

# CONSOLIDATED TIN MINES LIMITED



15 April 2011

## Company Announcements Office

Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

### NON-RENOUCEABLE ENTITLEMENT ISSUE, TIMETABLE AND APPENDIX 3B

The Directors are pleased to announce an opportunity for the holders of shares in the Company (**Shareholders**) to participate in a non-renounceable pro-rata Entitlement issue.

Pursuant to the Entitlement Issue, the Company will issue up to 31,681,279 new fully paid ordinary shares (**New Shares**) at 12 cents per share (**Offer**) to raise up to \$3,801,753 (before costs). The New shares will be offered on the basis of one (1) New share for every four (4) shares held in the capital of the Company at the Record Date (**Entitlement**). For each New share subscribed for under the Entitlement Issue, the Company will issue one attaching listed Option (**'CSDO'**), exercisable at 20 cents each on or before 31 December 2013, for no further consideration.

The New shares will be fully paid and will rank equally with the company's existing issued Shares. The Company will make an application to the Australian Securities Exchange Limited (**ASX**) for official quotation of the Options attaching to the Offer.

All holders of fully paid shares on the Company's Register as at **5.00pm (WST) on 29 April 2011 (Record Date)** are entitled to take up this Offer.

### Fully Underwritten

The Offer is fully underwritten by RM Corporate Finance Pty Ltd (AFSL 315235) (**Underwriter**). Entitlements as a result of additional Shares issued due to the exercise of Options prior to the Record Date will be underwritten. The underwriting is subject to standard terms and conditions and further details are set out in the Prospectus.

The Company has agreed to pay the Underwriter a total fee amounting to 6% (excluding GST) of the Underwritten Amount, as well as reimbursement of expenses.

### Key dates

With respect to the Entitlement Issue, the Company will accept applications until **5.00pm WST on Thursday, 19 May 2011** or any other date the Directors in their absolute discretion determine, subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable law. An indicative timetable for the Entitlement Issue is as follows:

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**CONSOLIDATED TIN MINES LIMITED**

ABN 57 126 634 606 ACN: 126 634 606  
395 Lake Street North Cairns Qld 4870.  
Ph (07) 4032 3319 – Fax (07) 4027 9429  
Email: admin@csdtin.com.au

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Lodgement of Prospectus with ASIC And ASX	15 April 2011
Notice of Entitlements Issue sent to option-holders	19 April 2011
Notice of Entitlements Issue sent to shareholders	19 April 2011
Shares quoted on an "ex" basis	20 April 2011
Record Date for Determining Entitlement to New Shares	5pm (WST) 29 April 2011
Prospectus and Entitlement and Acceptance Form Despatched to Eligible Shareholders	5 May 2011
Closing Date for Receipt of Acceptances and Application Monies *	5.00pm (WST) on 19 May 2011
Securities quoted on a deferred settlement basis	20 May 2011
Underwriter notified of under-subscriptions	23 May 2011
Anticipated Date for Allotment and Issue of New Shares*	27 May 2011
Despatch of Holding Statements*	27 May 2011

**\* The Dates set out are subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable law, to amend this timetable.**

**A Prospectus and an Appendix 3B with respect to the Entitlement Issue follows.**

Yours sincerely

**CONSOLIDATED TIN MINES LIMITED**



**Kevin Hart**  
Company Secretary

# CONSOLIDATED TIN MINES LIMITED

## ABN 57 126 634 606

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### ENTITLEMENT ISSUE PROSPECTUS

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For a pro rata non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by Shareholders at the Record Date at an issue price of \$0.12 per Share to raise approximately \$3,801,753 (**Entitlement Issue**). For each new Share issued under the Entitlement Issue the Company will issue one (1) attaching Option, exercisable at 20 cents each on or before 31 December 2013.

The Entitlement Issue is fully underwritten by RM Corporate Finance Pty Limited. Refer to Section 8.2 of this Prospectus for details regarding the terms of the Underwriting Agreement.

**This offer closes at 5.00pm WST on 19 May 2011 unless extended. Valid acceptances must be received before that date.**

#### IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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## 1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

### Timetable and important dates\*

Lodgement of Prospectus with ASIC	15 April 2011
Notice sent to Optionholders	19 April 2011
Notice sent to Shareholders	19 April 2011
Ex Date	20 April 2011
Record Date for determining Entitlements	5pm (WST) 29 April 2011
Prospectus dispatched to Shareholders	5 May 2011
Closing Date*	5.00pm (WST) on 19 May 2011
Securities quoted on a deferred settlement basis	20 May 2011
Notify ASX and Underwriter of under-subscriptions	23 May 2011
Despatch date/Shares entered into Shareholders' security holdings	27 May 2011
Date of despatch of holding statements	27 May 2011

\* The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

### IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisers.

This Prospectus is dated 15 April 2011 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 5:00pm WST on the date which is 13 months after the date this Prospectus was lodged with the ASIC (**Expiry Date**). No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand. Please see Section 4.9 of the Prospectus for further information about the Offer to New Zealand Shareholders.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

## **RISK FACTORS**

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus. Some of the key risks associated with an investment in the Company are summarised in the following table. This list of risks is not exhaustive. Full details of the risks tabled below are set out in Section 7 of this Prospectus. The occurrence of any of the risks or events outlined below could have a materially adverse effect on the Company's operations and, in turn, the price at which its Shares trade on ASX.

