



## Snapshot:

Current CSD Share Price: **\$0.09**

Current LME Tin Price: **US\$22,940**

Detailed information at  
[www.cstdtin.com.au](http://www.cstdtin.com.au)

### ASX CODE: CSD



### ABOUT CSD

Consolidated Tin Mines Limited is an Australian Listed tin focused company developing a large scale tin project at Mt Garnet in the lower Herberton Tinfield in north Queensland



### CAPITAL STRUCTURE

Snow Peak	16.3%
Ralph De Lacey	7.3%
Beacon Minerals	6.8%
Geocrystal	4.3%
John Sainsbury	3.7%



### OBJECTIVE

To become Australia's premier tin producing company



### STRATEGY

To develop and establish tin production by end 2014 and focus on increasing mine life and production profile by developing other tin production opportunities within the broader Mt Garnet Tin Project area

## Consolidated Tin Mines signs MOU to purchase Mt Garnet processing plant from Snow Peak Mining

Imminent acquisition of Mt Garnet Plant and associated tenements

### HIGHLIGHTS

- Agreement to acquire Mt Garnet processing plant (and associated tenements and information) for issue of 285M shares
- Shares will be subject to a 2 year voluntary escrow period and as such will not trade on ASX for 2 years
- Acquisition is a key strategic milestone and assists with the Company's continuing transition from exploration to revenue generating company
- CSD to receive revenue from toll treatment of Snow Peak Mining ore from projects not being transferred
- CSD maintain percentage of all profit from SPM operations through 9.8% holding in other SPM assets not included
- Mt Garnet concentrator expected to be producing copper concentrate from SPM remaining projects Q1 2014
- Subject to the approval of shareholders at an EGM which will include an Independent Experts Report
- Consolidated Tin remains on-track to become a significant Australian tin producer

Australian tin exploration and development company Consolidated Tin Mines Limited (ASX: CSD) (Consolidated Tin or the Company) is pleased to announce that it has entered into a memorandum of understanding with Snow Peak Mining Pty Ltd (SPM) to acquire SPM's processing plant at Mt Garnet (MOU).

Completion of the transaction is subject to various conditions precedent, including the following material conditions:

- (a) the shareholders of the Company approving the transaction. A notice of meeting will be sent to shareholders in due course which will contain

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29<sup>th</sup> of November 2013

an Independent Experts Report which will report on the fairness and reasonableness of the transaction;

- (b) the Company and SPM completing due diligence investigations to their satisfaction;
- (c) security holders releasing the various assets the subject of the transaction from their security; and
- (d) the parties agreeing a toll treatment agreement and a management agreement.

The parties intend to enter into a full form agreement to more comprehensively document the terms of the transaction. The full form agreement will contain additional terms and conditions, including a condition precedent requiring, to the extent applicable, FIRB approval to the transaction. Completion of the transaction is scheduled to occur on 1 March 2014.

The MOU replaces all prior and existing arrangement and agreements between the parties, including the Heads of Agreement between the Company and SPII signed 18 April 2012 (refer ASX release 3 May 2012) (Heads of Agreement).

Under the MOU, the Company will acquire the Mt Garnet processing plant and the mining tenements directly associated with the processing plant. The Surveyor/Balcooma, Einasleigh, Maitland and Baal Gammon projects remain with SPM. The acquisition cost includes the cost of the replacement of environmental bonds totaling \$2.1M. CSD will issue to SPM 285 million fully paid ordinary Consolidated Tin shares (Consideration Shares) as consideration for the acquisition. Upon completion of the transaction SPM will hold approximately 70% of the Company's shares. However, SPM has agreed to conduct an in specie distribution of the Consideration Shares to its shareholders (other than the Company, which holds 9.8% of SPM). SPM's shareholders have further agreed to a voluntary escrow period in respect of all of the Consideration Shares distributed of 2 years.

