT**

**6. Adoption of Consolidated Tin Mines Limited Performance Rights Plan**

Agenda Item 6 seeks Shareholder approval for the adoption of a performance rights plan (**Plan**) in accordance with Exception 9 of ASX Listing Rule 7.2.

Shareholders should note that the objective of the Plan is to attract, motivate and retain key employees, and that the following equity securities have been issued pursuant to the Plan since last approved by Shareholders:

- A total of 200,000 performance share rights have been issued to employees of the Company, pursuant to the terms and conditions of the Plan; and
- A total of 200,000 ordinary fully paid shares have been issued to employees of the Company on the exercise of vested performance share rights.

It is considered by the Directors that the adoption of the Plan and the future issue of Performance Rights under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

If the resolution in Agenda Item 6 is passed, the Company will be able to issue entitlements to Shares (**Performance Rights**) under the Plan without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 3 year period.

A summary of the terms and conditions of the Performance Rights Plan is set out in Schedule 1.

---

**EXPLANATORY STATEMENT**

**7. Approval of the Allotment and Issue of Shares to Related Party – ARM (NQ) Pty Ltd**

**ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party of the Company.

The Directors, and companies controlled by Directors, are related parties of the Company. Accordingly Shareholder approval is being sought for the issue of the number of Shares sufficient to repay the maximum loan amount of \$2 million plus accrued interest at 7% per annum, repayable to ARM (NQ) Pty Ltd pursuant to a loan agreement (refer ASX announcements 12 May 2014 and 21 August 2014).

For the purposes of ASX Listing Rule 10.13, the following information is provided:

- (a) The number of Shares to be issued by the Company to ARM (NQ) Pty Ltd will be determined by the loan balance (including any interest) owing at the time, divided by the deemed issue price. The maximum number of Shares that may be issued is 29,302,929;
- (b) The Shares will be allotted and issued within one month from the date of this Annual General Meeting;
- (c) The Shares will be allotted and issued at the deemed issue price of \$0.07 per Share;
- (d) The Shares will be allotted and issued to ARM (NQ) Pty Ltd, or its nominee;
- (e) The Shares allotted and issued will rank equally with the Company's existing ordinary fully paid shares on issue; and
- (f) No funds will be raised from this issue as the Shares will be issued in satisfaction of a loan provided by ARM (NQ) Pty Ltd pursuant to a loan agreement.

**Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) Obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) Give the benefit within 15 months following such approval,

Unless the giving of the benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue of Shares in satisfaction of amounts owed pursuant to a loan agreement may constitute the giving of a benefit to ARM (NQ) Pty Ltd, a related party of the Company by virtue of Mr Ralph De Lacey and Mr Martin Cai being directors.

The Directors, with the exception of Mr De Lacey, Mr Cai, who have material personal interests in the outcome of the resolution) and Mr Tong (who is the Director of the Company for which Mr Cai acts as Alternate Director), consider that Shareholder approval pursuant to Chapter 2E of the Corporation Act is not required as the deemed issue price of the Shares to be issued is considered to be set on arms-length terms.

**Information Provided to Allow Shareholders to Consider the Proposed Issue of Securities**

- (a) The proposed financial benefit to be given to ARM (NQ) Pty Ltd, or its nominees, is the issue of Shares, which will be calculated on the loan balance, including any accrued interest, divided by the deemed issue price of \$0.07 per Share;
  - (b) The Shares will be issued in satisfaction of the loan balance, plus accrued interest, made to the Company by ARM (NQ) Pty Ltd. The maximum number of Shares to be issued pursuant to this Resolution has been calculated based on settlement of the loan principal, plus the maximum amount of interest accrued from the initial draw down dates of the two loan tranches, as at 17 December 2014, being the latest date that securities may be issued to the director related entity, or its nominee, pursuant to Shareholder approval per this Resolution.
-

**CONSOLIDATED TIN MINES LIMITED**  
**ABN 57 126 634 606**

**EXPLANATORY STATEMENT**

**7. Approval of the Allotment and Issue of Shares to Related Party – ARM (NQ) Pty Ltd (Continued)**

**Information Provided to Allow Shareholders to Consider the Proposed Issue of Securities (Continued)**

The following table provides the basis for the maximum number of Shares to be issued to the related party pursuant to Shareholder approval sought pursuant to this Resolution:

	<i>Maximum amount payable</i>	<i>Maximum number of Shares at \$0.07 per Share</i>
Loan principal	\$2,000,000	28,571,429
Maximum accrued interest from draw down of the initial \$1 million loan funds	\$33,753	482,185
Maximum accrued interest from draw down of the final \$1 million loan funds	\$17,452	249,315
<b>Total</b>	<b>\$2,051,205</b>	<b>29,302,929</b>