<b>Risk area</b>	<b>Risks</b>	<b>Reference</b>
Capital Requirements	There is no certainty regarding the Company's ability to raise equity and debt to meet future capital requirements. Shareholders should note that the financial statements of the Company for the year ended 30 June 2010 and interim financial statements for the half year ended 31 December 2010, have been prepared on a going concern basis.	7.2.1
Operating Risks	There are significant operating risks in exploration and development of mining projects.	7.2.2
Mineral Resource Estimates	Mineral resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which are valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change.	7.2.4

	This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.	
Market Conditions	The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.	7.3.2
Legislative Changes	Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company's capacity to explore and mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.	7.2.10
General Risks	Economic risks, insurance risk, market conditions, general resource sector risks, regulatory risk and other risks exist.	7.3

## **ELECTRONIC PROSPECTUS**

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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## 2. CORPORATE DIRECTORY

### Directors

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**Mr Ralph De Lacey**  
Executive Chairman

**Mr John Sainsbury**  
Executive Director

**Mr Andrew Kerr**  
Non-Executive Director

**Mr Darryl Harris**  
Non-Executive Director

### Solicitors

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Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Company Secretary

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Mr Kevin Hart

### Auditors\*

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BDO (Nth Qld)  
Cnr Aplin & Sheridan Streets  
CAIRNS QLD 4870

Telephone: +61 7 4046 000  
Facsimile: + 61 7 4051 3484

### Registered Office

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395 Lake Street  
CAIRNS NORTH QLD 4870

Telephone: +61 4032 3319  
Facsimile: +61 7 4027 9429

### ASX Code

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CSD  
CSDO

### Underwriter

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RM Corporate Finance Pty Ltd  
1171 Hay Street  
WEST PERTH WA 6005

Telephone: +61 8 9321 3277  
Facsimile: +61 8 9321 8399

### Share Registry\*

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Share Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

Telephone: +61 8 9315 2333  
Facsimile: +61 8 9315 2233

### Website

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[www.csdtin.com.au](http://www.csdtin.com.au)

### General Enquiries

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Telephone: +61 7 4032 3319

\*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

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### 3. CHAIRMAN'S LETTER

Dear Shareholder

The Board is pleased to offer Shareholders the opportunity to participate in a one for four non-renounceable entitlement issue of Shares.

All Shareholders registered as at 5.00 pm (WST) on 29 April 2011 will be entitled to participate in the pro-rata non-renounceable entitlement issue of Shares on the basis of one (1) Share for every four (4) Shares then held (**Offer**) at an issue price of 12 cents per share. For each Share applied for under the Entitlement Issue the Company will issue one (1) attaching option, exercisable at 20 cents each on or before 31 December 2013.

The closing date for acceptances is 5.00 pm (WST) on 19 May 2011.

RM Corporate Finance Pty Ltd is fully underwriting the Offer.

The Company intends to use the funds raised under this Prospectus to advance exploration, metallurgical studies and commence a pre-feasibility study at its Mt Garnet Tin Project and to provide working capital.

The Board recommends all Shareholders take up their Entitlement. The Board takes this opportunity to thank all Shareholders for their support and looks forward to your continued support in the future.

Yours faithfully



**RALPH DE LACEY**  
**CHAIRMAN**

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## 4. DETAILS OF THE OFFER

### 4.1 Offer

By this Prospectus, the Company offers for subscription approximately 31,681,279 new Shares pursuant to a pro-rata non-renounceable entitlement issue to Shareholders of one (1) new Share for every four (4) Shares held on the Record Date at an issue price of \$0.12 per Share. For each Share applied for under the Entitlement Issue the Company will issue one (1) attaching option, exercisable at 20 cents each on or before 31 December 2013. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of Shares to be issued pursuant to the Offer is approximately 31,681,279 Shares, and 31,681,279 Options exercisable by payment of 20 cents each on or before 31 December 2013. The Offer will raise approximately \$3,801,753 before costs of the Offer. The purpose of the Offer and the use of funds raised are set out in Section 5 of this Prospectus.

