

# CONSOLIDATED TIN MINES LIMITED



29<sup>th</sup> October 2010

Manager Announcements  
Companies Announcements Office  
Australian Securities Exchange Limited  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY, NSW 2000  
Via: asxonline.com

ASX Code - CSD  
- CSDO

Dear Sir/Madam,

## SEPTEMBER QUARTER ACTIVITIES AND CASHFLOW REPORT

We attach the above announcement.

Yours faithfully

Ralph De Lacey  
Managing Director

### ABOUT CONSOLIDATED TIN MINES LIMITED

Consolidated Tin Mines Limited (CSD) is a junior exploration company with a current focus on tin at Mt Garnet in the lower Herberton tin field in North Queensland.

Short to medium term goals are:

- Further expand resources at Gillian, Pinnacles and Windermere Projects
- Develop a hard rock mining operation
- Develop a centrally located mill capable of 1Mtpa
- Develop an alluvial mining operation
- Explore other known mineralisation in current tenement holding to provide resource expansion and additional mine life

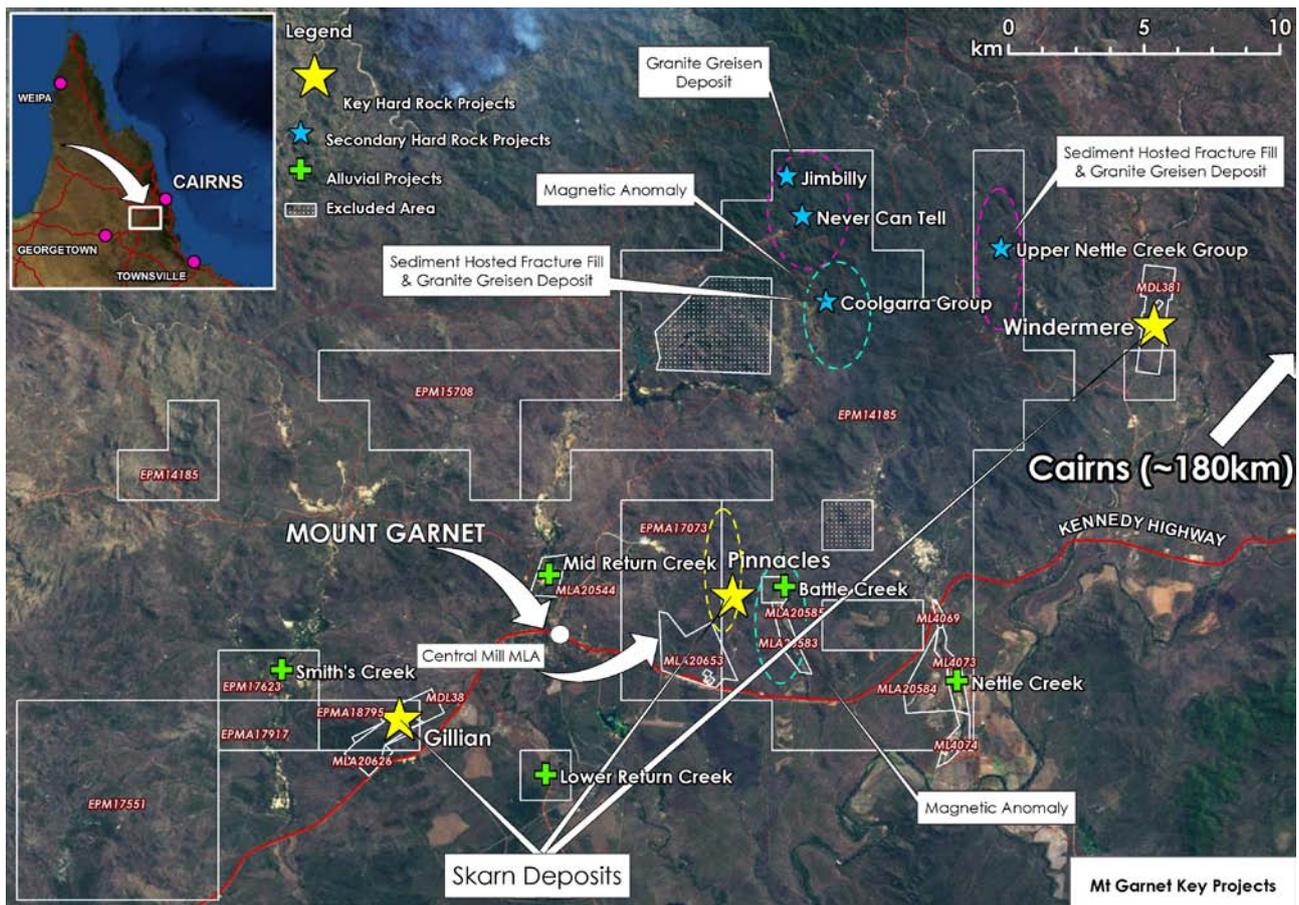
## SEPTEMBER QUARTER HIGHLIGHTS

- WINDERMERE TIN PROJECT GRANTED – MT GARNET JORC RESOURCE EXPANDED BY 2.1Mt
- SCOPING STUDY CONFIRMS COMMERCIAL POTENTIAL OF MT GARNET TIN PROJECT
- NEW NON-EXECUTIVE DIRECTOR APPOINTED
- 80 TONNE BULK SAMPLE PILOT PLANT PROGRAM COMMENCED
- ENVIRONMENTAL MONITORING PROGRAM CONTINUED
- CAPITAL RAISING OF \$2.3M COMPLETED

## WINDERMERE TIN PROJECT GRANTED

In September the Company announced that the Queensland state government had granted the Windermere Project (Mineral Development Licence 381) at the Company's Mt Garnet Tin project area near Cairns in northern Queensland. The Windermere Project has a current Inferred **JORC Mineral Resource of 2.1Mt @ 0.55% Tin (Sn)** (see note 1). This was added to the Company's overall JORC Mineral Resource, and increases the **total JORC Mineral Resource at the Mt Garnet Project to 7.3Mt @ 0.60% Tin (Sn)**, across its three key project areas; Gillian, Pinnacles and Windermere/Deadmans Gully.

Figure 1: Mt Garnet Key Projects



A breakdown of the total JORC Resource is shown below.