- (c) Messrs De Lacey and Cai, being Director and Alternate Director respectively of the Company, and with an interest in ARM (NQ) Pty Ltd decline to make a recommendation to Shareholders in relation to the issue of Shares as they have a material interest in the outcome of this Resolution. Mr Tong, who is the Director of the Company for which Mr Cai acts as Alternate Director, also declines to make a recommendation to Shareholders.
- (d) The following information is provided in respect of the Company's share price in the 12 months prior to the date of this Notice:

Highest trading price	10.5 cents	7 November 2013
Lowest trading price	4.5 cents	14 July 2014
Most recent trading price	5.9 cents	7 October 2014

There is a potential benefit to ARM (NQ) Pty Ltd if the market trading price of the Company's Shares exceeds the deemed price of the issue of 7 cents per share. This benefit would accrue on the sale of Shares by ARM (NQ) Pty Ltd for an amount in excess of 7 cents per Share.

The deemed issue price of 7 cents per share, is at a 6.6% premium to the volume weighted average closing price based on the 30 days the Company's Shares were traded on ASX, prior to the date that the ARM (NQ) Pty Ltd loan facility was announced to ASX, being 12 May 2014.

- (e) If Shareholders approve the issue of Shares to ARM (NQ) Pty Ltd, the effect will be to dilute the shareholdings of existing Shareholders.

The maximum number of Shares to be allotted for the purposes of this Resolution being 29,302,929, will increase the number of Shares on issue from 250,614,381 to 279,917,310, with the effect that the shareholding of existing Shareholders will be diluted by approximately 11.7% (based on the Company's undiluted capital structure at the date of this Notice)

**CONSOLIDATED TIN MINES LIMITED**  
**ABN 57 126 634 606**

**EXPLANATORY STATEMENT**

**7. Approval of the Allotment and Issue of Shares to Related Party – ARM (NQ) Pty Ltd (Continued)**

**Information Provided to Allow Shareholders to Consider the Proposed Issue of Securities (Continued)**

- (f) The respective interests of the Related Parties in equity securities in the Company as at the date of this Notice is as follows:

<i>Related Party</i>	<i>Number of Shares</i>	<i>Number of Options</i>
ARM (NQ) Pty Ltd	Nil	Nil
Ralph De Lacey	16,600,000	2,200,000
Martin Cai	Nil	Nil

- (g) With the exception of Messrs De Lacey and Cai, no other director has a material interest in the outcome of the Resolution. The Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interest of the Company to pass the Resolution.

The Board, other than those Directors with a personal interest in the outcome of the Resolution, recommends that Shareholders approve the Resolution for the reasons that the Company will be able to repay the full loan amount, including any interest accruing under the loan agreement, without using the Company's cash reserves.

The Board does not consider that from an economic and commercial point of view, that there are any material costs or detriments, including opportunity costs or taxation consequences for the Company or material benefits foregone by the Company in issuing the proposed Shares to ARM (NQ) Pty Ltd.

**CONSOLIDATED TIN MINES LIMITED**  
**ABN 57 126 634 606**

**EXPLANATORY STATEMENT**

**8. Issue of Options – Priority offer**

**8.1 General**

As announced to the ASX on 20 December 2013, the Company proposes to undertake a pro rata non-renounceable Priority Offer on the basis of one (1) new Option for every one (1) Listed Options held by Optionholders registered on 31 December 2013 (**Record Date**) at an issue price of 0.5 cents per Option to raise approximately \$308,375 (**Priority Offer**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of the Resolution will be to allow the Company to issue the Options, to be issued to unrelated parties, pursuant to the Priority Offer during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Agenda Items 9, 10 and 11 seek Shareholder approval for the participation of the Directors in the Priority Offer and the Options the subject of each of those Resolutions are part of and not in addition to the Options the subject of this Resolution.

The Company will prepare a prospectus in relation to the Priority Offer. Subject to the requirements of the ASX Listing Rules, the Company will seek quotation of the Options issued in relation to the Priority Offer.