Holders of existing Options will not be entitled to participate in the Offer. The Company currently has 43,474,990 Options on issue as at the date of this Prospectus, which Options may be exercised by the Option holder prior to the Record Date in order to participate in the Offer.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

### 4.2 How to accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement **in full**:
  - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
  - (ii) attach your cheque for the amount indicated on that relevant Entitlement and Acceptance Form or pay via Bpay by following the instructions set out on the Entitlement and Acceptance Form (Applicants should ensure they include their reference number if paying by BPay); or
- (b) if you only wish to accept **part** of your Entitlement:
  - (i) fill in the number of Securities you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - (ii) attach your cheque for the appropriate application monies (at \$0.12 per Share) or pay via Bpay by following the instructions set out on the Entitlement and Acceptance Form

(Applicants should ensure they include their reference number if paying by BPay); or

- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**Consolidated Tin Mines Limited**” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque (or BPay payment) must reach the Company’s share registry at the address set out on the Entitlement and Acceptance Form by no later than 5:00pm WST on the Closing Date.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

#### **4.3 Minimum subscription**

The minimum subscription in respect of the Offer is the number of Shares offered under the Offer multiplied by the issue price, being approximately \$3,801,753.

#### **4.4 Underwriting**

The Offer is fully underwritten by RM Corporate Finance Pty Limited.

The Underwriting Agreement is subject to standard terms and conditions. Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter a total fee of 6% (excluding GST) of the value of the Underwritten Amount, as well as reimbursement of expenses.

Refer to Section 8.2 of this Prospectus for further details of the terms of the underwriting.

#### **4.5 Shortfall Offer**

Any Entitlement not taken up pursuant to the Offer will form the Shortfall and will be dealt with in accordance with the Underwriting Agreement. Accordingly, Shareholders should not apply for the Shortfall unless directed to do so by the Underwriter.

The Directors will place the Shortfall Offer in accordance with the terms of the Underwriting Agreement.

The offer of any Shortfall Shares is a separate offer made pursuant to this Prospectus and will remain open after the Closing Date for a period determined by the Company and the Underwriter in accordance with the terms of the Underwriting Agreement. The issue price of any Shortfall Shares shall be \$0.12 together with one (1) new free Option being the price and terms at which the Entitlement has been offered to Shareholders pursuant to this Prospectus.

If you are invited to participate in a Shortfall Offer, please forward the completed Shortfall Application Form and your cheque for the appropriate application monies (\$0.12 per Share) by such date as directed by the Company

or the Underwriter (as the case may be) to the address set out on the Shortfall Application Form.

#### **4.6 ASX Listing**

Application for official quotation by ASX of the Shares and Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as modified by the ASIC), the Company will not issue any Shares or Options and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Shares and Options is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

#### **4.7 Allotment of Securities**

Shares and Options issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date and in accordance with the ASX Listing Rules and timetable set out in Section 1 of this Prospectus. The Company will allot the Shares and Options on the basis of a Shareholder's Entitlement. Where the number of Shares and Options issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares and Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

#### **4.8 Overseas Shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

Shareholders resident in New Zealand should consult their professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable them to exercise their Entitlements under the Offer.

## 4.9 Offer in New Zealand

The Offer to New Zealand investors are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001. In New Zealand, this is Part 5 of the *Securities Act 1978* and the *Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008*.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act sets out how the Offer must be made.

There are differences in how securities are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the Shares is not New Zealand dollars. The value of the Shares will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the Shares to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

As noted in the Prospectus at Section 4.6, the Company will apply to the ASX for quotation of the Shares offered under this Prospectus. If quotation is granted, the Shares offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the Shares through that market, you will have to make arrangements for a participant in that market to sell the Shares on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

## 4.10 Taxation Implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Securities offered pursuant to this Prospectus.

#### **4.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing share and option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares and Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **4.12 Privacy**

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

#### **4.13 Enquiries**

Any questions concerning the Offer should be directed to Kevin Hart, Company Secretary on +61 8 9316 9100.

## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$3,801,753 (before expenses). The proceeds of the Offer are planned to be used in accordance with the table set out below:

<b>Proceeds of the Offer</b>	<b>\$</b>
Pre-feasibility studies	800,000
Metallurgical testwork	500,000
Exploration and mineral resource re-estimation	1,800,000
Working Capital	438,561
Expenses of the Offer	263,192
<b>Total</b>	<b>3,801,753</b>

#### Notes:

<sup>1</sup> Refer to Section 8.9 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

### 5.2 Effect of the Offer

The principal effect of the Offer, assuming all Shares offered under the Placement are issued and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by approximately \$3,538,561 immediately after completion of the Offer after deducting the estimated expenses of the Offer; and
- (b) increase the number of Shares on issue from 126,725,117 to approximately 158,406,396 Shares and increase the number of Options on issue from 43,474,990 to approximately 75,156,269 following completion of the Offer.

