
ASX/Media Release
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CONSOLIDATED TIN TO ACQUIRE TIN ASSETS OF NORTH QUEENSLAND METALS

- Heads of Agreement (HoA) signed with North Queensland Metals Limited to acquire its tin assets in the Herberton Tin Field in North Queensland
- Strengthens Consolidated Tin's position as the major tin company in the historic Herberton Tin Field
- Increases the Company's tenement holding in the region by 26% (6,058 km²)
- Creates a dominant position for Consolidated Tin which delivers many synergies and boosts prospects of early production of tin concentrates
- HoA provides a 90-day exclusive period to conclude formal agreement

Australian tin exploration and development company Consolidated Tin Mines Ltd (ASX: CSD) is pleased to announce that it has signed a Heads of Agreement (HoA) with North Queensland Metals Limited (ASX: NQM) to acquire NQM's tin assets in the Herberton Tin Field in North Queensland.

The acquisition consolidates Consolidated Tin's position as the pre-eminent tin Company in the historic Herberton Tin Field, and increases the Company's holding of tin assets in the region by 26% (6,058 km²)(see figure 1).

Under the terms of the agreement the two parties have a 90-day exclusivity period to conclude a formal agreement to effect the consolidation.

On completion of the formal agreement and the acquisition of NQM's tin assets, NQM will receive 25 million Consolidated Tin shares, \$500,000 cash and a royalty of 2.0% based on mineral production generated by Consolidated Tin from all NQM tenements acquired by Consolidated Tin (and EPM14016 and EPM16231).

The agreement is conditional upon the following:

- (a) Shareholder, ASIC and ASX approval requirements of NQM and CSD to be obtained by the end of the Exclusivity Period;
- (b) board approval of NQM and CSD to be obtained by the end of the Exclusivity Period;
- (c) NQM receiving notice under the Mining Act of the Minister's indicative approval to the transfer of the Sale Tenements to CSD;

- (d) CSD demonstrating to the mutual reasonable satisfaction of CSD and NQM by the end of the Exclusivity Period that CSD has the financial capacity to fund exploration and development goals in relation to the Sale Tenements;
- (e) if additional shareholder or other approvals are required as a result of any share issue required to satisfy the condition precedent in (d), including approval under Listing Rule 7.1 and section 611 item 7 Corporations Act (if necessary), those approvals must be obtained by CSD by the end of the Exclusivity Period;
- (f) NQM's and CSD satisfactory due diligence review to be completed within 35 days after the date of signing the HoA; and
- (g) between the date of signing the HoA and the date of Completion, there is no occurrence of a Prescribed Occurrence or a Material Adverse Change.

NQM will also become a cornerstone shareholder in Consolidated Tin, and will have the right to board representation.

The two companies have adjoining tenements covering the Herberton Tin Field near Cairns in North Queensland, and combined will form a dominant position which offers synergies and boosts the prospects of early production of tin concentrates.

The NQM's tenements which will be acquired by Consolidated Tin include the highly prospective tin targets and former tin mining operations such as Vulcan, Arbouin, Jumna and Stannary Hills.

NQM will retain the Baal Gammon Copper project and base metals tenements (EPM 14016 & 16231). Consolidated Tin will have the right to explore and peg leases for all minerals other than copper, nickel, lead and zinc on NQM's retained ground and NQM will have reciprocal rights to do the same with respect to copper, nickel, lead and zinc on the tenements transferred to Consolidated Tin.

Consolidated Tin managing director Ralph De Lacey said that the Agreement with North Queensland Metals represented a significant step towards the company's aim of becoming a significant tin producer.

"The merging of North Queensland Metal's tin assets with ours brings about a major consolidation of the Herberton tin field and signals a new and exciting era for Consolidated Tin. Bringing the majority of the Herberton tin field into the one company makes great economic sense as it gives us significant economies of scale, whilst maintaining economic management of all the tin projects without duplication," Mr De Lacey said. "The addition of the Sailor Project is also very significant as this large tin mineralised area located close to the proposed CSD Central Mill has potential to add significantly to the company's exploration targets." (See figure 3)

The Agreement will give Consolidated Tin the opportunity to unlock significant increased value from the NQM tin assets to add to the company's increasing confidence as a developing major tin producer.