**8.2 Technical Information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Entitlement Issue:

- (a) the maximum number of Options to be issued and allotted is 61,674,990 Options;
  - (b) the Options will be issued at 0.5 cents per Option;
  - (c) the Options will be issues to unrelated parties and holders of Listed Options in the Company on the Record Date who apply for Options under the Priority Offer;
  - (d) the terms and conditions of the Options are set out in Schedule 2. It is the Company's intention to seek quotation for the Options on the ASX following completion of the priority offer. However, there is no guarantee that ASX will grant quotation of these Options and/or quote these Options on ASX, as ASX has the discretion to grant quotation for an entity's securities and there are minimum requirements that must be met before quotation may be granted (including without limitation, minimum spread requirements);
  - (e) funds raised from the Priority Offer will be used to pay the costs of the issue and supplement the general working capital of the Company; and
  - (f) the Options to be issued to unrelated parties of the Company, in accordance with this Resolution, will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date.
-

**CONSOLIDATED TIN MINES LIMITED**  
**ABN 57 126 634 606**

**EXPLANATORY STATEMENT**

**9 Issue of Options to related parties – Agenda Items 9 - 11**

**9.1 General**

Pursuant to Agenda Items 9 - 11, the Company is seeking Shareholder approval for the issue of Options to Messrs Ralph De Lacey, Andrew Kerr and Martin Cai (or their nominees), directors of the Company, on the same terms as Priority Offer set out in Section 8.1 above (i.e. to allow the Directors to participate in the Priority Offer).

The resolutions seek Shareholder approval for the issue of up to 20,422,500 Options to Messrs Ralph De Lacey, Andrew Kerr and Martin Cai (or their nominees) in the following proportions:

- 4,725,000 to Mr Ralph De Lacey (and/or his nominees);
- 10,000 to Mr Andrew Kerr (and/or his nominees); and
- 15,687,500 to Mr Martin Cai (and/or his nominees),

arising from the proposed participation by Messrs Ralph De Lacey, Andrew Kerr and Martin Cai in the Priority Offer (**Participation**).

The Options the subject of Agenda Items 9, 10 and 11 are part of and not in addition to the Options the subject of Agenda Item 8.

**9.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Options constitutes the giving of a financial benefit and Messrs Ralph De Lacey, Andrew Kerr and Martin Cai are related parties of the Company by virtue of being Directors.

With respect to Agenda Item 9, the Directors (other than Mr Ralph De Lacey who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Options will be issued to Mr Ralph De Lacey on the same terms as Options issued to non-related party participants in the Priority Offer and as such the giving of the financial benefit is on arm's length terms.

With respect to Agenda Item 10, the Directors (other than Mr Andrew Kerr who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Options will be issued to Mr Andrew Kerr on the same terms as Options issued to non-related party participants in the Priority Offer and as such the giving of the financial benefit is on arm's length terms.

With respect to Agenda Item 11, the Directors (other than Mr Martin Cai who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Options will be issued to Mr Martin Cai on the same terms as Options issued to non-related party participants in the Priority Offer and as such the giving of the financial benefit is on arm's length terms.

---

**CONSOLIDATED TIN MINES LIMITED**  
**ABN 57 126 634 606**

**EXPLANATORY STATEMENT**

**9 Issue of Options to related parties – Agenda Items 9 – 11 (Continued)**

**9.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Priority Offer involves the issue of Options to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

**9.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Options will be allotted as follows:
  - 4,725,000 to Mr Ralph De Lacey (and/or his nominees);
  - 10,000 to Mr Andrew Kerr (and/or his nominees); and
  - 15,687,500 to Mr Martin Cai (and/or his nominees),  
*each of whom are directors of the Company;*
- (b) the maximum number of Options to be issued is 20,422,500, in the proportions outlined in (a) above;
- (c) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (d) the issue price will be 0.5 cents per Option;
- (e) the Options will be issued on the terms and conditions set out in Schedule 2. It is the Company's intention to seek quotation for the Options on the ASX following completion of the priority offer. However, there is no guarantee that ASX will grant quotation of these Options and/or quote these Options on ASX, as ASX has the discretion to grant quotation for an entity's securities and there are minimum requirements that must be met before quotation may be granted (including without limitation, minimum spread requirements);
- (f) the funds raised will be used to pay the costs of the issue and supplement the general working capital of the Company.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Options to Messrs Ralph De Lacey, Andrew Kerr and Martin Cai (and/or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

---

**CONSOLIDATED TIN MINES LIMITED**  
**ABN 57 126 634 606**

**EXPLANATORY STATEMENT**

---

**GLOSSARY**

---

**\$** means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Consolidated Tin Mines Limited (ACN 126 634 606).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Performance Right** means an right to acquire a Share with the terms and conditions set out in Schedule 1.

**Optionholder** means a holder of an Option.

**Option** means an option to acquire a Share.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2014.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**AEST** means Eastern Standard Time as observed in Queensland, Australia.