### 5.3 Consolidated and Pro-Forma Balance Sheets

The unaudited Consolidated Balance Sheet as at 31 December 2010 and the unaudited Pro Forma Balance Sheet as at 31 December 2010 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Shares pursuant to the Offer in this Prospectus are issued.

The Balance Sheets have been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

## Consolidated Balance Sheet and Pro Forma Balance Sheet

	Notes	Consolidated	Pro-forma
		31Dec 2010	31 Dec 2010
		(unaudited)	(unaudited)
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	(i)	1,694,664	4,801,943
Trade and other receivables		82,284	82,284
<b>TOTAL CURRENT ASSETS</b>		<b>1,776,948</b>	<b>4,884,227</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		272,653	272,653
Exploration and evaluation costs	(i)	3,703,721	4,236,396
Bonds and deposits		12,500	12,500
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,988,874</b>	<b>4,521,549</b>
<b>TOTAL ASSETS</b>		<b>5,765,822</b>	<b>9,405,776</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		78,524	78,524
Employee benefits payable		33,065	33,065
<b>TOTAL CURRENT LIABILITIES</b>		<b>111,589</b>	<b>111,589</b>
<b>TOTAL LIABILITIES</b>		<b>111,589</b>	<b>111,589</b>
<b>NET ASSETS</b>		<b>5,654,233</b>	<b>9,294,187</b>
<b>EQUITY</b>			
Contributed equity	(ii)	7,025,326	10,869,887
Accumulated Losses	(i)	(1,534,240)	(1,738,847)
Share based payments reserve		163,147	163,147
<b>TOTAL EQUITY</b>		<b>5,654,233</b>	<b>9,294,187</b>

Notes and Assumptions	\$
(i) Cash and cash equivalents	
Cash and cash equivalents as at 31 December 2010	1,694,664
Cash received from the exercise of options since 31 December 2010	306,000
Estimated exploration and evaluation costs incurred since 31 December 2010	(532,675)
Estimated administration and corporate costs incurred since 31 December 2010	(204,607)
Capital raised from entitlement issue	3,801,753
Costs of Offer	(263,192)
	<b>4,801,943</b>
(ii) Issued capital	
Issued capital as at 31 December 2010	7,025,326
Exercise of options since 31 December	306,000
Capital raised from entitlement issue (after costs of \$263,192)	3,538,561
	<b>10,869,887</b>

The key assumptions on which the pro-forma balance sheet is based are as follows:

- (a) Consolidated Tin issues 31,681,279 shares, and 31,681,279 attaching options at \$0.12 per share pursuant to the Offer. The issue will raise approximately \$3.8 million before costs.
- (b) Consolidated Tin incurs transaction costs of \$263,192 for the issue under the Offer which have been recognised directly against the share capital, as a reduction of the proceeds of the Offer.
- (c) The accounting policies adopted in the preparation of the pro forma balance sheet are consistent with the accounting policies adopted and described in the Company's Financial Report for the year ended 30 June 2010 and should be read in conjunction with that Financial Report.
- (d) No options are exercised prior to the Record Date.
- (e) Consolidated Tin suffers no materially adverse event.

#### 5.4 Effect on capital structure on completion of the Offer and Placement

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer and the Placement are fully subscribed and no Options are exercised prior to the Record Date.

Shares	Number
Shares on issue at date of Prospectus	126,725,117
Shares issued pursuant to the Offer	31,681,279
<b>Total Shares on issue after completion of the Offer</b>	<b>158,406,396</b>

Options	Number
Unlisted exercisable at \$0.20 on or before 31 December 2013	43,474,990
Options issued attaching to and pursuant to the Offer	31,681,279
<b>Total Options on issue after completion of the Offer</b>	<b>75,156,269</b>

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## 6. RIGHTS AND LIABILITIES ATTACHING TO THE SECURITIES

### 6.1 Terms of Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### (a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

#### (b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### (c) Dividend Rights

The Directors may from time to time declare a dividend to be paid to shareholders entitled to the dividend. The dividend shall be payable on all shares in accordance with the Corporations Act. The Directors may from time to time pay to the shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

#### (d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities and which are subject to escrow restrictions at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) **Transfer of Shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) **Changes to Capital Structure**

The Company may by ordinary resolution and subject to the Corporations Act and the Listing Rules:

- (i) increase its share capital by the issue of new shares of such amount as is specified in a resolution;
- (ii) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- (iii) sub-divide all or any of its shares into shares of smaller amount than is fixed by the Constitution, but so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each such share of a smaller amount is the same as it was in the case of the share from which the share of a smaller amount is derived; and
- (iv) cancel shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited and reduce its share capital by the amount of the shares so cancelled.

