

CONSOLIDATED TIN MINES LIMITED



1 June 2011

Company Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

ENTITLEMENT ISSUE UPDATE AND SHARE PLACEMENT

Non-Renounceable Entitlement Offer – Cancellation of Underwriting Agreement

The Company advises that it has received notice from the underwriter, RM Corporate Finance Pty Ltd (ACN 108 084 386), advising that it has terminated its obligations pursuant to the underwriting agreement signed on 11 April 2011 in relation to the Entitlement Offer. The underwriter has advised the Company that the agreement has been terminated due to adverse market conditions.

Due to the termination of the underwriting agreement the Company was not able to meet the minimum subscription required under the terms of the prospectus lodged with ASIC and ASX on 15 April 2011, and as a result all subscriptions for entitlements received pursuant to the Offer as at the Closing Date of 19 May 2011 will be refunded as soon as possible.

Share Placement

The Company advises that as a result of the termination of the Entitlement Offer by the Underwriter, the Company will now undertake a share placement arrangement to raise capital. **The Company has received firm commitments from sophisticated and professional investors for the placement of 13,477,700 ordinary fully paid shares at 9 cents each to raise \$1,213,000 before costs.** Discussions on the balance of stock available are advanced and the company is confident of placing the outstanding stock from the placement. (total available under the 15% placement capacity is 19,000,000 shares which at 9c would raise a total of \$1,710,000 before costs). The share placement will be completed under the Company's 15% placement capacity and it is anticipated will be finalised on or around 8 June 2011. Proceeds from the share placement will be used to advance the development of the Company's Mt Garnet Tin Project and provide working capital.

Operations Update

Drilling is currently continuing at The Windermere Project with two drill rigs on site, assay results are anticipated in the near future. After completion (anticipated early June 2011) drilling activity will transfer to the Gillian Project to evaluate strike extensions to the existing mineralisation and also new drilling at the Coolgarra Group Project. Work is also still continuing on the study with relation to metallurgical testwork, road transport, hydrogeological and other areas. Updates will be provided in due course.

CONSOLIDATED TIN MINES LIMITED

KEVIN HART

Company Secretary

CONSOLIDATED TIN MINES LIMITED

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