

8 July 2010

Dear Fellow Shareholder,

Shareholder Update and Extension of Entitlement Offer

We write to inform you that the board has resolved to extend the Entitlement Offer for an additional 14 days to allow shareholders to consider the company's recent announcements concerning the positive developments at its Mt Garnet Tin project and to allow more time to consider taking up the offer.

The offer will now close 20 July 2010. A revised timetable for the completion of the offer is as follows:

Event	Revised date
Closing date 5pm (WST)	20 July 2010
Allotment date	21 July 2010
Notify ASX of under-subscriptions	23 July 2010
Dispatch holding statements	28 July 2010
Trading begins in Shares issued under the prospectus	29 July 2010

As a current shareholder you are entitled to take up 1 new share for every 1 share held in the company for 4 cents per share as set out in the Prospectus previously sent to you.

For further details refer entitlement issue prospectus dated 28 May 2010 and lodged with ASX on that date, and announcement to ASX regarding the extension of the offer on 28 June 2010.

Clear Focus

The CSD board has maintained a very clear focus on developing the company into a major tin producer. This focus has not altered since the company was established in 2007. The company holds an excellent portfolio of tin projects in the Mt Garnet area in northern Queensland and remains committed to bringing these forward into a substantial tin mining project.

Recent developments:

Metallurgy

The company recently released a review of metallurgical testwork at the project that showed its progress in achieving a high level of tin recoveries from the Mt Garnet Tin Project. Testwork undertaken to date has been reviewed by independent experts SEMF Pty Ltd, who have strong experience in tin at Australia's only producing tin mine, the Renison Tin mine in Tasmania.

Based on the preliminary process flowsheet a likely baseline throughput has been estimated at 700,000 tonnes per annum. This baseline throughput is used for the purpose of equipment sizing, and developing capital cost and operating cost estimates.

We encourage you to read the reports which are now published on the company's web site. We consider the results to date from our ongoing metallurgy as a major milestone in the company's development progress.

For further details regarding the metallurgical testwork of the Mt Garnet project to date please refer to the announcement to ASX on 22 June 2010.

Scoping Study

Following the metallurgy testwork results the company also recently announced results of a scoping study.

This study investigated the potential of establishing a central mill near Mt Garnet to process tin from the three separate deposits (Gillian, Pinnacles and Windermere) that currently make up the Mt Garnet project. Over time the company is confident of bringing other deposits into the project from other prospects within its land holding.

The scoping study indicates that the Mt Garnet project has the potential to deliver a gross value of A\$500 million and a strong surplus of A\$245 million at a conservative tin price of A\$18,000 per tonne. These figures are based on a mine throughput of 700,000 tonnes per annum, producing 22,868 tonnes tin metal in concentrate plus 1,774,500 tonnes magnetite over an initial mine life of 7.5 years, which is based only on current reported JORC Resources at the project.

The Company's exploration activities lead it to believe that there is significant additional tin potential at shallow depths at the project, which represents a strong opportunity for further exploration to uncover additional tin resources and expand the project.

The scoping study estimates that, using the current resource of 5,273,600 tonnes at 0.64% tin, the project has the potential to produce 22,868 tonnes tin metal concentrate plus 1,774,500 tonnes of iron (magnetite) concentrate.

The initial capital cost to develop the project is estimated at A\$124 million. The company will continue to assess required infrastructure and mining techniques to develop the project in a cost effective manner. The Company is also actively seeking a strategic partner to help provide project funding and development of the project, to realise the full long term potential of the Mt Garnet Tin project.

The next stage in the project's development is to conduct feasibility studies on the project, and the current Entitlement Issue is intended to fund the first stage of this – a pre-feasibility study.

The Board is of the view that the true long term potential of the Mt Garnet project is not reflected in the Company's current share price.

For further details regarding the Mt Garnet scoping study and development costs please refer to the announcement to ASX on 6 July 2010, a copy of which is included with this letter.

Tin market outlook

Although tin is not a 'high profile' metal in the market, research and future projections indicate a future shortfall in tin supply at a time when tin metal is again being recognised for its benign, non toxic qualities. Tin's major historic usage is in the manufacture of food containers and utensils, and this is expanding in line with population growth around the world and demand from emerging economies. Tin is also seen as the best substitute for toxic materials like lead, with a current major use being in lead free solder used in the electronics industry.

The company is of the view that this is a good time to be involved in the tin sector and it is very well placed with a developing large scale tin project.

We urge you to take up this offer and participate in the next stage of this exciting project. We also take this opportunity to thank you for your support to date.

Best regards,



Ralph De Lacey
Chairman/Managing Director
Consolidated Tin Mines
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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.