(g) **Variation of Rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms

of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

## 6.2 Terms of Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) The exercise price of each Option is 20 cents.
- (b) The Options expire at 5.00pm WST 31 December 2013.
- (c) The Company will apply for official quotation of the Options.
- (d) Shares issued as a result of the exercise of any of these Options will rank equally in all respects with previously issued Shares.
- (e) The Options are exercisable by completing the application for exercise of options and delivering the same together with payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.
- (f) Subject to the ASX Listing Rules the Options are freely transferrable in whole or part at any time prior to expiry.
- (g) Within 14 days of the receipt of a properly executed notice of exercise and application monies the Company will issue to the Option holder the number of shares specified in that notice.
- (h) The Company will apply for official quotation of all shares issued and allotted pursuant to the exercise of the Options.
- (i) Option holders are permitted to participate in new issues of securities offered to Shareholders on the prior exercise of the Option in which case the Optionholder shall be afforded the period of at least 10 business days prior to and inclusive of the record date to determine the entitlements to the issue, to exercise the Option.
- (j) In the event of any reorganisation (including consolidation, subdivision, reduction or cancellation) of capital of the Company, the rights of Option holders are to be changed to the extent necessary to comply with the Listing Rules on a reorganisation of capital at the time of the reorganisation.

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## **7. RISK FACTORS**

### **7.1 Introduction**

Applicants should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **7.2 Risks specific to the Company**

#### **7.2.1 Future Capital Requirements**

The Company's ongoing activities will require substantial expenditures. There can be no guarantee that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

Shareholders should note that the financial statements of the Company for the year ended 30 June 2010, and interim financial statements for the half year ended 31 December 2010, have been prepared on a going concern basis. However the ability of the Company to continue as a going concern and to meet planned and committed expenditure requirements is subject to the Company successfully exploiting the exploration assets owned by the Company and/or obtaining equity or debt capital.

The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

#### **7.2.2 Operating Risks**

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (a) adverse geological conditions;
- (b) failure to achieve predicted grades in exploration and mining;

- (c) limitations on activities due to seasonal weather patterns and cyclone activity;
- (d) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (e) difficulties in commissioning and operating plant and equipment;
- (f) mechanical failure of operating plant and equipment;
- (g) unanticipated metallurgical problems which may affect extraction costs;
- (h) industrial and environmental accidents, industrial disputes and other force majeure events;
- (i) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (j) inability to obtain or maintain any necessary consents or approvals.

No assurances can be given that the Company will achieve commercial viability through successful exploration and/or mining. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

### **7.2.3 Commodity Price Volatility and Exchange Rate Risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices (including for tin) fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

### **7.2.4 Mineral Resource Estimates Risk**

Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

### **7.2.5 Title Risk**

Although the Company has investigated title to all of its tenements, the Company cannot give any assurance that title to such tenements will not be challenged or impugned. The tenements, which have had a number of owners,

were acquired from the administrator on an as is where is basis with no assurance as to the completeness of the corporate records relating to the tenements. Accordingly, there is a residual risk that, despite the Company's investigations, the tenements may be subject to prior unregistered agreements or transfers or title may be affected by unregistered encumbrances, third party interests or defects.

#### **7.2.6 Environmental Risks**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by regulatory authorities.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires, may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay or modification to anticipated exploration programmes or mining activities. There is always a risk that detailed environmental investigations will identify endangered or other protected species that may affect the ability of the Company to obtain any necessary government approvals or carry out its operations as planned.

#### **7.2.7 Environmental Bonds**

The tenements are subject to unconditional performance bonds to cover the anticipated cost of rehabilitation of historical mining on the tenements. The bonds may be increased in the future, either in relation to previous mining or new mining activities, which the Company would need to fund. In addition, there can be no assurance given that the actual rehabilitation costs incurred will not exceed the amount of the bonds.

#### **7.2.8 Native Title Risks**

The *Native Title Act 1993* (Cth), related State Native Title legislation and Aboriginal Land Rights and Aboriginal Heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles.

Compensatory obligations may be necessary in settling Native Title claims if lodged over any tenements acquired by the Company. The existence of outstanding registered Native Title claims means that the grant of a tenement in respect of a particular tenement application may be significantly delayed or thwarted pending resolution of future act procedures in the Native Title Act. The level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company. At this stage it is not possible to quantify the impact (if any) which these developments may have on the operations of the Company.

#### **7.2.9 Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

#### **7.2.10 Legislative changes and Government policy Risk**

Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company's capacity to explore and mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

#### **7.2.11 Key personnel and employees Risk**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

#### **7.2.12 Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

### **7.3 General risks**

The value of the Company's Securities are affected by a number of general factors which are beyond the control of the Company and its Directors including those set out below.

