

31 January 2013

DECEMBER 2012 QUARTER ACTIVITIES & CASHFLOW REPORT

ASX RELEASE

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Snapshot:

ASX: **CSD**

Current CSD Share Price: **\$0.10**

Current LME Tin Price: **\$24,475**

Detailed information at
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DECEMBER QUARTER ACTIVITIES & CASHFLOW REPORT

DECEMBER QUARTER HIGHLIGHTS

- **CSD MAJOR SHAREHOLDER ACQUISITION OF KAGARA CENTRAL REGION PROJECT**
- **PRE-FEASIBILITY STUDY UPDATE**
- **JORC RESOURCE REVIEW UPDATE**
- **CORPORATE**
- **UPCOMING ACTIVITIES**

CSD MAJOR SHAREHOLDER ACQUISITION OF KAGARA CENTRAL REGION PROJECT

Consolidated Tin Mines limited (CSD, the Company) was delighted to announce on 18th December that Snow Peak Mining Pty Ltd (SPM), entered into an Asset Sale Agreement to acquire the Kagara Central Region Project in northern Queensland (**Kagara Project**). SPM is a subsidiary of Hong Kong-based investment group Snow Peak International Investment Pty Ltd, one of the Company's major shareholders.

The sale process was completed Thursday 24th January.

This acquisition is considered to be of great strategic value and importance for Consolidated Tin, who hold a 10% interest in share capital of SPM on a 'free-carry'* basis (*'free carry' means debt free and no operating cost billed to CSD).

The total consideration for the acquisition was \$29.3 million (plus the assumption of \$10.7 million of environmental bonds).

The Kagara Project comprises a highly prospective and proven package of copper and base metal assets plus an existing operational concentrator with a 1,000,000 tonne per annum-capacity. The concentrator currently has both copper and poly metallic circuits, with each circuit having the capacity to process about 500,000tpa.

The Kagara Project is located in close proximity to Consolidated Tin's Mt Garnet Tin Project. The operating concentrator acquired is located just nine kilometres (by sealed road, on the Kennedy Highway) from CSD's flagship Gillian Tin Deposit, which has a near-surface open pit mineable JORC Resource of 3Mt @ 0.78% Tin (Sn). Refer to table 1 below for a further breakdown of those JORC resources.

It is proposed that CSD will manage and operate the Kagara Project on a reimbursable basis on behalf of SPM. CSD will receive 10% (free carried) of any short term profit from all revenue from the Kagara Project. CSD will complete a PFS on its Mt Garnet Tin Project, with ore to be processed through a reconfigured Kagara Mt Garnet concentrator. Any short term tin processing from CSD areas will be processed by SPM on a cost plus margin basis.

SPM plans to initially operate the Kagara concentrator in its current configuration to process ore from the Baal Gammon Project and possibly Balcooma/Surveyor Mines.

Short term tin processing opportunities from CSD non-skarn tin deposits in the region are currently under investigation.

PRE-FEASIBILITY STUDY UPDATE

Whilst the Company investigated the opportunity to acquire the Kagara Project, certain aspects of the Pre-Feasibility Study were put on hold to avoid unnecessary expenditure. Consolidated Tin will now finalise its PFS for the Mt Garnet Tin Project based on processing tin ore at the Kagara Mt Garnet concentrator.

Based on completion of a positive PFS, it is proposed that a 50/50 JV partnership will be formed between the two parties, whereby SPM provides the concentrator and CSD provides the Hard Rock tin project. The terms of the proposed JV partnership are still to be formalised in a new Heads of Agreement, the terms of which will be subject to shareholder approval at a General Meeting of CSD shareholders to be held in due course.

SPM/CSD JV will install tin processing equipment as required in preparation for the commencement of production from CSD's Mt Garnet Tin Project. Any project costs for installation of additional equipment required to treat the tin ore will be split 50/50. Production is currently scheduled to commence in 2014.

JORC RESOURCE REVIEW UPDATE

The company's JORC Resource review completion is being extended to incorporate the latest round of drilling results from September 2012 and allow management to review the work completed to date. The company will inform shareholders of the anticipated completion date for the review in the near future.

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CORPORATE

1 SECURITY HOLDERS

Total ordinary shares on issue 183,095,734

Options (exercisable at 20 cents each on or before 31st December 2013) 61,674,990

Options (exercisable at 7 cents each on or before 31st December 2013) 27,300,000

Top 5 Shareholders at 31 December 2012

SHAREHOLDER	% OF ISSUED CAPITAL
SNOW PEAK INTNL INV LTD	19.88
BEACON MINERALS LTD	8.43
DE LACEY RALPH + RYAN M	5.60
GEOCRYSTAL LTD	5.46
JOHN SAINSBURY CONS P	4.56

2 CASH RESERVES

The Company had \$611,095 in cash reserves at the end of the December quarter.