Table 1: JORC Mineral Resource table

<b>TIN (Sn)</b>	Measured tonnes	Grade %	Indicated tonnes	Grade %	Inferred tonnes	Grade %	<b>Total tonnes</b>	<b>Grade %</b>
Gillian	1,203,000	0.82	824,100	0.73	974,100	0.77	<b>3,001,200</b>	<b>0.78</b>
Pinnacles - Wafer	-	-	218,200	0.49	1,133,100	0.39	<b>1,351,300</b>	<b>0.41</b>
Pinnacles - Sniska	-	-	-	-	306,900	0.32	<b>306,900</b>	<b>0.32</b>
Pinnacles - Hartog	-	-	-	-	212,700	0.51	<b>212,700</b>	<b>0.51</b>
Deadmans Gully	-	-	401,500	0.49	-	-	<b>401,500</b>	<b>0.49</b>
Windermere	-	-	-	-	2,103,000	0.55	<b>2,103,000</b>	<b>0.55</b>
<b>TOTAL</b>	<b>1,203,000</b>	<b>0.82</b>	<b>1,443,800</b>	<b>0.63</b>	<b>4,729,800</b>	<b>0.54</b>	<b>7,376,600</b>	<b>0.60</b>

<b>IRON (Fe)</b>	Measured tonnes	Grade %	Indicated tonnes	Grade %	Inferred tonnes	Grade %	<b>Total tonnes</b>	<b>Grade %</b>
Gillian	1,203,000	31.35	824,100	29.75	974,100	27.67	<b>3,001,200</b>	<b>29.72</b>
Pinnacles - Wafer	-	-	218,200	20.21	1,133,100	27.88	<b>1,351,300</b>	<b>16.87</b>
Pinnacles - Sniska	-	-	-	-	306,900	22.90	<b>306,900</b>	<b>22.90</b>
Pinnacles - Hartog	-	-	-	-	212,700	13.75	<b>212,700</b>	<b>13.75</b>
Deadmans Gully	-	-	401,500	34.89	-	-	<b>401,500</b>	<b>34.89</b>
<b>TOTAL</b>	<b>1,203,000</b>	<b>31.35</b>	<b>1,443,800</b>	<b>29.73</b>	<b>2,626,800</b>	<b>26.08</b>	<b>5,273,600</b>	<b>25.78</b>

<b>FLUORINE (F)</b>	Measured tonnes	Grade %	Indicated tonnes	Grade %	Inferred tonnes	Grade %	<b>Total tonnes</b>	<b>Grade %</b>
Pinnacles - Wafer	-	-	-	-	348,300	18.54	<b>348,300</b>	<b>18.54</b>
Pinnacles - Sniska	-	-	-	-	306,900	12.00	<b>306,900</b>	<b>12.00</b>
Pinnacles - Hartog	-	-	-	-	212,700	15.50	<b>212,700</b>	<b>15.50</b>
Pinnacles - Llahsram	-	-	-	-	91,700	13.00	<b>91,700</b>	<b>13.00</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>959,600</b>	<b>15.25</b>	<b>959,600</b>	<b>15.25</b>

Subsequent to the September quarter, a drilling program commenced at Windermere on the 27<sup>th</sup> October. This program will focus on upgrading the JORC category of the current Resource estimation for the Windermere project.