#### **7.3.1 Economic risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

#### **7.3.2 Market conditions**

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

#### **7.3.3 Security investments**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

#### **7.3.4 Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

#### **7.4 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## 8. ADDITIONAL INFORMATION

### 8.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the financial statements of the Company for the financial year ended 30 June 2010 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;

- (ii) any half year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for the year ended 30 June 2010 lodged with ASIC before the issue of this Prospectus; and
- (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2010 audited financial statements:

<b>Date</b>	<b>Description of Announcement</b>
27/10/2010	Drilling Commenced on Windermere Project
28/10/2010	Company Presentation
28/10/2010	Appendix 3B – Exercise of Options
29/10/2010	Quarterly Activities Report and Appendix 5B
11/11/2010	Tin Industry Round Table
16/11/2010	Results of Meeting
17/11/2010	Completion of Windermere Drill Program
23/11/2010	Initial Windermere Assay Results
01/12/2010	Appendix 3B
20/12/2010	Form 605 – Ceasing to be a Substantial Shareholder
22/12/2010	Securities Trading Policy
23/12/2010	Update on Windermere Tin Project
06/01/2011	Change in Substantial Shareholding
13/01/2011	Appendix 3B – Exercise of Options
19/01/2011	Key Appointments – Mt Garnet Feasibility Studies
25/01/2011	BCN: Shareholder Update
25/01/2011	Appendix 3B – Exercise of Options
25/01/2011	Drill Results from Windermere Tin Project
31/01/2011	Quarterly Activities Report and Appendix 5B
16/02/2011	Additional Tin Mineralisation at Windermere
22/02/2011	Investor Update – February 2011
23/02/2011	Appendix 3B – Exercise of Options
04/03/2011	Half Year Financial Report
24/03/2011	Government Grant to Fund Additional Exploration at Mt Garnet
28/03/2011	ILUA Signed with Bar-Barrum People
05/04/2011	Appendix 3B – Expiry of Unlisted Options
07/04/2011	Drilling Commences at Mt Garnet Tin Project
14/04/2011	Underwritten Entitlement Issue to Raise \$3.8 Million

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.csdtin.com.au](http://www.csdtin.com.au).

## 8.2 Underwriting Agreement

By an agreement between RM Corporate Finance Pty Ltd (ACN 108 084 386) (**Underwriter**) and the Company (**Underwriting Agreement**) dated 11 April 2011, the Underwriter agreed to fully underwrite the number of Shares offered under the Offer, being approximately 31,681,279 Shares and 31,681,279 Options (**Underwritten Securities**) at a total subscription price of \$3,801,753 (**Underwritten Amount**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter a management fee of 1% and an underwriting fee of 5%, (excluding GST), of the value of the Underwritten Amount, as well as reimbursement of expenses.

All definitions and clauses referred to in the below summary are as applied in the Underwriting Agreement.

The obligation of the Underwriter to fully underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **Prospectus:** any of the following occurs in relation to the Prospectus:
- (i) The Underwriter reasonably forms the view that there is a material omission, it contains a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive;
  - (ii) The Underwriter reasonably forms the view that any projection or forecast in the Prospectus becomes, to a material extent, incapable of being met or unlikely to be met in the projected time;
  - (iii) ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act; or
  - (iv) Any person other than the Underwriter who consented to being named in the Prospectus withdraws that consent;
- (b) **Supplementary Prospectus:** the Underwriter reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement

document (as the case may be) in the form and content and within the time reasonably required by the Underwriter;

- (c) **ASX listing:** ASX does not give approval for the Offer Securities to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
- (d) **Index change:** the ASX All Ordinaries Index or the Dow Jones Industrial Average Index as determined at close of trading falls at least 10% below their respective levels at the close of trading on the date of the Underwriting Agreement for a total of three consecutive trading days during the Underwriting Period;
- (e) **Indictable offence:** a director of the Company or any Related Corporation is charged with an indictable offence;
- (f) **Return of capital or financial assistance:** the Company or a Related Corporation takes any steps to undertake a proposal contemplated under section 257A or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;
- (g) **Banking facilities:** the Company's bankers terminate or issue any demand or penalty notice or amend the terms of any existing facility or claim repayment or accelerated repayment of any facility or require additional security for any existing facility;
- (h) **Change in laws:** any of the following changes of law occurs:
  - i. The introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
  - ii.
  - iii. The public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory; or
  - iv. The adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy; which does or is likely to prohibit, restrict or regulate the principal business of the Company, the Offer or the operation of stock markets generally;
- (i) **Failure to comply:** the Company or any Related Corporation fails to comply with any of the following:
  - i. A provision of its Constitution;
  - ii. Any statute;
  - iii. A requirement, order or request, made by or on behalf of the ASIC or any governmental agency; or
  - iv. Any material agreement entered into by it, which is likely to prohibit or materially restrict the business of the Company or the Offer;

