

# CONSOLIDATED TIN MINES LIMITED



29<sup>th</sup> April 2010

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

ASX Code - CSD  
- CSDO

Dear Sir/Madam,

## MARCH 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 define resources at Gillian and Pinnacles Projects while expanding and defining resources at Windermere Project
- Develop a hard rock mining operation
- Develop an alluvial mining operation
- Explore other known mineralisation within current tenement holding to provide resource expansion

## MARCH QUARTER HIGHLIGHTS

- Major JORC Resource upgrade at Gillian Project
- Measured Resource increased to 1.2Mt @ 0.82% Tin; represents a 478,300t increase on the previous Measured Resource
- The new Indicated Resource is 824,100t @ 0.73% Tin; represents a significant increase.
- Gillian Resource Model developed
- Metallurgy testwork continued at Gillian Project
- Environmental monitoring continued at Upper Battle Creek and Gillian Projects
- Heads of Agreement signed with North Queensland Metals Limited

## MAJOR JORC UPGRADE AT GILLIAN PROJECT- MT GARNET

Consolidated Tin Mines Ltd (ASX: CSD) announced a major JORC Resource upgrade at the Company's Gillian Tin Project in northern Queensland during the Quarter.

The JORC Measured Resource at the Gillian Project has increased to 1.2 million tonnes @ 0.82% Tin (Sn) from the previous Measured Resource of 724,700 tonnes @ 0.8% Tin. The new JORC Indicated Resource is 824,100 tonnes @ 0.73% Tin (Sn). This represents a significant increase in confidence in the project.

The Gillian Project is part of Consolidated Tin's wider Mt Garnet Project area, which is located 200km south west of Cairns in the lower Herberton Tin Field, one of Australia's premier tin fields (See Figure 1, attached, for Projects Location Map). The Company has drilled a total of 6,300 metres across 137 holes at the Mt Garnet Project and the project currently has a **total JORC Resource of 5.2Mt @ 0.64% Sn, 5.2Mt @ 26.45 Fe & 0.96Mt @15.25% F .**

The mineralisation is open ended with geophysics interpretations indicating extensions of strike at both ends. There is also potential for extensions at depth.

**Table 1: Current JORC Resource at Mt Garnet Tin Project**

<b>TIN (Sn)</b>	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	<b>3,001,200</b>	<b>0.80</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>
<b>TOTAL</b>	<b>1,203,000</b>	<b>0.82</b>	<b>1,443,800</b>	<b>0.63</b>	<b>2,626,800</b>	<b>0.56</b>	<b>5,273,600</b>	<b>0.64</b>

<b>IRON (Fe)</b>	Measured tonnes	Grade %	Indicated tonnes	Grade %	Inferred tonnes	Grade %	Total tonnes	Grade %
Gillian	1,203,000	31.43	824,100	30.03	974,100	30.99	<b>3,001,200</b>	<b>30.90</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>31.43</b>	<b>1,443,800</b>	<b>29.90</b>	<b>2,626,800</b>	<b>27.31</b>	<b>5,273,600</b>	<b>26.45</b>

<b>FLUORINE (F)</b>	Measured tonnes	Grade %	Indicated tonnes	Grade %	Inferred tonnes	Grade %	Total tonnes	Grade %
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>

## **SUMMARY OF DRILLING INTERCEPTS AT GILLIAN PROJECT- MT GARNET**

Drilling programs at the Gillian Project to date have produced 25 intersections of over 10 metres with average grade better than 0.55%Sn.

The near surface mineralisation of Gillian is now well understood with sufficient drilling to allow the company to develop a 3D Model of the outcropping section.

The mineralisation is open at both ends and at depth in some areas. Stand out intersections of **13 metres @ 2.02% Sn** and **36 metres @ 1.2% Sn** are very encouraging (see table 2).

The company is also becoming more aware of the value of the iron Resource which will be generated as a by-product at no additional mining or milling cost.