This first stage drilling program at Windermere will be approximately 2000 metres Reverse Circulation over 40 holes, to test the strike extent of the mineralisation at 40 metre spacing. The planned intersection depth will be approximately 30 metre vertical depth below surface. Historic records indicate the mineralisation is steeply dipping to the east and drill direction will be from east to west.

The Company plans to confirm the tabular nature of the mineralisation, the tonnage and grade of the tin mineralisation, as well as potential iron and base metals mineralisation.

### SCOPING STUDY CONFIRMS COMMERCIAL POTENTIAL OF MT GARNET PROJECT

In July the Company released details of a preliminary Scoping Study at the Mt Garnet project (refer ASX release 6 July 2010). The Study was conducted in conjunction with SEMF Pty Ltd, (SEMF). SEMF is a multi-discipline engineering, scientific and management consulting group with strong expertise in the mining sector. SEMF examined the likely

capital and operating costs based on the preliminary metallurgical design and other project information for the Mt Garnet Project.

Based on the preliminary process flowsheet, a likely baseline throughput was estimated at 700,000 tonne per annum. This baseline throughput was used for the purpose of equipment sizing and developing capital cost and operating cost estimates.

**The scoping study for the Mt Garnet Tin Project demonstrated the economic potential of the project. Over the initial 7.5-year mine life, the project is anticipated to deliver gross revenue of \$500 million, at a conservative tin price of AUD\$18,000 per tonne. This leaves a strong net cash surplus of \$245 million over initial 7.5-year mine life.**

SEMF estimated capital costs at \$124 million inclusive of a 10% contingency.

The estimate is considered to have an accuracy in the order of -20%/ + 30%. Operating cost estimates were reviewed by SEMF and a range of between \$40-\$50 per tonne of ore processed was considered an appropriate broad estimate for the purposes of the Scoping Study. Net cash flows are pre-tax and do not include capital costs for constructing a treatment plant and mine infrastructure. Freight and smelting costs are not included.

SEMF reviewed and accepted the following project parameters:

- Throughput of 700,000 tonnes per annum;
- Average feed grade 0.64% tin at a recovery of 68% producing 3,049 tonnes per annum of tin metal in concentrate;
- Production of 236,600 tonnes per annum of magnetite concentrate grading greater than 65% iron at a sales value of \$50 per tonne;
- Operating cost estimates used \$49 per tonne of ore processed being within the SEMF estimated operating cost range of \$40 - \$50 per tonne.

Resources used were based on current JORC classifications (at the time of the study) measured indicated and inferred resources at the project, and did not include the 2.1Mt Inferred Resource at the Company's Windermere project which was announced to ASX on 7 September 2010. Project life on throughput of 700,000tpa was estimated to be 7.5 years based on current Mt Garnet Project resources (at time of study).

The preliminary scoping study findings are not future revenue or operating forecasts. The scoping study is intended to give shareholders and potential investors an indication of the scope and magnitude of the Mt Garnet Tin Project.

## **APPOINTMENT OF NEW NON EXECUTIVE DIRECTOR**

Subsequent to the end of the Quarter (on 12 October), the company announced the appointment of Darryl Harris to the Board as a non-executive director.

Mr Harris has a strong depth of experience and expertise in senior operational and corporate roles in the resource sector, and his appointment will further enhance the skill set of the Consolidated Tin Board as it continues to develop the large scale Mt Garnet Tin project in northern Queensland.

Mr Harris has a Bachelor of Science from Curtin University and is a Member of the Australasian Institute of Mining and Metallurgy.

## PILOT PLANT PROGRAM COMMENCES

The Company continued with its program of metallurgy studies for the Mt Garnet tin project during the quarter. This included the commencement of an 80 tonne bulk sample from the project to be processed at pilot plant scale at Greenbushes in Western Australia. This 80 tonne sample was dispatched from Mt Garnet in four 20 tonne containers on 13<sup>th</sup> October.

Ongoing laboratory scale testwork will also continue on the Mt Garnet tin project and the results will feed into the project's planned pre-Feasibility Study.

## ENVIRONMENTAL MONITORING PROGRAM CONTINUED

Baseline environmental monitoring within the Battle Creek and Gillian projects at the Mt Garnet project area continued during the quarter. North Queensland based environmental consultants, Landline Consultants Pty Ltd continued to develop appropriate environmental management plans for the projects.

Baseline environment studies are a requirement for the permitting of Level 1 mining activities within Queensland.