- (j) **Alteration of capital structure or constitution:** the Company alters its capital structure or its Constitution without the prior written consent of the Underwriter;
- (k) **Extended Force Majeure:** a force majeure, which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;
- (l) **Default:** the Company is in default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement;
- (m) **Adverse change:** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a Related Corporation (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Corporation);
- (n) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Corporation;
- (o) **Due Diligence:** there is a material omission from the results of the due diligence investigation performed in respect of the Offer or the results of the investigation or the verification material are false or misleading;
- (p) **Prescribed Occurrence:** a prescribed occurrence occurs;
- (q) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (r) **Event of Insolvency:** an event of insolvency occurs in respect of the Company or a Related Corporation;
- (s) **Judgment against a Related Corporation:** a judgment in an amount exceeding \$100,000 is obtained against the Company or a Related Corporation and is not set aside or satisfied within 7 days;
- (t) **Calamity:** the occurrence of any calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or controls in Australia or any restriction or limitation on the nature/basis of trading of equities on ASX;
- (u) **Market Conditions:** any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or the international financial markets or any material adverse change occurs in national or international political, financial, economic conditions, in each case the effect of which is that, in the reasonable opinion of the Underwriters, reached in good faith, it is impracticable to market the Offer or to enforce contracts to issue and allot or sub-underwrite the securities pursuant to the Prospectus or that the success of the Offer is likely to be adversely affected.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

### 8.3 Additional Disclosure in relation to Underwriting

The Underwriter currently has voting power in the Company of 0%.

Technically, the Underwriter could acquire voting power of up to 20% of the Company, on an undiluted basis, if no Shareholders take up their Entitlements under the Offer and the Underwriter subscribes for the Shortfall in its own right.

### 8.4 Sub-underwriting

The Underwriter may choose to allocate some or all of the Underwritten Amount to sub-underwriters.

### 8.5 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offer pursuant to this Prospectus.

Directors' interests in securities of the Company at the date of this Prospectus are:

Name	Shares	Options <sup>1</sup>
Ralph De Lacey	10,300,000	4,725,000
John Sainsbury	8,774,426	4,005,000
Andrew Kerr	20,000	10,000
Darryl Harris	-	-

Note:

<sup>1</sup> Options are exercisable by payment of 20 cents each on or before 31 December 2013.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares.

The current aggregate fixed sum permitted as remuneration of non executive Directors has been set at an amount not to exceed \$100,000 per annum.

The Company paid the current Directors remuneration for the year ended 30 June 2010, a total amount of \$386,194.

The table below sets out the expected annual remuneration payable to the Directors for the current financial year to date, inclusive of directors' fees and consultancy fees.

<b>Director</b>	<b>Current Financial Year to Date</b>
Ralph De Lacey	\$181,169
John Sainsbury	\$166,710
Andrew Kerr	\$39,313
Darryl Harris	\$21,340

In addition, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

## **8.6 Interests of Experts and Advisers**

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of securities pursuant to this Prospectus; or
- (c) the Offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer pursuant to this Prospectus.

RM Corporate Finance Pty Ltd will be paid a management fee of 1% and an underwriting fee of 5% of the Underwritten Amount of \$3,801,753 in respect of this

Offer. In the past two years, RM Corporate Finance Pty Ltd has not been paid any fees by the Company.

Steinepreis Paganin have acted as solicitors to the Company in respect of this Prospectus. Steinepreis Paganin will be paid approximately \$10,000 (excluding GST) for services in relation to this Prospectus.

## 8.7 Consents

RM Corporate Finance Pty Ltd has given and has not withdrawn its consent to being named as Underwriter to the Offer in the Corporate Directory of this Prospectus in the form and context in which it is named.

Steinepreis Paganin has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named.

## 8.8 Legal proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

## 8.9 Estimated expenses of Offer

The total expenses of the Offer are estimated to be approximately \$263,192 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,068
ASX fees	18,019
Underwriter and management fee	228,105
Legal expenses	10,000
Printing and Distribution	5,000
<b>Total</b>	<b>263,192</b>

## 8.10 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.295 on 20 January 2011

Lowest: \$0.11 on 15 March 2011

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.14 on 14 April 2011.

## 8.11 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus

lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

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9. **DIRECTORS' CONSENT**

Each of the Directors of Consolidated Tin Mines Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act

Dated the 15<sup>th</sup> day of April 2011

A handwritten signature in black ink that reads "Ralph De Lacey". The signature is written in a cursive style with a large initial 'R'.