**Table 2: Gillian Tin intersections in excess of 10 metres**

<i>Hole No</i>	<i>Downhole Intercept</i>	<i>Length and Grade</i>
Hole 1	35-45 metres	10 metres @ 0.82% Sn, 38.3% Fe
Hole 4	14-27 metres	13 metres @ 2.02% Sn, 44.8% Fe
Hole 5	49-69 metres	20 metres @ 0.55% Sn, 25.3% Fe
Hole 7	14-35 metre	21 metres @ 1.14% Sn, 32.7% Fe
Hole 27	0-15 metres 45-58 metres	15 metres @ 1.31% Sn, 43.1% Fe 13 metres @ 0.59% Sn, 29.9% Fe
Hole 32	18-79 metres	61 metres @ 0.75% Sn, 31.0% Fe
Hole 77	60-70 metres	10 metres @ 0.6% Sn, 34.6% Fe
Hole 82	14-37 metres	23 metres @ 0.71% Sn, 41.8% Fe
Hole 83	16-43 metres	27 metres @ 1.1% Sn, 48.7% Fe
Hole 84	30-57 metres	27 metres @ 1.09% Sn, 43.7% Fe
Hole 93	20-30 metres	10 metres @ 0.88% Sn, 49.6% Fe
Hole 94	4-47 metres	43 metres @ 0.71% Sn, 34.3% Fe
Hole 95	34-70 metres	36 metres @ 1.2% Sn, 43.5% Fe
Hole 96	53-66 metres	13 metres @ 0.9% Sn, 31.7% Fe
Hole 104	8-18 metres	10 metres @ 0.81% Sn, 36.3% Fe
Hole 108	18-35 metres	17 metres @ 0.73% Sn, 38.9% Fe
Hole 109	17-28 metres	11 metres @ 0.74% Sn, 48.8% Fe
Hole 111	34-72 metres	38 metres @ 0.62% Sn, 31.8% Fe
Hole 113	6-37 metres	31 metres @ 0.62% Sn, 27.6 % Fe
Hole 127	72-95 metres	23 metres @ 1.01% Sn, 30.76% Fe
Hole 128	16-27 metres	11 metres @ 0.74% Sn, 26.9% Fe
Hole 129	9-33 metres	24 metres @ 1.45% Sn, 36.1% Fe
Hole 135	29-44 metres	15 metres @ 1.02% Sn, 39.6% Fe
Hole 136	48-68 metres	20 metres @ 0.84% Sn, 29.9% Fe

**Stand out intersections :-**

<i>Hole No</i>	<i>Length and Tin Grade</i>
Hole 4	13 metres @ 2.02% Sn
Hole 7	21 metres @ 1.14% Sn
Hole 27	15 metres @ 1.31% Sn
Hole 32	61 metres @ 0.74% Sn
Hole 94	43 metres @ 0.71% Sn
Hole 95	36 metres @ 1.2% Sn
Hole 111	38 metres @ 0.62% Sn
Hole 129	24 metres at 1.45% Sn (including 11 metres at 2.15% Sn - 1 Metre at 6.29% Sn)

