

2 March 2015

ASX/MEDIA RELEASE

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ASX CODE: CSD



ABOUT CSD

Consolidated Tin Mines (ASX: CSD) is a base metal producing company with a significant tin project in advanced stage DFS



SHARES ON REGISTER

279,770,521

TOP 5 SHAREHOLDERS

Snow Peak Int'l	22.8%
ARM (NQ) Pty Ltd	10.4%
Ralph De Lacey	5.8%
Beacon Minerals	5.0%
Baoxian Ji	1.9%



OBJECTIVE

To develop the tin project through to production and become a diversified producer and minimise metal price fluctuation risk



STRATEGY

To develop and establish tin production and focus on increasing mine life and production profile by developing other tin and base metal production opportunities within the broader Mt Garnet/ Greenvale/Einasleigh region



Snapshot:

Current CSD Share Price: **\$0.047**

Current LME Price Tin: **US\$17,950**

Zinc: **US\$2,065**

Copper: **US\$5,895**

Lead: **US\$1,728**

Consolidated Tin Mines Update

Highlights

Consolidated Tin Mines Limited (ASX: CSD) is pleased to provide an update on activities post the acquisition of Snow Peak Mining (SPM) assets on 12 January 2015. The acquisition has seen CSD transition from a small exploration company to a medium sized base metal production and project development company.

- Surveyor Mine – transitioned seamlessly on 13 January 2015 with 50 staff, and mining approximately 30,000t per month on a 24/7 operation.
- Mt Garnet Mine – currently on care and maintenance, with recommencement of mining to occur after the current wet season.
- Mt Garnet Mill – transitioned seamlessly on 13 January 2015 with 39 staff, currently producing zinc, lead and copper concentrates on a 24/7 operation.
- Concentrate Sales – offtake agreement with MRI Trading will transfer to CSD in due course; prepayments made on delivery of concentrates to Townsville Port and made on a regular basis to meet operational needs.
- Mt Garnet Tin Project – while maintaining a positive cash flow from the base metal production, CSD is scheduled to complete the DFS in mid-2015, and will progressively diversify into tin production in 2016.
- EGM Result – positive outcome leading to the assumption of financial responsibility for the SPM mining and production assets on 13 January 2015, with final settlement expected to take several months.
- Administration – headquartered in Cairns, with a Sydney office, CSD has seamlessly assumed all SPM administration and finance functions, including the establishment of trade creditors.
- Senior Management – the expanded company is establishing a highly skilled senior management team, which will be announced shortly.
- Development Finance – CSD is in advanced discussions with a number of investors and institutions to develop funding opportunities.

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Surveyor Mine

SPM operations transitioned seamlessly to CSD on 13 January 2015. Surveyor Mine continues to be a 24/7 operation, mining approximately 30,000 tonnes per month of poly metallic ore. The ore is trucked continually to Mt Garnet by road train. Surveyor Mine currently has 50 staff, and is a drive in/drive out site with a full camp and catering facilities.



Surveyor Mine with mine camp in foreground

Mt Garnet Mine

Over 100,000 tonnes of primarily high grade Zn ore was mined during H1 FY15. In December, the operation was put into care and maintenance for the wet season. Mining is planned to recommence post the current wet season, Q4 FY15.

Mt Garnet Mill



Mt Garnet Mill

The Mt Garnet concentrator continued operating seamlessly post transfer from SPM to CSD. The concentrator continues operating 24/7 producing approximately 2,500 tonnes of zinc metal in concentrate, 700 tonnes of lead metal in concentrate and 180 tonnes of copper metal in concentrate per month. The Mt Garnet concentrator currently has 39 staff and is located adjacent to the town of Mt Garnet which has all the modern facilities and infrastructure expected in a small town. Many of the staff reside locally and the company leases a number of houses in the town for staff accommodation.



