

ASX/Media Release
5th July 2010

SCOPING STUDY CONFIRMS COMMERCIAL POTENTIAL OF MT GARNET TIN PROJECT

Highlights

- Project to deliver gross value of \$500 million over initial 7.5yr mine life at A\$18,000t tin price
- Strong surplus of \$245 million over initial 7.5yr mine life at A\$18,000t tin price
- Returns based on mine throughput of 700,000tpa of tin ore producing 22,868 tin metal in concentrate plus 1,774,500 magnetite concentrate grading >65% iron over initial 7.5yr mine life
- Project has significant expansion potential to deliver additional financial returns over an extended mine life beyond the initial 7.5yrs
- Consolidated Tin to continue with development plans to position it as a substantial tin mining company

Consolidated Tin Mines Limited is pleased to announce results from an in-house preliminary scoping study conducted in conjunction with SEMF Pty Ltd (SEMF) on its Mt Garnet Tin Project near Cairns in North Queensland.

SEMF is a multi-discipline engineering, scientific and management consulting group with strong expertise in the mining sector having previously completed work for King Island Scheelite's (ASX: KIS) Tasmanian Tungsten Project and Nyrstar, the world's largest zinc metal producer, at its Hobart smelter.

SEMF have 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.

SEMF have estimated capital costs in the order of \$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 is considered a reasonable broad estimate for the purposes of the Scoping Study.

As part of the scoping study, and based on the SEMF estimates, indicative project net cash flows before tax for a range of tin ore prices have been developed in-house and are shown in Table 1 below. These project cash flows are based on the following key 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 are based on all current JORC classifications measured indicated and inferred resources at the project. Project life on throughput of 700,000tpa is estimated to be 7.5 years based on current Mt Garnet Project resources.

Table 1: Indicative project pre tax net cash flows across a range of tin ore prices

Tin (Sn) Price \$AUD/t	Iron (Fe) Price \$AUD/t	Total Revenue \$AUD	Net Cashflow \$AUD
16,000	50	454,605,000	199,140,000
18,000	50	500,340,000	244,875,000
20,000	50	546,075,000	290,610,000
22,000	50	591,810,000	336,345,000

Notes to the table:

- i) Net cashflows are pre-tax and do not include capital costs for constructing a treatment plant and mine site infrastructure. Freight and smelting costs are not included.
- ii) Results of the preliminary scoping study provide preliminary pre-tax cash flow estimates that are subject to completion of resource drill out and more comprehensive studies that include detailed mine designs, metallurgical test work, plant design, site construction and detailed capital and operating cost analysis.
- iii) Average \$AUD LME cash buyer price for tin for the 6 months to June 2010 was \$A 20,224
- iv) A portion of the Company's magnetite concentrate will go to coal washing sales, and a conservative average price of AUD\$50/tonne has been estimated.
- v) Revenue and net cash flow is in the above table are based on annual tin and magnetite production of 3,049 and 236,600 tonnes respectively. This represents a change from the annual production estimates included in the announcement made on 22 June 2010, which were 3,175 tonnes of tin and 326,000 tonnes of magnetite. The amendments to the estimated production tonnes have been made after further work carried out on the flow sheet design.
- vi) Future modelling will optimise annual throughput/Capex.

The scoping study for the Mt Garnet Tin Project demonstrates the economic potential of the project at current tin prices. The future addition of resources from future exploration success or acquisition will extend the projects life (see details of Windermere Project below) and is a key factor in the Central Mill Concept with an 8 to 10 year mine life being developed by the company for the Mt Garnet Project Area.

Consolidated Tin's managing director Ralph De Lacey said: "The results of the Scoping Study for the Mt Garnet Tin project help demonstrate the strong economic potential of the project to deliver significant financial returns for the benefit of the Company and our shareholders. We will now continue with our development plans to position Consolidated Tin as a substantial tin mining company."

The directors will continue to assess the capital costs of the plant, and endeavour to deliver the required infrastructure in a cost effective manner. Given the high capital cost associated with some process equipment, other methods or equipment may warrant further consideration as part of the ongoing metallurgical testwork and design.

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

Windermere Project

As an example of a potential Mt Garnet satellite deposit, the Windermere Project hosts tin bearing ironstone skarn outcropping over 2.5 kilometres and has never been drilled. The Company is awaiting grant of the Mineral Development Licence that will give approval to commence drilling at this project. Approval is expected in the near future.

