

7 July 2014

ASX/MEDIA RELEASE

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ASX CODE: CSD



ABOUT CSD

Consolidated Tin Mines Limited is an Australian Listed tin focused company developing a large scale tin project at Mt Garnet in the lower Herberton Tinfield in north Queensland



CAPITAL STRUCTURE

Snow Peak	25.4%
Ralph De Lacey	6.5%
Beacon Minerals	5.9%
Geocrystal	3.6%
John Sainsbury	3.1%



OBJECTIVE

To become Australia's premier tin producing company



STRATEGY

To develop and establish tin production by 2015 and focus on increasing mine life and production profile by developing other tin production opportunities within the broader Mt Garnet Tin Project area



Snapshot:

Current CSD Share Price: **\$0.05**

Current LME Tin Price: **US\$22,775**

Detailed information at
www.cstdtin.com.au

Consolidated Tin Mines signs Memorandum of Understanding to acquire all Snow Peak Mining assets

HIGHLIGHTS

- Consolidated Tin Mines Limited (CSD or the Company) has signed a binding MOU with Snow Peak Mining Pty Ltd (SPM) for the acquisition of all SPM assets, subject to the satisfaction of various conditions precedent, including CSD shareholder approval.
- The proposed transaction comprises the acquisition of all SPM assets including the operating Mt Garnet Concentrator Facility (as referenced in the MOU signed on 27th November 2013, and announced to the ASX on 29th November), plus the Surveyor-Balcooma mine, the Einasleigh and Maitland projects, all associated mining tenements, mining plant and equipment, mineral rights agreements and associated mining information.
- CSD will issue consideration of 600,000,000 ordinary fully paid shares (Consideration Shares) and a convertible note for \$16.5M to SPM. The Consideration Shares will be subject to a two year voluntary escrow period.
- The acquisition is subject to the approval of CSD shareholders at an Extraordinary General Meeting which will include an Independent Expert's Report and details of the SPM assets, scheduled for a date to be set in early September 2014.

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Australian tin exploration and development company Consolidated Tin Mines Limited (ASX: CSD) is pleased to announce that it has entered into a binding Memorandum of Understanding with SPM to acquire its entire suite of assets, including those that were previously acquired by SPM from Kagara Limited. This includes the Mt Garnet concentrator facility and associated tenements, the Surveyor-Balcooma mine and the Einasleigh & Maitland projects and associated mining tenements, mining plant and equipment, and all mining information and associated mining information, plus the Baal Gammon Minerals Rights Agreement (MRA).

This MOU replaces the previously signed MOU (refer ASX release 29th November 2013). The superseded MOU involved only the acquisition of the Mt Garnet processing plant and the mining tenements directly associated with the processing plant for consideration of 285,000,000 fully paid ordinary shares, plus another 30,000,000 shares to extinguish a \$3 million advance received from Snow Peak International Investments (SPII).

Under this new Agreement, the Company proposes to acquire the entire suite of assets owned by SPM, including the replacement of environmental bonds and liability, and the transfer of all existing employees. CSD will issue to SPM 600,000,000 fully paid ordinary CSD shares and a convertible note for \$16.5 million as consideration for the acquisition. The convertible note will be convertible into 165,000,000 ordinary shares and redeemable on or before 1st September 2015. The issue of the shares and convertible note will be subject to shareholder approval.

Upon completion of the proposed transaction, SPM will hold approximately 68% of the Company's shares. SPM have agreed the Consideration Shares will be held in voluntary escrow for a period of two years.

As proposed in the superseded MOU, the Company will also, subject to shareholder approval, issue 30,000,000 fully paid ordinary CSD shares to Snow Peak International Investment (SPII) as repayment of a \$3 million advance payment made to Consolidated Tin as per the Heads of Agreement signed 18th April 2012 (refer ASX release 3rd May 2012). SPII has agreed to a voluntary escrow period in respect of these shares for a period of two years. SPII will hold approximately 11% of Consolidated Tin, down from its current 25% shareholding.

The Company will have a first right of refusal to buy-back the shares referred to in this announcement in the event the holder wishes to dispose of them.

Shareholder approval will be sought for the acquisition of SPM's assets for various purposes, including, without limitation, Item 7 of Section 611 of the Corporations Act.

Completion of the proposed transaction pursuant to the MOU is subject to various conditions precedent, including the following material conditions:

- (a) the shareholders of the Company approving the transaction. A notice of meeting for an Extraordinary General Meeting (EGM) will be sent to shareholders in due course and will contain an Independent Expert's Report which will report on the fairness and reasonableness of the transaction;
- (b) the Company and SPM completing due diligence investigations to their satisfaction and entering into a full formal agreement within 21 days of execution of the MOU;
- (c) security holders (including ICBC, Kagara and Investec) releasing, or consenting to the acquisition of the various assets the subject of the transaction from their security; and
- (d) if required, Foreign Investment Review Board approval of the transaction.

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CSD's managing Director John Banning said:

"Acquiring the SPM assets creates an opportunity to continue to develop the Mount Garnet Tin Project as well as to develop new opportunities contained within the current SPM and CSD asset bases. Bringing these significant assets together further enables CSD to ensure transparency with clear strategy alignment, and positions the company to efficiently implement development plans while fully leveraging resource, project, operational and financial synergies." (see Figure 1: Cross-section of CSD & SPM Assets)

Full details of the transaction will be contained in the notice of meeting for the EGM and independent expert's report that will be provided to shareholders in due course.

ENDS

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About Consolidated Tin Mines

Consolidated Tin Mines is an emerging ASX-listed (ASX: CSD) tin explorer and developer. Its major project is the Mt Garnet Tin Project approximately 180km south west of Cairns in northern Queensland, comprised of the Gillian, Pinnacles and Windermere deposits. The project is located in an established mining area, in close proximity to mining and concentrating infrastructure. Consolidated Tin's objective is to develop the project into a major low cost, open pit tin mining operation processing 1Mt per annum to produce approximately 5,000 tonnes p.a. of tin in concentrate, commencing with key deposits, Gillian and Pinnacles. On completion of a favourable DFS later in 2014, Consolidated Tin's strategy will be to develop and establish tin production in 2015 and focus on increasing mine life and production profile by developing other tin production opportunities within the broader Mt Garnet Tin Project area.

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Figure 1: Cross-section of CSD and SPM Assets (Clockwise from 12 o'clock):

- Gillian Project Preliminary Design
- Mt Garnet Concentrator Site
- Einasleigh Project (soils & magnetics)
- Surveyor-Balcooma Open Pit and Underground Mines – Polymetallic (Lens 2) Reserves
- Gillian 2014 Resource Model
- Pinnacles Project Preliminary Design
- Surveyor- Balcooma Mine Site
- Mt Garnet Concentrator
- Asset locations (centre)