Loading Zinc Concentrate onto Caribbean ID in Townsville Port in February 2015

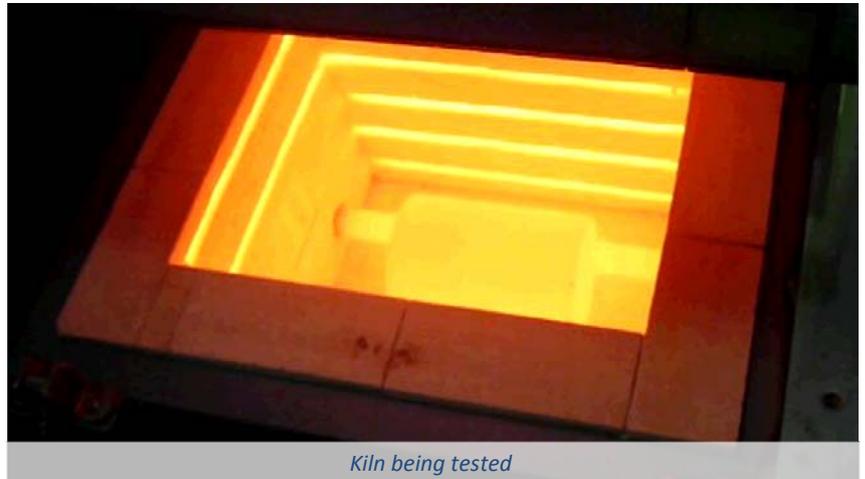
Concentrate sales

SPM has a concentrate offtake agreement with MRI Trading which will transfer to CSD in due course. The concentrate is transported to Townsville Port by road train and shipped offshore. Prepayment of concentrate is made on delivery to a bonded warehouse at Townsville Port. Concentrate transport from Mt Garnet to Townsville is continuous and concentrate prepayment is made on a regular basis to meet operational expenditure.

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Mt Garnet Tin Project

The identified benefits of purchasing the Mt Garnet Mill by SPM and subsequently by CSD, is the ability to convert the operating mill to tin processing. CSD has identified this as a medium term initiative that will have multiple benefits, the main being that it is ideally located in close proximity to the Mt Garnet Tin Project. The company has identified and realised the opportunity to become a base metal producer as a first step. As a result of becoming a base metal producer, the company will be focused on maintaining a positive cash flow from this production. The company intends to progressively diversify into tin production. The initial tin project production target will be scaled down, at this stage, from 1mtpa to approximately 300 ktpa throughput (approximately 2,000 tonnes of tin metal in concentrate pa). This will reduce initial capex and also allow for the continued utilisation of the poly metallic circuit for base metal production. In addition this will allow the company to utilise the latent comminution capacity for the tin project which will further reduce initial capex. The Mt Garnet Tin Project Definitive Feasibility Project (DFS) is on schedule for completion by mid-2015, with targeted tin production estimated for early 2016. DFS testwork is continuing. The company has now established a lab scale roasting facility at Mt Garnet. Pilot scale testwork is scheduled to be completed by June 2015.



EGM Result

The positive EGM outcome on 12 January 2015 resulted in all SPM operations and financial liability/income transferring to CSD as from 13 January 2015. The transfer of all SPM assets to CSD will occur in two stages: Stage one has been completed with shareholder approval. Stage two is 'settlement'; settlement will occur when the assets are legally transferred and the CSD shares and convertible notes are issued as payment. There are a number of different parties involved in stage two as it involves the transfer of all assets and accepted liability, which includes the transfer of SPM \$10.7M cash backed environmental assurance, the transfer of current concentrate offtake agreements, the transfer of SPM working capital loans, and the transfer of mining tenements, environmental authorities and all operational licenses. Stage two may take several months for these formalities to be finalised.

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Administration

The Cairns Corporate and Administration Headquarters is located at 395 Lake Street and has been the central administrative office for both CSD and SPM since their commencement. The administration transition to CSD was also seamless. Transfer of trade creditors has occurred. SPM had established an office in Miller Street North Sydney. This office transferred to CSD with Chief Financial Officer, Martin Cai, and Joint Executive Chairman, Alex Tsoi, operating from this office.

Senior management skills and growth

CSD has transitioned from a small tin exploration/development company to a medium sized base metal production and project development company. The expanded company is moving quickly to further establish a highly skilled senior management team, with appropriate expertise and experience, to ensure the company has the appropriate leadership skills to initially consolidate growth and meet the company's immediate needs, and to ensure the current growth trajectory is sustained. We will be announcing these appointments in the near future.

Development Finance

The company is in advanced discussions with a number of investors and institutions to develop funding opportunities for the tin project and also for, and in conjunction with, growth and expansion opportunities.

ENDS

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About Consolidated Tin Mines

Consolidated Tin Mines (ASX: CSD) is a base metal producing company with current production over 300 wet metric tonnes per day of Zinc, Lead and Copper concentrates with a Silver co-product. The company operates two mines, with the ore processed at Mt Garnet located approximately 180km south west of Cairns in northern Queensland. The company is also actively exploring within the highly prospective Einasleigh/Greenvale area in north Queensland through a free carry farm in agreement. The company is also a focused tin explorer and developer. Its major tin development project, comprised of the Gillian and Pinnacles deposits, is also located at Mt

ANNOUNCEMENT

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Garnet in north Queensland. All CSD projects are located in established mining areas, in close proximity to the company's owned and operating concentrating infrastructure.

Consolidated Tin's objective is to maintain current base metal production and develop the tin project into a major low cost, open pit tin mining operation. On completion of a favourable tin project DFS in 2015, Consolidated Tin's strategy will be to develop and establish tin production and focus on increasing mine life and production profile by developing other tin and base metal production opportunities within the broader Mt Garnet/Greenvale/Einasleigh region. The Company will continue to diversify its asset base to minimise metal price risk.