The Company will also issue 30 million fully paid ordinary Consolidated Tin shares to Snow Peak International Investments Limited (SPII) as repayment of a \$3 million advance payment made to Consolidated Tin as per the Heads of Agreement (SPII Shares). SPII has agreed to a voluntary escrow period in respect of the SPII Shares for a period of 2 years.

The Company will have a first right of refusal to buy-back the Consideration Shares and the SPII Shares in the event the holder wishes to dispose of them (subject to any applicable ASX escrow).

Upon completion of the transaction, including the in specie distribution referred to above, SPII will hold approximately 55% of CSD's issued capital. This is on the basis that SPII already holds approximately 36,400,000 CSD shares (or 16% of CSD), will exercise 27,300,000 options at 7 cents each before 31 December 2013, will acquire approximately an additional 220 million CSD shares upon completion of the in specie distribution (as SPII holds approximately 78% of SPM, excluding CSD's 9.8% interest) and will acquire an additional 30 million CSD shares upon the issue of the SPII Shares. Shareholder approval will be sought for this acquisition in accordance with Item 7 of Section 611 of the Corporations Act.

The Company is delighted to have finalized this MOU to acquire SPM's processing plant. The acquisition provides a clear pathway for the Company to move closer to developing its various projects. Production will initially come from copper from the projects still owned by SPM, and eventually from tin from the Mt Garnet Tin Project, which is expected to commence production by the end of 2014.

ANNOUNCEMENT

**29<sup>th</sup> of November 2013**

ASX/MEDIA RELEASE

The processing plant is centrally located in close proximity to the Gillian and Pinnacles Deposits at Consolidated Tin's Mt Garnet Tin Project in north Queensland and (refer Figure 1: Project Location Map).

SPM will enter into a contract with the Company to toll treat SPM ore at the Mt Garnet processing plant. The commercial terms of this agreement will be finalised in the near future.

Consolidated Tin will continue to manage and operate SPM mining and exploration operations in accordance with its current arrangements. It will maintain its 9.8% interest in SPM on a 'free carry' basis, and will receive a percentage of any profit from SPM mining operations.

Consolidated Tin Mines' Chairman and Managing Director Ralph De Lacey said:

"The acquisition of the Mt Garnet Processing facility completes a key strategic milestone in the development of the Company and our Mt Garnet Tin Project, and allows us to immediately transition from an exploration company to generating revenue from toll treating SPM ore. This will provide cash flow whilst we move towards tin production at Mt Garnet in Q4 2014.

The path to production for the Mt Garnet Tin Project is now clear and we are focused on progressing work programs required to complete definitive studies on the Gillian deposit at the Mt Garnet Project by Q2 2014. ."

Full details of the transaction will be contained in the notice of meeting and independent expert's report that will be provided to shareholders in due course.

### **Update on Mt Garnet Tin Project**

Consolidated Tin also advises that it is continuing to progress work programs required to complete its definitive feasibility study for the Mt Garnet Tin Project.

The final drill program at the Gillian deposit, designed to gain further geotechnical data to improve mine design economics, is now well underway. The pilot flotation program commenced in November and is progressing well. The pilot scale tin fuming trails will commence in January 2014 and will be the final metallurgical testing required.

Gillian will be the first deposit to be mined at the project with the first processing of tin ore expected in late 2014.

### **ENDS**

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## About Consolidated Tin Mines

Consolidated Tin Mines is an emerging ASX-listed (ASX: CSD) tin explorer and developer. Its major project is the Mt Garnet Tin Project near Cairns in northern Queensland. The project is located in an established mining area, in close proximity to mining and concentrating infrastructure. Consolidated Tin's objective is to develop the project into a major low cost, open pit mining operation processing 1Mt per annum to produce approximately 5,000 tonnes of tin in concentrate per annum, commencing with key deposits, Gillian and Pinnacles. With completion of the favourable PFS, Consolidated Tin's strategy is to develop and establish tin production by end 2014 and focus on increasing mine life and production profile by developing other tin production opportunities within the broader Mt Garnet Tin Project area.

Figure 1: Project Location Map