## CORPORATE

### Capital Raising

The Company completed successful capital raising activities during the quarter, which raised a total of \$2,238,500.

In September, the Company completed a placement of 8,700,000 ordinary fully paid shares, under its 15% placement capacity, to sophisticated and professional investors at 2.5 cents per share, raising \$217,500. For each share subscribed for under the placement the Company will issue, subject to shareholder approval, one option to acquire a share in the Company, exercisable by payment of 5 cents each on or before 31 August 2013.

The Company was successful in placing the remaining entitlement issue shortfall shares, raising a further \$2 million, subsequent to the end of the quarter. 50 million shares were placed at a price of 4 cents per share to sophisticated and professional investors.

#### 1.1. Security Holders

Total number of shares on issue at the end of the September quarter was 67,450,107 (with all quoted). Total options on issue were 44,074,990.

**Table 3: Consolidated Tin Mines Limited top 5 shareholders**

Shareholder	% of issued capital
Beacon Minerals Ltd	12.35
Geocrystal Ltd	10.22
Ralph De Lacey ATF	8.73

John Sainsbury Consulting Pty Ltd	7.11
Broken Ridge PL	4.26

## 1.2. Cash Reserves

The Company has approximately \$ 2.298 million in cash reserves at the end of the September quarter.

## UPCOMING ACTIVITIES

- o Drilling program at Windermere Tin Project
- o Commencement of Mt Garnet hard rock project Pre-feasibility Study
- o Continuing Metallurgy development
- o Continue to progress development of environmental management plans

### For further information please contact;

Ralph De Lacey  
 Managing Director  
 Consolidated Tin Mines Limited  
 P: 07 4032 3319  
 M: 0428 163 176  
 E: rd@csttin.com.au  
 W: [www.csttin.com.au](http://www.csttin.com.au)

James Moses  
 Investor Relations and Media Relations  
 Mandate Corporate  
 M: 0420 991 574  
 E: james@mandatecorporate.com.au

Note 1; The Inferred resource estimate is estimated by John Sainsbury and is based on an assumption of dip continuity to 100 metres of 1700 metres of strike extent of the Windermere mineralisation with average width of 4 metres. The dimensions are conservative estimations of exposed strike length and average width. The dip extent is based on current RL difference of 50 metres in current exposures of the mineralisation and evidence of skarn continuity from drilling programs at the Company's other Mt Garnet skarns. Density of 3 is used from measurements from the company skarn occurrences for similar massive ironstone. Grade estimate is the average assay of surface samples and trench exposures of the ironstones.

The information contained in this report that relates to assay results of rock samples and drill chips, to mineral resource estimates and to ore reserve estimates of mineralisation has been compiled by John Sainsbury (BSc, AusIMM). John Sainsbury is a geologist of 30 years experience and has sufficient experience in the type of mineralisation under consideration to be a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - JORC Code, 2004 Edition. John Sainsbury is an executive director of Consolidated Tin Mines Limited. John Sainsbury has consented to the inclusion of this information in the form and context in which it appears.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CONSOLIDATED TIN MINES LIMITED

ABN

57 126 634 606

Quarter ended ("current quarter")

30 September 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Curent quarter \$A'000	Year to date (3 mths) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(132)	(132)
(b) development	-	-
(c) production	-	-
(d) administration	(91)	(91)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development tax concession	-	-
<b>Net Operating Cash Flows</b>	<b>(222)</b>	<b>(222)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(2)	(2)
(d) bonds & deposits	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
(d)bonds & deposits	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(2)</b>	<b>(2)</b>
1.13 Total operating and investing cash flows (carried forward)	(224)	(224)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(224)	(224)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	2,261	2,261
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Share Issue Costs)	(10)	(10)
	<b>Net financing cash flows</b>	<b>2,251</b>	<b>2,251</b>
	<b>Net increase (decrease) in cash held</b>	<b>2,027</b>	<b>2,027</b>
1.20	Cash at beginning of quarter/year to date	271	271
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>2,298</b>	<b>2,298</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Curent quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	33
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Remuneration of Directors

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development	-
4.3 Production	-
4.4 Administration	180
<b>Total</b>	<b>780</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Curent quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,298	271
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,298</b>	<b>271</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	67,450,107	67,450,107	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	12,926,106	12,926,106	-	-
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> <i>(description and conversion factor)</i>	43,474,990 600,000	43,474,990 -	<i>Exercise price</i> 20 cents 12 cents	<i>Expiry date</i> 31/12/2013 31/03/2011
7.8 Issued during quarter – released from escrow	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-	-	-
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-	-	-

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 29 October 2010

(Company secretary)

Print name: Kevin Hart

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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