

Quiet achiever stands out in resource sector

ONE of the quiet achievers of the Far North which deserves long overdue recognition is Consolidated Tin Metals.

This Cairns-based company has been feverishly going about its business behind the scenes and has become one of this year's stand-out small resources stories.

It's making good progress in developing its flagship Mt Garnet tin project into a major long-term, large-scale tin mining operation.

The rising tin price has resulted in investors looking for quality projects in the sector and this has placed CTM (or its ASX listing of CSD) near the top of the list.

Just two-and-a-half years after

Brief case

BUSINESS WEEK SAYS

listing on the ASX, the company is on target to open its \$124 million Mr Garnet mill in 2013.

It has forecast the project will deliver a gross value of \$500 million over an initial 7.5-year mine life at a conservative \$18,000 a tonne tin price.

These conservative figures help to highlight a significant upside for the project as the initial mine

life is likely to be 10 years and the current tin price is about \$26,000 and going up.

But CTM managing director Ralph De Lacey is confident the mine has a 30-year lifespan with a \$100 million a year turnover based on 5000 tonnes of tin concentrate at \$20,000 a tonne.

He said what the company had achieved had by and large gone unnoticed by the Far North community but it had been recognised by the ASX and prudent investors.

Construction of the mill is expected to take 12 months and will need 50 workers while the completed mill will require more than 30 staff to operate.

The first test results from the first four of 48 holes drilled reveal high-grade results with the results from another 44 to come.

The company is about to move into its next phase of exploration and development at Mt Garnet with drilling due to start at the Windemere project to upgrade its 2.1 million tonne JORC resource.

The company also has started a pre-feasibility study to further establish the robust nature of the project's economics with the study including a pilot project scale test of the tin ore in western Australia.

The price of tin has been boosted to long-term highs this year and is currently about \$25,400 a tonne.

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Tin mine to reap millions

CAIRNS-BASED Consolidated Tin Mines is making strong progress towards the start of its large-scale tin mining operation at Mt Garnet.

The \$124 million mine, due to start milling in 2013, is expected to turnover \$100 million a year over 30 years.

Managing director Ralph De Lacey said CTM was one of 2010's stand-out small resources stories which the community of Cairns and the Far North did not appreciate.

He said it was one of the few successful Cairns (CSD) ASX-listed companies.

"I believe the stock market has recognised Consolidated Tin Mines in recent months and started to recognise the potential of CTM which is not recognised by the local community," Mr De Lacey said.

"This is a massive project."

Mr De Lacey said the mine had a potential 30-year lifespan and, based on projections, would produce one million tonnes of ore which would be processed into 5000 tonnes of concentrate worth conservatively \$20,000 a tonne or \$100 million a year.

He said mill construction was expected to start in 2012 and take 12 months with 50 jobs in the construction stage and a further 30-plus in mill operations.

The company's development strategy is to confirm an initial resource base of eight to 10 million tonnes of tin ore

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from its three key project areas at Mt Garnet, the Gillian, Pinnacles and Windemere projects.

Since listing, CTM has drilled 6613m across 137 holes at Mt Garnet and the project's current total JORC resource stands at 7.3Mt @ 0.6 per cent tin (Sn).

The company is about to move into its next phase of exploration and development at Mt Garnet with drilling due to start at the Windemere project in the near future, to upgrade its current 2.1Mt (@ 0.55 per cent (Sn) JORC resource.

As well, a new program of diamond drilling will be conducted at the Gillian project.

A pre-feasibility study at Mt Garnet will be to further establish the robust nature of the project's economics and it is planned to be completed in the first quarter of next year.

As part of the study, a pilot project-scale test of the project's tin ore will be conducted at Greenbushes in Western Australia, and metallurgy development work will continue.

The current tin price is \$25,400 a tonne and the current CSD share price is \$0.19.



Digging deep: Ralph De Lacey believes it's time Cairns appreciated the efforts of Consolidated Tin Mines to develop a successful business.