**Ralph De Lacey**  
**Executive Chairman**  
**Consolidated Tin Mines Limited**

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10. **DEFINITIONS**

**Applicant** means a Shareholder or Underwriter or other party instructed by the Underwriter who applies for Securities pursuant to the Offer.

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

**ASX** means the ASX Limited (ACN 008 624 691).

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Closing Date** means the closing date of the Offer, being 5:00pm (WST) on 19 May 2011 (unless extended).

**Company** means Consolidated Tin Mines Limited (ABN 57 126 634 606).

**Constitution** means the Company's Constitution as at the date of this Prospectus.

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

**Directors** means the directors of the Company at the date of this Prospectus.

**Dollar** or "\$" means Australian dollars.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Issue** means the issue of Shares offered by this Prospectus.

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

**Offer** means the offer pursuant to this Prospectus of one (1) new Share for every our (4) Shares held by a Shareholder on the Record Date to raise approximately \$3,801,753.

**Official List** means the official list of ASX.

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

**Prospectus** means this prospectus.

**Quotation** and **Official Quotation** means official quotation on ASX.

**Record Date** means 5:00pm (WST) on 29 April 2011.

**Related Corporation** has the meaning given to that term in the Corporations Act.

**Securities** means Shares and Options.

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

**Shareholder** means a shareholder of the Company.

**Shortfall Application Form** means the shortfall application form for the Shortfall Shares.

**Shortfall Shares** means those Shares under the Offer not applied for by Shareholders under their Entitlement.

**Underwriter** means RM Corporate Finance Pty Limited (ACN 108 084 386).

**Underwritten Amount** means the \$3,801,754 to be raised pursuant to the Offer.

**Underwritten Securities** means the 31,681,279 Shares offered pursuant to the Offer.

**WST** means Western Standard Time.

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Consolidated Tin Mines Limited

ABN

57 126 634 606

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Ordinary fully paid shares and listed options                       |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | Up to 31,681,279 shares and 31,681,279 options                      |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Options exercisable at 20 cents each on or before 31 December 2013. |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>						
<p>5 Issue price or consideration</p>	<p>12 cents per ordinary share – attaching options issued for no further consideration</p>						
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Shares and options issued pursuant to a prospectus for a non-renounceable pro-rata entitlement issue lodged 15 April 2011.</p>						
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>To be confirmed</p>						
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">158,406,396</td> <td>Ordinary fully paid shares (CSD)</td> </tr> <tr> <td style="text-align: center;">75,156,269</td> <td>Listed options (CSDO)</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	158,406,396	Ordinary fully paid shares (CSD)	75,156,269	Listed options (CSDO)
Number	<sup>+</sup> Class						
158,406,396	Ordinary fully paid shares (CSD)						
75,156,269	Listed options (CSDO)						

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+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)		
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/a	

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	1 for 4
14 +Class of +securities to which the offer relates	Ordinary fully paid share
15 +Record date to determine entitlements	29 April 2011
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/a
17 Policy for deciding entitlements in relation to fractions	Round up to nearest whole number
18 Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Entitlement is restricted to residents of Australia and New Zealand
19 Closing date for receipt of acceptances or renunciations	5.00pm (WST) 19 May 2011

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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20	Names of any underwriters	RM Corporate Finance Pty Ltd
21	Amount of any underwriting fee or commission	Management fee of 1% and Underwriting fee of 5% of the underwritten amount
22	Names of any brokers to the issue	N/a
23	Fee or commission payable to the broker to the issue	N/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/a
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/a
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	5 May 2011
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	19 April 2011
28	Date rights trading will begin (if applicable)	N/a
29	Date rights trading will end (if applicable)	N/a
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/a
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/a

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+ See chapter 19 for defined terms.

- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)? N/a
- 33 <sup>+</sup>Despatch date 27 May 2011

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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**Entities that have ticked box 34(b)**

38 Number of securities for which  
 +quotation is sought 

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39 Class of +securities for which  
 quotation is sought 

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40 Do the +securities rank equally in all  
 respects from the date of allotment  
 with an existing +class of quoted  
 +securities?

If the additional securities do not  
 rank equally, please state:

- the date from which they do
- the extent to which they  
 participate for the next dividend,  
 (in the case of a trust,  
 distribution) or interest payment
- the extent to which they do not  
 rank equally, other than in  
 relation to the next dividend,  
 distribution or interest payment

--

41 Reason for request for quotation  
 now

Example: In the case of restricted securities, end of  
 restriction period

(if issued upon conversion of  
 another security, clearly identify that  
 other security)

--

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

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+ See chapter 19 for defined terms.

**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
  
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 15 April 2011  
(Director/Company secretary)

Print name: Kevin Hart

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+ See chapter 19 for defined terms.