---



CONSOLIDATED TIN MINES LIMITED

ABN 57 126 634 606

EXPLANATORY STATEMENT

---

**SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN**

---

The following is a summary of the key terms and conditions of the Plan to be adopted by Shareholders pursuant to Agenda Item 6:

- (a) **Entitlement to Participate:** the Board will determine in its discretion whom is entitled to participate in the Plan and issue an invitation to that person. The Board will consider factors such as seniority and position of the potential participant, length of service, record of employment and potential contribution to growth and profitability of the Company.
  - (b) **Rights:** each Performance Right issued under the Plan is a right to be issued with or transferred a single Share, free of encumbrances.
  - (c) **Expiry Date:** means the date on which a Performance Right lapses (if it has not already lapsed in accordance with the Plan) as specified in the offer made to the participant.
  - (d) **Vesting Conditions:** the Board will determine the Vesting Conditions that must be satisfied by a participant before the Performance Right vests in the holder.
  - (e) **Vesting:** a Performance Right will vest in a participant where the Vesting Conditions are satisfied or waived by the Board or where the Performance Right vests as a result of Accelerated Vesting.
  - (f) **Accelerated Vesting:** The Board may in its discretion determine that all or a specified number of a participant's unvested Performance Rights vest where:
    - (i) the participant dies;
    - (ii) the participant ceases to be employed by the Company;
    - (iii) a takeover bid for the Company's issued Shares is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares;
    - (iv) a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
    - (v) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.
  - (g) **Lapse of an unvested Performance Right:** A Performance Right that has not vested will lapse upon the earlier to occur of:
    - (i) a failure to meet the Performance Right's Vesting Conditions;
    - (ii) the Expiry Date;
    - (iii) the Participant ceasing to be an employee;
    - (iv) the Performance Right lapsing due to the Participant ceasing to be an employee or due to the occurrence of a Takeover Bid, compromise or arrangement or winding up;
    - (v) the Performance Right lapsing due to an unauthorised transfer, or purported transfer, of the Performance Right;
-

CONSOLIDATED TIN MINES LIMITED

ABN 57 126 634 606

EXPLANATORY STATEMENT

---

**SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN (CONTINUED)**

---

- (vi) a determination of the Board that the Performance Right is to lapse due to fraud or dishonesty; or
    - (vii) the day before the end of the 7 year anniversary of the date of grant of the Performance Rights.
  - (h) **Lapse of a vested Performance Right:** A Performance Right that has vested but not been validly exercised will lapse upon the earlier to occur of:
    - (i) the Expiry Date (if any);
    - (ii) the Performance Right lapsing due to an unauthorised transfer, or purported transfer, of the Performance Right;
    - (iii) a determination of the Board that the Performance Right is to lapse due to fraud or dishonesty; or
    - (iv) the day before the end of the 7 year anniversary of the date of grant of the Performance Right
  - (i) **Issue Price:** the issue price of the Shares to be offered under the Scheme will be the weighted average trading price of the Shares on ASX during the 5 trading days immediately preceding the date of invitation. In the event no trading has occurred during that period the issue price will be the last price at which an offer to purchase a Share was made on ASX.
  - (j) **Exercise of Performance Right:** A participant may exercise a Performance Right that is entitled to exercised by lodging with the Company a notice of exercise of the Performance Right in the form (if any) prescribed by the Company, and the certificate for the Performance Right.
  - (k) **Quotation:** If Shares of the same class as those allotted under the Plan are listed on the ASX the Company will apply to the ASX within a reasonable time after they are allotted for those Shares to be listed.
  - (l) **New Issues:** Other than adjustments for bonus issues and reorganisation of the issued capital of the Company, participants are not entitled to participate in any new issue of securities of the Company as a result of their holding Performance Rights during the currency of any Performance Rights and prior to vesting. In addition, participants are not entitled to vote nor receive dividends as a result of their holding Performance Rights.
-

CONSOLIDATED TIN MINES LIMITED

ABN 57 126 634 606

EXPLANATORY STATEMENT

---

SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS–PRIORITY OFFER

---

- (a) **Entitlement** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price** Subject to reconstruction of capital, the amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).
- (c) **Expiry Date** Each Option will expire at 5.00pm (WST) on 31 December 2015 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period** The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise** The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise** Within 15 Business Days after the later of the following:  
the Exercise Date; and  
when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, but in any case no later than 20 Business Days after the Exercise Date, the Company will:
- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (i) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- If a notice delivered under (i) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) **Shares issued on exercise** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **Quotation of Options** The Company will apply to the ASX for quotation of these options upon completion of the priority offer. There is no guarantee that ASX will grant quotation of these Options and/or quote these Options on ASX, as ASX has the discretion to grant quotation for an entity's securities and there are minimum requirements that must be met before quotation may be granted (including without limitation, minimum spread requirements)
- (j) **Quotation of Shares issued on exercise** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (k) **Reconstruction of capital** If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) **Participation in new issues** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (m) **Change in exercise price** An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (n) **Transferability** The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
-

*This page has been left blank intentionally.*