**MODEL OF GILLIAN MINERALISATION**

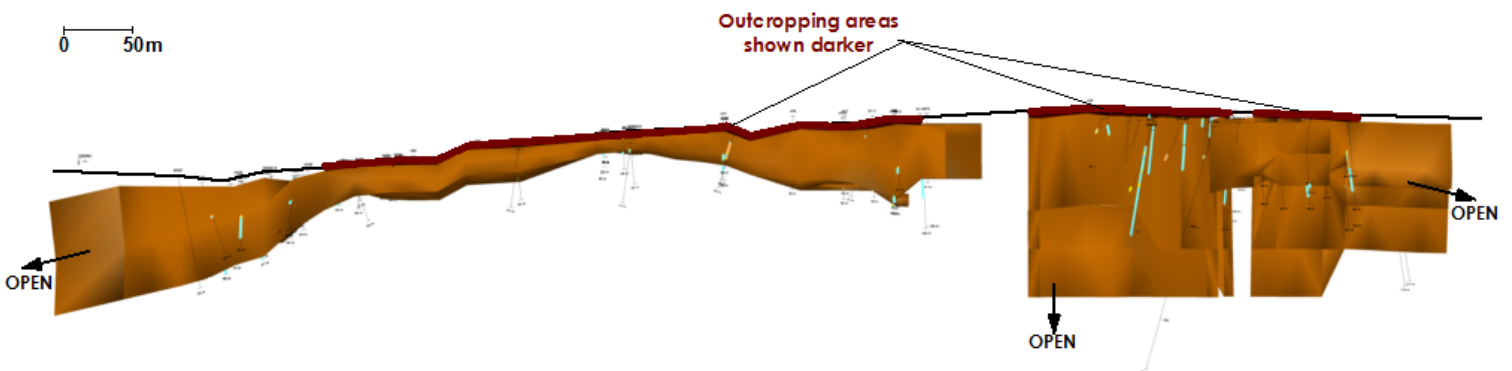
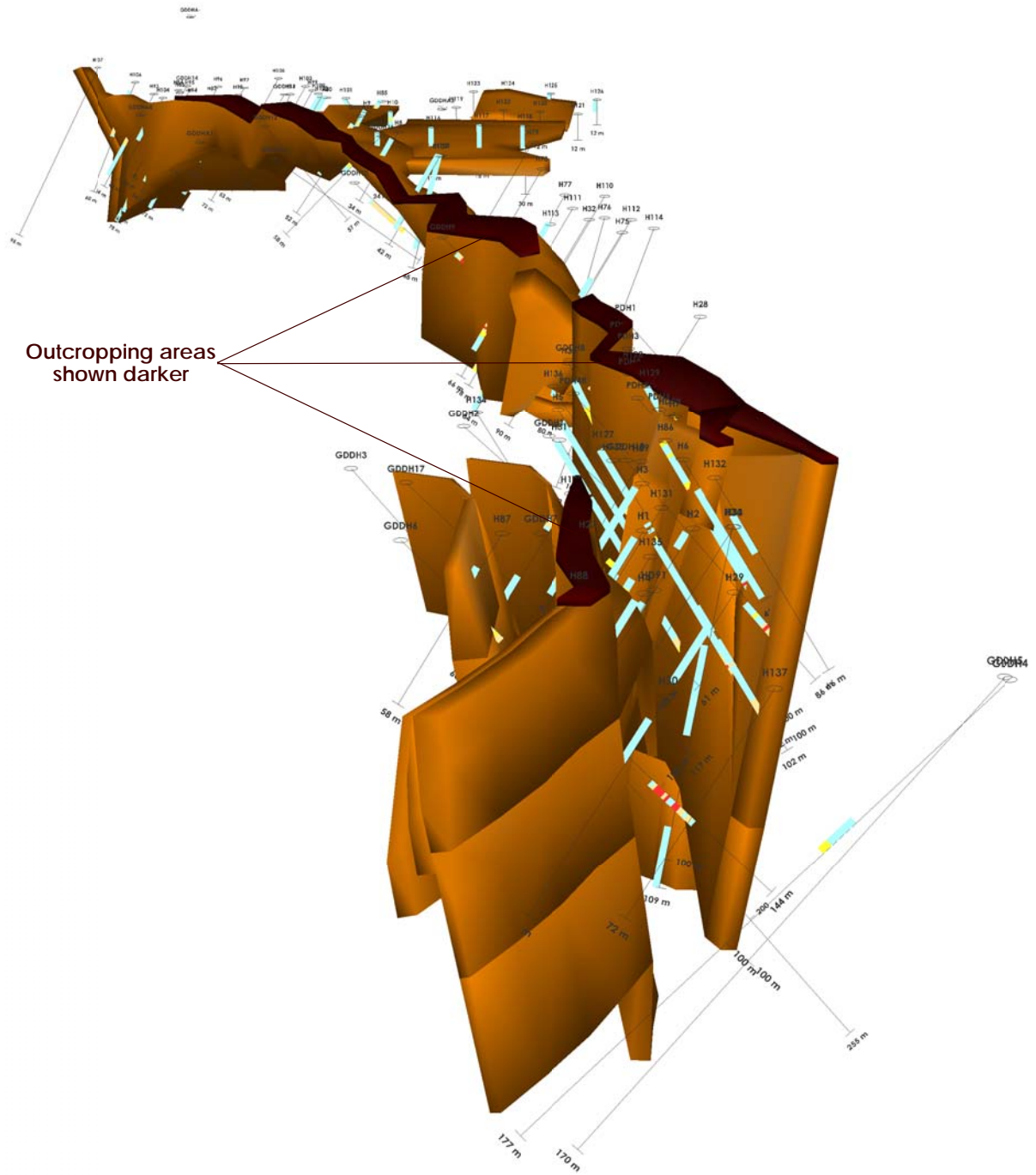
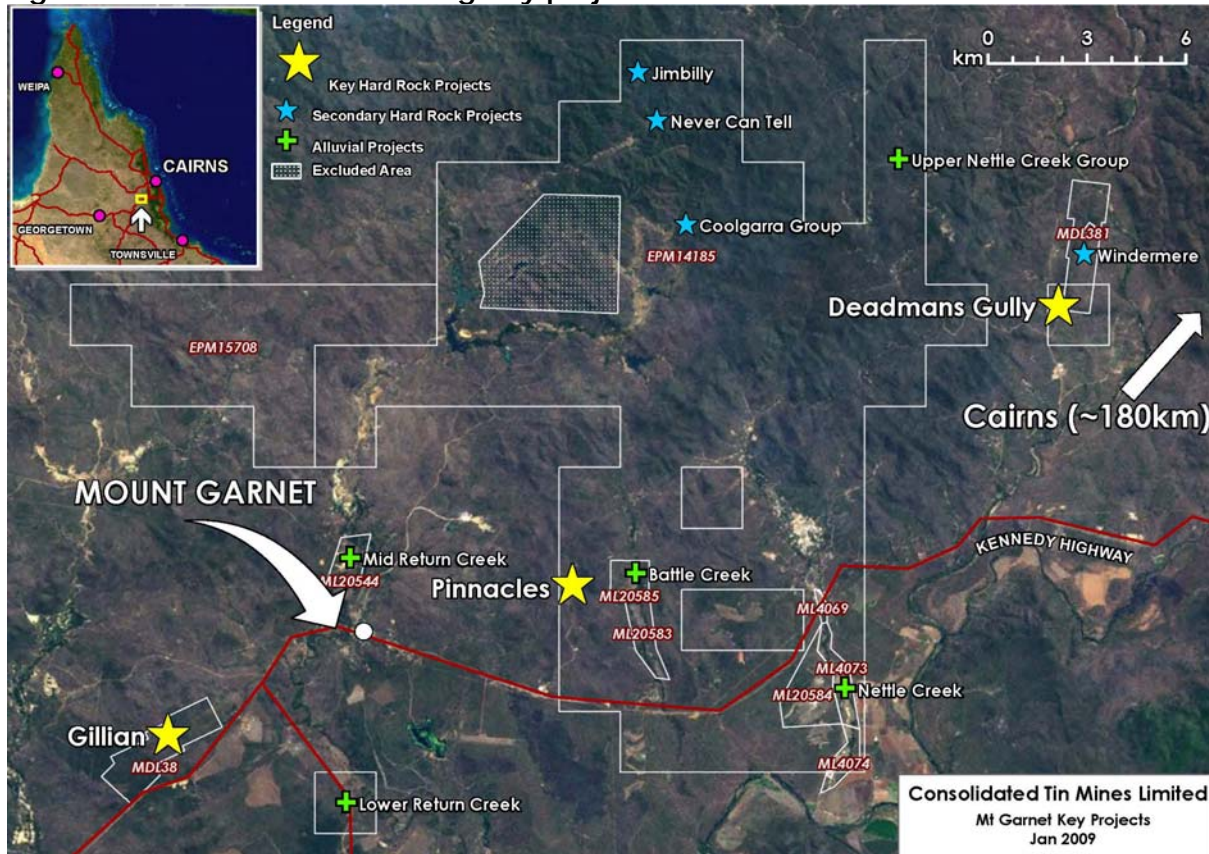


