

**CONSOLIDATED**  
TIN MINES LTD  
ABN 57 126 634 606



**NOTICE OF GENERAL MEETING**

**&**

**EXPLANATORY STATEMENT**

**To be held**

At 10.00am, Wednesday, 10 August 2011

**at the**

Shangri-La Hotel, The Marina,  
Pier Point Road, CAIRNS QLD 4870

# CONSOLIDATED TIN MINES LTD

ABN 57 126 634 606



8<sup>th</sup> July 2011

Dear Fellow Shareholder,

Please find enclosed the Notice of General Meeting for the Shareholders' Meeting to be held at the Shangri-la Hotel, The Marina, Pier Point Road, Cairns QLD 4870 at 10.00am on Wednesday, 10 August 2011.

The purpose of the meeting is to seek shareholder approval in accordance with the Corporations Act 2001 and the Listing Rules of the ASX to a number of resolutions, which are set out in the attached Notice of Meeting paper.

Your Directors seek your support and look forward to your attendance at the meeting.

Yours sincerely

A handwritten signature in cursive script that reads "Ralph De Lacey". The ink is a light brown color, matching the company's branding.

Ralph De Lacey  
Executive Chairman

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**CONSOLIDATED TIN MINES LIMITED**

ACN: 126 634 606

Registered Office: 395 Lake Street

North Cairns QLD 4870

Phone (07) 4032 3319

**CONSOLIDATED TIN MINES LIMITED**

ABN 57 126 634 606

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of Consolidated Tin Mines Limited will be convened at 10.00am on Wednesday, 10<sup>th</sup> August 2011 at the Shangri-La Hotel, The Marina, Pier Point Road, Cairns, Queensland.

**AGENDA**

**ORDINARY BUSINESS**

**1. Ratification of Prior Issue of Equity Securities – Share Placement**

To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 19,920,617 Shares to professional and sophisticated investors on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

The issue to be in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

**2. Approval of the Issue of Shares Under Proposed Future Placements**

To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 50,000,000 shares in the Company on the terms and conditions set out in the Explanatory Statement.”*

The proposed issue to be in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

**3. Adoption of Consolidated Tin Mines Limited Performance Rights Plan**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to adopt a performance rights plan on the terms and conditions set out in the Explanatory Statement.”*

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**CONSOLIDATED TIN MINES LIMITED**

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**NOTICE OF GENERAL MEETING**

**GENERAL NOTES**

1. The Company will disregard any votes cast on Agenda Item 1 by any person who participated in the issue and any associate of that person (or those persons).
2. The Company will disregard any votes cast on Agenda Item 2 by any person who may participate in the proposed issues and any person who might obtain a benefit, except a benefit solely in the capacity of ordinary securities if the resolution is passed, and any associate of that person (or those persons).
3. The Company will disregard any votes cast on Agenda Item 3 by any Director of the Company, other than any Directors who are ineligible to participate in any scheme or plan in relation to the Company, and any associates of those Directors.
4. Before a voting exclusion applies, the Company need not disregard a vote if:
  - (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
5. The Explanatory Statement to Shareholders attached to this Notice of General Meeting is hereby incorporated into and forms part of this Notice of General Meeting.
6. The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at 5.00pm (Cairns time) on 8<sup>th</sup> August 2011.

**BY ORDER OF THE BOARD**



Kevin R Hart  
COMPANY SECRETARY

Dated this 8<sup>th</sup> day of July 2011

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**CONSOLIDATED TIN MINES LIMITED**

ABN 57 126 634 606

**EXPLANATORY STATEMENT**

The purpose of the Explanatory Statement is to provide shareholders with information concerning all of the Agenda items in the Notice of General Meeting.

**1. Ratification of a Prior Issue of Equity Securities – Share Placement**

On 1<sup>st</sup> June 2011, the Company announced that it was entering into a Share Placement arrangement to be completed under the Company's 15% existing placing facility provided in Listing Rule 7.1 ("Placement").

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

Listing Rule 7.4 allows an issue of securities made without the approval of Shareholders to be ratified by shareholders, in order to refresh the 15% capacity under Listing Rule 7.1, provided at the time the issue was made, the issue was made within the Company's existing 15% capacity under Listing Rule 7.1.

Shareholder approval is therefore now sought pursuant to Listing Rule 7.4 to ratify the Placement so that the Company refreshes its capacity to issue up to 15% of its issued ordinary capital, if required, in the next 12 months without first requiring Shareholder approval for those future issues.

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of equity securities issued was 19,920,617 Shares;
  - (b) the Shares were issued at a price of \$0.09 per Share;
  - (c) the Shares issued rank equally with existing Shares on issue;
  - (d) the Shares were issued to professional and sophisticated investors, none of whom are related parties of the Company;
  - (e) the Shares are listed on ASX, and
  - (f) the funds raised will be used to will be used to advance the development of the Company's Mt Garnet Project and provide working capital.
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**CONSOLIDATED TIN MINES LIMITED**

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**EXPLANATORY STATEMENT**

**2. Approval of the Issue of Shares under Proposed Future Placements**

The Board seeks approval for the issue of up to 50,000,000 Shares under future placements, the terms and conditions of which are yet to be confirmed.

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

If the resolution to Agenda Item 2 is approved, this will provide the Company with increased flexibility when evaluating its capital raising requirements over the next three months, to advance the development of its Mt Garnet Tin Project, and other exploration opportunities, without the need to seek Shareholder approval under Listing Rule 7.1.

The effect of approving the resolution to Agenda Item 1 is that the Company will be able to issue up to 50,000,000 Shares, without these securities being included when calculating the thresholds restricting the issue of securities under Listing Rule 7.1.