Independent Geologist Les Davis stated in CSD Prospectus dated 20th November 2007:
"At the Windermere Project, exploration for a large tonnage deposit can be justified. The tin-bearing ironstones within the skarn crop out over 2.5 km within which a sizeable body of tin mineralisation could be found. The granite only crops out in the west, so the roof pendant structure may be large and extend to great depth within the granite batholith. (This is in contrast to Gillian and Pinnacles skarns, where the granite surrounds relatively small roof pendants and the granite basement is less than 300 m deep).
Fold thickening of the skarn and ironstone units may give rise to volumes of mineralisation suitable for open pit mining."

ENDS

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

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

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 is based on information compiled by John Sainsbury (BSc, AusIMM) an executive director of Consolidated Tin Mines Limited. John Sainsbury is a geologist of 30 years experience and 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 and Ore Reserves - JORC Code, 2004 Edition. John Sainsbury has consented to the inclusion of this information in the form and context in which it appears.

Project Risks

Given the current stage of the metallurgical process design, a number of project risks remain. It should be noted that this is not unusual for a project at this stage of its development. Further testwork is required for the metallurgical process. The testwork may culminate in pilot plant testing.

Other risks specific to the Company's project include:

- **Resource estimates** – once mining commences resource estimates may have to be adjusted and mining plans amended in a way which may have either a positive or negative effect on the project's operations;
- **Operating factors** – including but not limited to geological conditions, adverse weather conditions, unexpected operational and technical difficulties, mechanical failure, industrial action and other manpower restrictions, and supply chain shortages in respect of consumables, spare parts and plant and equipment;
- **Commodity prices** – worldwide and regional supply and demand for tin and magnetite may have a positive or negative effect on the project operations. Fluctuation of commodity prices are beyond the control of the Company;
- **Land access;**
- **Cultural heritage and native title;**
- **Environmental** – whilst it is the Company's intention to conduct its activities to the highest standard of environmental obligation, and in compliance with all environmental laws, the development of mining operations does result in inherent environmental risks;
- **Government regulation and policy.**

Capital Cost Breakdown

A summary of the SEMF estimated capital costs of \$124,000,000 is as follows:

Table 2: Capital Cost Breakdown

Expense	Estimated Capital Cost AUD\$
Treatment plant components:	
Crushing & Fine Grinding	\$ 12,180,000
Magnetic Treatment	\$ 1,470,000
Gravity Separation	\$ 3,640,000
Flotation	\$ 8,400,000
Roasting	\$ 12,350,000
Tailings Treatment	\$ 550,000
General plant construction:	
Equipment Installation	\$ 8,030,000
Site Preparation	\$ 3,130,000
Site Improvements	\$ 3,130,000
Concrete	\$ 8,680,000
Structural Steel	\$ 8,680,000
Buildings	\$ 3,860,000
Piping	\$ 10,600,000
Electrical	\$ 10,600,000
Instrumentation & Controls	\$ 8,190,000
Infrastructure	\$ 7,500,000
Services	\$ 1,600,000
Contingency	\$ 11,410,000
Total	\$ 124,000,000

The estimate is considered to have an accuracy in the order of -20%/ + 30%. The directors will be investigating ways to reduce the planned construction costs, particularly in relation to the general plant construction costs.

ABOUT CONSOLIDATED TIN MINES LIMITED

Consolidated Tin Mines Limited (CSD) is a junior exploration company with 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/Deadmans Gully.
- Develop a hard rock mining operation
- Develop an alluvial mining operation
- Explore other known mineralisation within current tenement holding to provide resource expansion

Table 3: JORC Resource for Mt Garnet Tin Project

TIN (Sn)	Measured tonnes	Grade %	Indicated tonnes	Grade %	Inferred tonnes	Grade %	Total tonnes	Grade %
Gillian	1,203,000	0.82	824,100	0.73	974,100	0.83	3,001,200	0.80
Pinnacles - Wafer	-	-	218,200	0.49	1,133,100	0.39	1,351,300	0.41
Pinnacles - Sniska	-	-	-	-	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
TOTAL	1,203,000	0.82	1,443,800	0.63	2,626,800	0.56	5,273,600	0.64

IRON (Fe)	Measured tonnes	Grade %	Indicated tonnes	Grade %	Inferred tonnes	Grade %	Total tonnes	Grade %
Gillian	1,203,000	31.35	824,100	29.75	974,100	30.98	3,001,200	30.79
Pinnacles - Wafer	-	-	218,200	20.21	1,133,100	27.88	1,351,300	16.87
Pinnacles - Sniska	-	-	-	-	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	27.30	5,273,600	26.39

Forward-Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning exploration targets, contain or comprise certain forward-looking statements regarding Consolidated Tin Mines' exploration operations, economic performance and financial condition. Although Consolidated Tin Mines believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Consolidated Tin Mines undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.