ENDS

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Table 1: JORC Resource Upgrade at Gillian Tin Project

TIN (Sn)	Measured tonnes	Grade %	Indicated tonnes	Grade %	Inferred tonnes	Grade %	Total tonnes	Grade %
Gillian	1,203,000	0.82	824,100	0.73	974,100	0.83	3,001,200	0.80
Pinnacles - Wafer	-	-	218,200	0.49	1,133,100	0.39	1,351,300	0.41
Pinnacles - Sniska	-	-	-	-	306,900	0.32	306,900	0.32
Pinnacles - Hartog	-	-	-	-	212,700	0.51	212,700	0.51
Deadmans Gully	-	-	401,500	0.49	-	-	401,500	0.49
TOTAL	1,203,000	0.82	1,443,800	0.63	2,626,800	0.56	5,273,600	0.64

The information contained in this report that relates to assay results of rock samples and drill chips, to mineral resource estimates and to ore reserve estimates of mineralisation is based on information compiled by John Sainsbury (BSc, AusIMM) an executive director of Consolidated Tin Mines Limited. John Sainsbury is a geologist of 30 years experience and has sufficient experience in the type of mineralisation under consideration to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - JORC Code, 2004 Edition. John Sainsbury has consented to the inclusion of this information in the form and context in which it appears.

About Consolidated Tin Mines

Consolidated Tin Mines Limited (CSD) is a junior exploration company with a focus on Tin at Mt Garnet in the Herberton tin field in North Queensland.

To date the Company has drilled a total of 6,300 metres across 137 holes at its Mt Garnet Tin Project and the project has a **total JORC Resource of 5.3Mt @ 0.64% Tin (Sn) and 5.3Mt @ 26.39 Iron (Fe) & 0.96Mt @15.25% Fluorite (F).**

The Resource also includes a JORC Measured Resource of 1.2Mt @ 0.82% tin.

The Company's short to medium term goals are:

- Further expand resources at Gillian, Pinnacles and Windermere/Deadmans Gully
- Develop a hard rock mining operation
- Develop an alluvial mining operation
- Explore other known mineralisation within current tenement holding to provide resource expansion

