

Consolidated Tin jumps on Kagara deal

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SHARES in Consolidated Tin Mines jumped 29% after the company said Snow Peak Mining's \$A40 million purchase of Kagara's Mt Garnet plant was of "strategic importance" to it.

It was announced yesterday that SPM would pick up the assets from the administrators of collapsed base metal miner Kagara.

Consolidated Tin holds a 10% free-carry interest in SPM, with the remainder held by Hong Kong's Snow Peak International, Consolidated Tin's largest shareholder with a 20% stake.

It is proposed that Consolidated Tin will manage and operate the former Kagara assets and managing director Ralph De Lacey would likely be appointed as MD of SPM.



Drilling at Mt Garnet

The 1 million tonne per annum Mt Garnet plant is just 9km from Consolidated Tin's flagship Gillian tin deposit.

SPM plans to initially operate the mill in its current configuration to process polymetallic ore from the Baal Gammon and Balcooma projects, also picked up as part of the buy.

Consolidated Tin said the longer term goal would be to enter discussions with SPM to gradually introduce a tin circuit over the next year to allow for tin production to begin in 2014.

"The signing of this sale agreement is a considerable step forward for Consolidated Tin," De Lacey said.

"The acquisition of an operating processing plant by our major shareholder provides us with the opportunity for a clear path to production for our Mt Garnet tin project."

The Gillian deposit has open pit resources of 3Mt at 0.78% tin within the company's overall tin resource of 9.6Mt at 0.6% tin for 57,700 tonnes of tin.

The company's goal is to produce around 5000tpa of tin.

Consolidated Tin shares emerged from a trading halt and jumped 1.5c to 7c.

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