The Company is currently reviewing its near term capital raising options and has commenced discussions with a number of parties with a view to entering into a funding mandate agreement. The timing of future exploration expenditure is dependent on the progression of these discussions.

UPCOMING ACTIVITIES

- Completion of JORC Resource review.
- Continue metallurgy and flow sheet development and refinement.
- Commence Pre-feasibility Study based on ore treatment at the Mt Garnet concentrator.
- Management and operation of the Kagara Project on behalf of SPM in order to recommence production from the Mt Garnet concentrator.

Consolidated Tin Mines Limited

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Table 1: JORC Resource

TIN (Sn)	Measured		Indicated		Inferred		Total	
	tonnes	Grade %	tonnes	Grade %	tonnes	Grade%	tonnes	Grade %
Gillian	1,203,000	0.82	824,100	0.73	974,100	0.77	3,001,200	0.78
Pinnacles - Wafer	-	-	218,200	0.49	1,133,100	0.39	1,351,300	0.41
Pinnacles - Sniksa	-	-	-	-	306,900	0.32	306,900	0.32
Pinnacles - Hartog	-	-	-	-	212,700	0.51	212,700	0.51
Deadmans Gully	-	-	401,500	0.49	-	-	401,500	0.49
Windermere	-	-	-	-	2,103,000	0.55	2,103,000	0.55
SUBTOTAL	1,203,000	0.82	1,443,800	0.63	4,729,800	0.54	7,376,600	0.60
Jeannie River	-	-	-	-	2,240,000	0.60	2,240,000	0.60
TOTAL	1,203,000	0.82	1,443,800	0.63	6,969,800	0.56	9,616,600	0.60

= 44,260t Sn
= 13,440t Sn
= 57,700t Sn

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

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

The information contained in this report that relates to assay results of rock samples & drill chips, to mineral resource estimates & to ore reserve estimates of mineralization is based on information compiled by John Sainsbury (BSc, AusIMM). John Sainsbury is a geologist of 30 years' experience & has sufficient experience in the type of mineralisation under consideration to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources & Ore Reserves - JORC Code, 2004 Edition. John Sainsbury has consented to the inclusion of this information in the form & 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, 01/06/10, 17/12/10

Name of entity

CONSOLIDATED TIN MINES LIMITED

ABN

57 126 634 606

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 mths) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(686)	(1,733)
(b) development	-	-
(c) production	-	-
(d) administration	(369)	(660)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	15
1.5 Interest and other costs of finance paid	-	(6)
1.6 Income taxes paid	-	-
1.7 Other – R&D refund	537	537
Net Operating Cash Flows	(508)	(1,847)
Cash flows related to investing activities		
1.8 Payment for purchases: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(3)	(30)
(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 – Funds received under PFS funding agreement (2.2)	-	1,820
Net investing cash flows	(3)	1,790
1.13 Total operating and investing cash flows (carried forward)	(511)	(57)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(511)	(57)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(511)	(57)
1.20	Cash at beginning of quarter/year to date	1,122	668
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	611	611

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	74
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- | |
|---|
| <ul style="list-style-type: none"> i. Remuneration of Directors- \$61,549 ii. Office rent and motor vehicle expenses paid to NQ Mining Enterprise Pty Ltd an entity owned by Mr Ralph De Lacey - \$12,435 |
|---|

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

- | |
|---|
| <ul style="list-style-type: none"> - \$2million less costs associated received from Snow Peak Group to contribute to the funding of the Mt Garnet Tin Project prefeasibility study pursuant to a Heads of Agreement announced on 3 May 2012. The Company has received requisite approval at a General Meeting of Shareholders held on 9 July 2012. |
|---|

+ 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	400
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	600

The Company is currently reviewing its near term capital raising options and has commenced discussions with a number of parties with a view to entering into a funding mandate agreement. The timing of future exploration expenditure is dependent on the progression of these discussions.

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	565	176
5.2 Deposits at call	46	946
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	611	1,122

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	-		
6.2	Interests in mining tenements acquired or increased	-		

+ 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 Preference +securities <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 +Ordinary securities	183,095,734	183,095,734		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7 Options <i>(description and conversion factor)</i>	61,674,990 27,300,000	61,674,990 -	Exercise price 20 cents 7 cents	Expiry date 31/12/2013 31/12/2013
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 31 January 2013

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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