Figure 1. CSD & NQM Herberton Tin Field Tenure

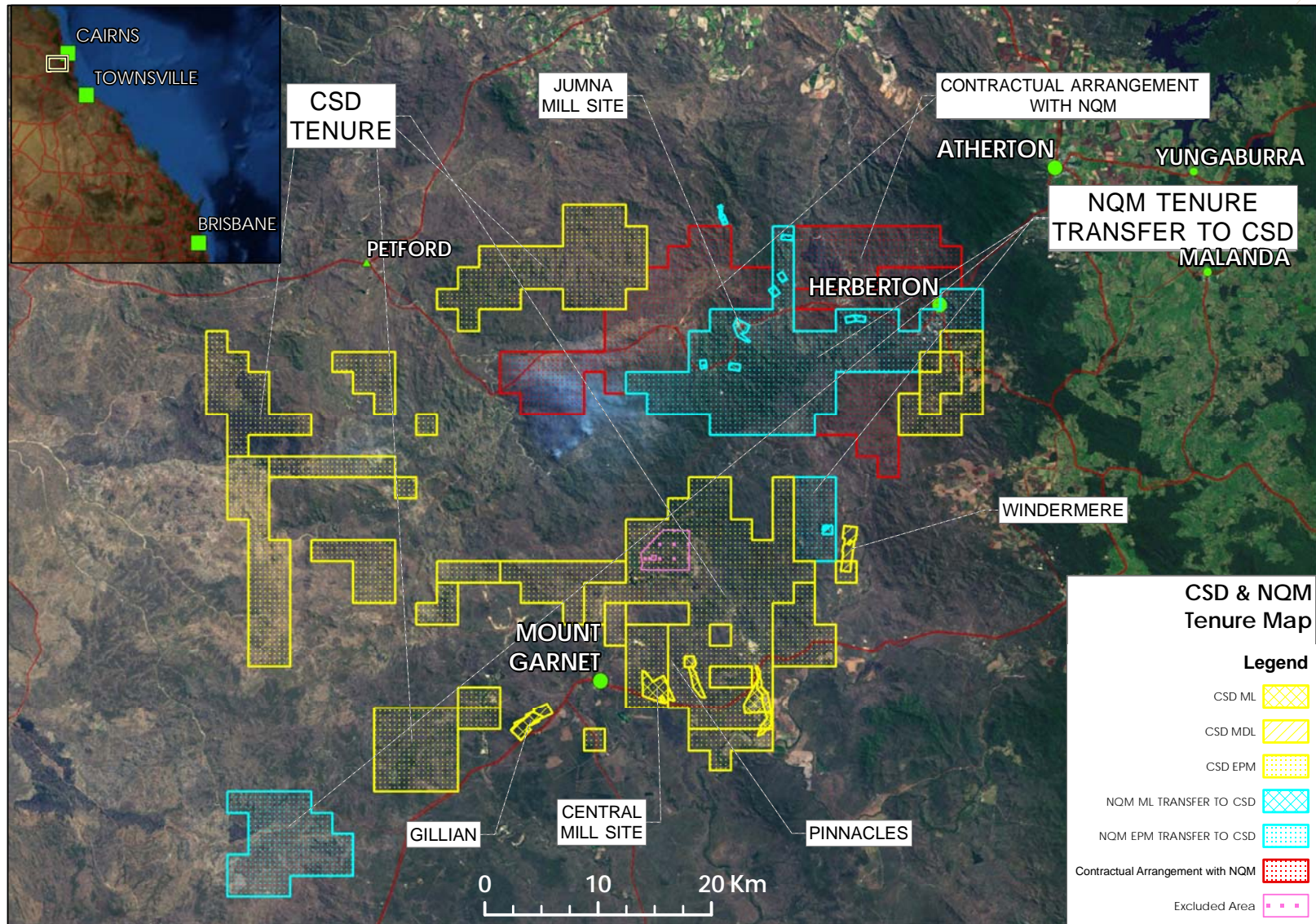


Figure 2. CSD & NQM Tenures

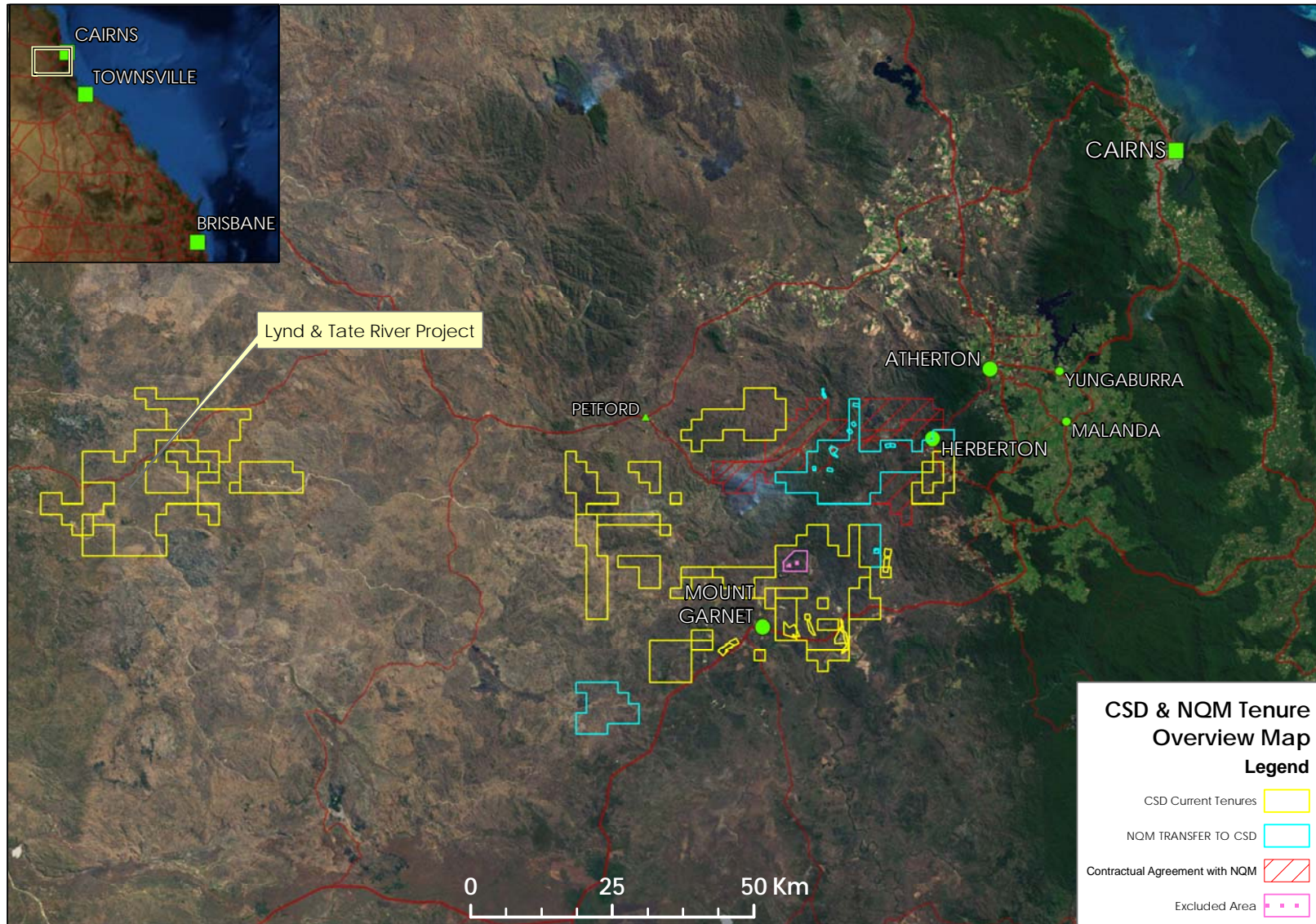


Figure 3. CSD Mt Garnet Key Projects