Figure 1: Mt Garnet area showing key project locations



## METALLURGY TESTWORK

The company is continuing with metallurgy testwork programs with encouraging results.

Several programs were undertaken during the quarter at AMMTEC Perth, Burnie Research Laboratories in Tasmania and Downer EDI at Carrara in Queensland, under the supervision of CSD Senior Metallurgist Robert Shelly. Results from these programs are continuing to be received and reviewed.

Considerable effort is being placed on establishing appropriate grind size to liberate the fine cassiterite and then to separate this cassiterite from the ironstone skarn material. Final flow sheet parameters are now being established and will be released early in the next quarter. The company is currently undertaking a larger sample through the now established flow circuit to establish definitive recoveries and grade.

A summary of all work done to date and a Scoping Study are now subject to (separate) an independent review and will be released in the very near future.

## ENVIRONMENTAL MONITORING

Baseline environmental monitoring within the Battle Creek and Gillian project areas continued during the quarter. North Queensland based environmental consultants; Landline Consultants Pty Ltd continued to develop appropriate environmental management plans.

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

## CORPORATE

### **Heads of Agreement entered into with North Queensland Metals Limited**

Consolidated Tin Mines Ltd announced on 16<sup>th</sup> March 2010 that it had signed a Heads of Agreement (HoA) with North Queensland Metals Limited (ASX: NQM) to acquire NQM's tin assets in the Herberton Tin Field in North Queensland.