In the event that the resolution is approved, and the Company issues the maximum 50,000,000 shares, the effect on current shareholders, on an undiluted basis, would be to dilute their existing holdings by 25.6%.

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the maximum number of securities to be issued is 50,000,000 Shares;
  - (b) the Company will allot and issue the securities before the expiry of 3 months after the date of the Meeting (or such other date as permitted by ASX), if at all;
  - (c) the Shares would be issued at an issue price determined by the Directors (and which is at least 80% of the average market price for Shares over the 5 days on which sales in the Shares were recorded before the day of the issue, or, if there is a Prospectus relating to the issue, over the 5 days on which sales in the Shares were recorded before the date the Prospectus is signed);
  - (d) the Shares will be allotted and issued to professional and sophisticated investors, none of whom are related parties of the Company;
  - (e) the Shares issued would be Ordinary Shares, and have the same rights as the existing Ordinary Shares quoted on ASX;
  - (f) the funds, if raised, will be used to advance the development of the Company's Mt Garnet Tin Project, and to provide working capital.
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**CONSOLIDATED TIN MINES LIMITED**

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**EXPLANATORY STATEMENT**

**3. Adoption of the Consolidated Tin Mines Limited Performance Rights Plan**  
as an Ordinary Resolution

Agenda Item 3 seeks Shareholder approval for the adoption of a performance rights plan (**Plan**) in accordance with Exception 9 of ASX Listing Rule 7.2.

Shareholders should note that no Performance Rights have previously been issued under this Plan and the objective of the Plan is to attract, motivate and retain key employees.

It is considered by the Directors that the adoption of the Plan and the future issue of Performance Rights under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

If the resolution in Agenda Item 3 is passed, the Company will be able to issue entitlements to Shares (**Performance Rights**) under the Plan without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 3 year period.

A summary of the terms and conditions of the Performance Rights Plan is set out in Schedule 1.

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EXPLANATORY STATEMENT

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**SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN**

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The following is a summary of the key terms and conditions of the Plan to be adopted by Shareholders pursuant to Agenda Item 3:

- (a) **Entitlement to Participate:** the Board will determine in its discretion whom is entitled to participate in the Plan and issue an invitation to that person. The Board will consider factors such as seniority and position of the potential participant, length of service, record of employment and potential contribution to growth and profitability of the Company.
  - (b) **Rights:** each Performance Right issued under the Plan is a right to be issued with or transferred a single Share, free of encumbrances.
  - (c) **Expiry Date:** means the date on which a Performance Right lapses (if it has not already lapsed in accordance with the Plan) as specified in the offer made to the participant.
  - (d) **Vesting Conditions:** the Board will determine the Vesting Conditions that must be satisfied by a participant before the Performance Right vests in the holder.
  - (e) **Vesting:** a Performance Right will vest in a participant where the Vesting Conditions are satisfied or waived by the Board or where the Performance Right vests as a result of Accelerated Vesting.
  - (f) **Accelerated Vesting:** The Board may in its discretion determine that all or a specified number of a participant's unvested Performance Rights vest where:
    - (i) the participant dies;
    - (ii) the participant ceases to be employed by the Company;
    - (iii) a takeover bid for the Company's issued Shares is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares;
    - (iv) a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
    - (v) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.
  - (g) **Lapse of an unvested Performance Right:** A Performance Right that has not vested will lapse upon the earlier to occur of:
    - (i) a failure to meet the Performance Right's Vesting Conditions;
    - (ii) the Expiry Date;
    - (iii) the Participant ceasing to be an employee;
    - (iv) the Performance Right lapsing due to the Participant ceasing to be an employee or due to the occurrence of a Takeover Bid, compromise or arrangement or winding up;
    - (v) the Performance Right lapsing due to an unauthorised transfer, or purported transfer, of the Performance Right;
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**SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN (CONTINUED)**

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- (vi) a determination of the Board that the Performance Right is to lapse due to fraud or dishonesty; or
  - (vii) the day before the end of the 7 year anniversary of the date of grant of the Performance Rights.
- (h) **Lapse of a vested Performance Right:** A Performance Right that has vested but not been validly exercised will lapse upon the earlier to occur of:
- (i) the Expiry Date (if any);
  - (ii) the Performance Right lapsing due to an unauthorised transfer, or purported transfer, of the Performance Right;
  - (iii) a determination of the Board that the Performance Right is to lapse due to fraud or dishonesty; or
  - (iv) the day before the end of the 7 year anniversary of the date of grant of the Performance Right
  - (v) **Issue Price:** the issue price of the Shares to be offered under the Scheme will be the weighted average trading price of the Shares on ASX during the 5 trading days immediately preceding the date of invitation. In the event no trading has occurred during that period the issue price will be the last price at which an offer to purchase a Share was made on ASX.
- (i) **Exercise of Performance Right:** A participant may exercise a Performance Right that is entitled to exercised by lodging with the Company a notice of exercise of the Performance Right in the form (if any) prescribed by the Company, and the certificate for the Performance Right.
- (j) **Quotation:** If Shares of the same class as those allotted under the Plan are listed on the ASX the Company will apply to the ASX within a reasonable time after they are allotted for those Shares to be listed.
- (k) **New Issues:** Other than adjustments for bonus issues and reorganisation of the issued capital of the Company, participants are not entitled to participate in any new issue of securities of the Company as a result of their holding Performance Rights during the currency of any Performance Rights and prior to vesting. In addition, participants are not entitled to vote nor receive dividends as a result of their holding Performance Rights.
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