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Consolidated Tin deals on Mt Garnet

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CONSOLIDATED Tin Mines has secured a Hong Kong-based cornerstone investor for its Mt Garnet project in Queensland following an initial \$A1.6 million placement in the emerging miner.

Snow Peak International Investment took up the placement, the first tranche in a proposed long-term investment in Consolidated Tin, designed to bankroll Mt Garnet through to production.

The initial placement of 20 million shares priced at 8c per share represents a 17.64% premium to Consolidated Tin's closing price on Tuesday, September 13 of 6.8c.

The placement also includes the issue of 10 million listed options to Snow Peak exercisable at 20c each on or before December 31, 2013.

The deal follows a two month due diligence program by the Hong Kong group.

Located in an established mining area near Cairns in North West Queensland, Mt Garnet comprises three key deposits – Gillian, Pinnacles and Windermere.

Consolidated Tin is investigating a major low-cost open pit mining operation as part of a current prefeasibility study at Mt Garnet.

The work is aimed at confirming an initial resource base of 8-10 million tonnes of tin to support a 1Mtpa capacity operation producing around 5000tpa of tin.

Resources at the property currently stand at 7.3Mt grading 0.6% tin, including a measured resource of 1.2Mt at 0.82% tin from the Gillian deposit.

However, it also boasts an iron resource of 5.2Mt grading 26.39% iron.

Drilling is targeting not only a resource upgrade at the property, but a new area known as the Coolgarra Group.

Shares in Consolidated Tin were down 3.85% or 0.3c in morning trade to 7.5c.