The acquisition will consolidate Consolidated Tin's position as the pre-eminent tin Company in the historic Herberton Tin Field, and increases the Company's holding of tin assets in the region by 26% (6,058 km<sup>2</sup>).

Under the terms of the agreement the two parties have a 90-day exclusivity period (from 16<sup>th</sup> March) to conclude a formal agreement to effect the consolidation.

On completion of the formal agreement and the acquisition of NQM's tin assets, NQM will receive 25 million Consolidated Tin shares, \$500,000 cash and a royalty of 2.0% based on mineral production generated by Consolidated Tin from all NQM tenements acquired by Consolidated Tin (and EPM14016 and EPM16231).

The agreement is conditional upon the following:

- (a) Shareholder, ASIC and ASX approval requirements of NQM and CSD to be obtained by the end of the Exclusivity Period;
- (b) board approval of NQM and CSD to be obtained by the end of the Exclusivity Period;
- (c) NQM receiving notice under the Mining Act of the Minister's indicative approval to the transfer of the Sale Tenements to CSD;
- (d) CSD demonstrating to the mutual reasonable satisfaction of CSD and NQM by the end of the Exclusivity Period that CSD has the financial capacity to fund exploration and development goals in relation to the Sale Tenements;
- (e) if additional shareholder or other approvals are required as a result of any share issue required to satisfy the condition precedent in (d), including approval under Listing Rule 7.1 and section 611 item 7 Corporations Act (if necessary), those approvals must be obtained by CSD by the end of the Exclusivity Period;
- (f) NQM's and CSD satisfactory due diligence review to be completed within 35 days after the date of signing the HoA; and
- (g) between the date of signing the HoA and the date of Completion, there is no occurrence of a Prescribed Occurrence or a Material Adverse Change.

NQM will also become a cornerstone shareholder in Consolidated Tin, and will have the right to board representation.

The two companies have adjoining tenements covering the Herberton Tin Field near Cairns in North Queensland, and combined will form a dominant position which offers synergies and boosts the prospects of early production of tin concentrates.

## UPCOMING ACTIVITIES

1. Drilling program at Windermere Tin Project - when permit granted
2. Continuing Metallurgy development
3. Scoping Study completed
4. Continue to progress development of environmental management plans

### 4.1. Security Holders

Total number of shares on issue at the end of the March quarter was 52,524,001 (with all quoted). Total options on issue were 44,075,000 (with all quoted). The company's top 5 shareholders are listed in Table below

#### Consolidated Tin Mines Limited top 5 shareholders

Shareholder	% of issued capital
Ralph De Lacey ATF	18.89
John Sainsbury Consulting Pty Ltd	14.90
ANZ Nom Ltd	7.82
Robert + Marina Roget	4.22
Smiling Sun Pty Ltd	2.75

### 4.2. Cash Reserves

The Company has approximately \$ 0.621million in cash reserves at the end of the March quarter.

The company in conjunction with the NQM transaction is reviewing its near term capital raising options and has commenced discussions with a number of parties with a view to entering into a capital raising mandate agreement.

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**For further information please contact;**

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

31 March 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Curent quarter \$A'000	Year to date (9 mths) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(325)	(1,119)
(b) development	-	-
(c) production	-	-
(d) administration	(144)	(446)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	41
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development tax concession	-	151
<b>Net Operating Cash Flows</b>	(459)	(1,373)
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(31)
(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>	-	(31)
1.13 Total operating and investing cash flows (carried forward)	(459)	(1,404)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(459)	(1,404)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	842
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)	-	(56)
	<b>Net financing cash flows</b>	-	786
	<b>Net increase (decrease) in cash held</b>	(459)	(618)
1.20	Cash at beginning of quarter/year to date	1,080	1,239
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	621	621

**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	92
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

-

**Financing facilities available**

+ See chapter 19 for defined terms.

*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	50
4.2 Development	50
<b>Total</b>	<b>100</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.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	171	327
5.2 Deposits at call	450	753
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>621</b>	<b>1,080</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	Nil	Interests in mining tenements relinquished, reduced or lapsed		
6.2	Nil	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 <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>	54,524,001	54,524,001	-	-
7.4 Changes during quarter (a) Increases through issues – released from escrow (b) Decreases through returns of capital, buy-backs	-	22,070,000	-	-
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>	43,475,000 600,000	43,475,000 -	<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	-	19,035,000	20 cents	31/12/2013
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:



(Company secretary)

Date: 29<sup>th</sup> April 2010

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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