

## DECEMBER 2018 QUARTER ACTIVITIES REPORT

### QUARTERLY ACTIVITIES OVERVIEW

- ❖ Mining of the Dry River South (DRS) upper levels continued during the quarter with over 30,000 tonnes ore extracted. Refurbishment of the DRS decline to access lower levels continued during the quarter.
- ❖ Mount Garnet Deeps development continued during the quarter. Initial stages of underground infill resource drilling of the upper levels of the Mt Garnet Deeps deposit was completed during the quarter.
- ❖ Several processing campaigns were performed at the Mount Garnet Mill during the quarter.

### SUBSEQUENT TO QUARTER END

- ❖ Development ore from Mount Garnet Deeps commenced 5th January 2019.
- ❖ Development ore from Mount Garnet Deeps continued during January 2019.
- ❖ Mt Garnet Mill will achieve Stage 1 'steady state production' ( 24/7 at 50tph ) in February as mining operations continue to ramp up and additional ore is sourced from the Mount Garnet Deeps deposit.

### OPERATIONS

The Mount Garnet Deeps development drive to access the Mt Garnet Deeps mineralisation continued throughout the quarter and will continue in the March 2019 quarter. Initial underground infill resource drilling of the upper levels of the Mt Garnet Deeps deposit was completed during the quarter, the results of this drilling will provide the Company with data for mine planning. Additional underground drilling will occur as the Mount Garnet Development Drive progresses to lower levels. Development ore will continue to be mined from the Mount Garnet Deeps deposit with stoping ore expected to commence in coming weeks.

Refurbishment of the DRS decline is progressing, in parallel with ore drive refurbishment of existing levels. Mining of ore from the DRS mine is increasing in line with expectations as mining activities ramp up. Road train haulage of ore to the Mount Garnet Mill is also continuing to ramp up.

The Mount Garnet Mill performed several processing campaigns throughout the quarter with the expectation the Mount Garnet Mill will reach Stage 1 'steady state production' (the mill running 24/7 at 50tph) in February

2019. The Mount Garnet Mill is expected to reach the Company's target throughput in the June 2019 quarter following the commencement of mining stoping ore from the Mount Garnet Deeps deposit.

Concentrate stockpiled at the start of the quarter and the majority of concentrate produced during the December quarter has been sold.

### Base Metal Production

	December 2018 quarter (3 months)	Year to Date (6 months)
Ore processed	43,140 <i>tonnes</i>	79,439 <i>tonnes</i>
Mill feed grade Zn	6.34 %	6.26 %
Mill feed grade Pb	2.14 %	1.89 %
Mill feed grade Cu	0.96 %	0.80 %
Zn recovery	85.8 %	85.2 %
Pb recovery	42.1 %	48.9 %
Cu recovery	41.3 %	44.2 %
Zn metal produced in concentrate	2263 <i>tonnes</i>	4,080 <i>tonnes</i>
Pb metal produced in concentrate	375 <i>tonnes</i>	707 <i>tonnes</i>
Cu metal produced in concentrate	165 <i>tonnes</i>	269 <i>tonnes</i>

### EXPLORATION

The Company's main focus at the Einasleigh Project remains the Kaiser Bill deposit and progressing this deposit towards mining in 2020. The Company continued regional on ground exploration at the Einasleigh Project focused on developing new targets to 'drill ready' stage.

Exploration at Surveyor Project focused on Dry River South and Balcooma potential resource extensions.

## **CORPORATE**

The CSD Board is progressing with the preparation of a prospectus and other ASX requirements to allow reinstatement to trading on ASX. Directors will keep shareholders and the market informed of developments relating to the reinstatement to trading on the ASX, through the issue of further Company announcements as soon as information becomes available.

## **CASH RESERVES & LOAN FACILITIES**

The Company had \$477,160 in cash reserves at the end of the December 2018 quarter.

As reported in the June 2018 Quarterly Activities Report, Cyan Stone Pty Ltd (Cyan) agreed to provide the Company with two loan facilities totalling \$35 million (refer to 31 December 2017 half year report for additional details of these facilities). The operating loan facility was increased from \$25 million to \$30 million in January 2019, with the aggregate of the two loan facilities increasing from \$35 million to \$40 million.

For further information, please contact:

Cairns Corporate Headquarters

Phone: +61 (7) 4032 3319

Website: [www.csdtin.com.au](http://www.csdtin.com.au)

Email: [admin@csdtin.com.au](mailto:admin@csdtin.com.au)

For CSD media enquiries, please contact Richard Lenarduzzi on +61 411 254 390.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

**Table 1: Schedule of Tenements as at 31 December 2018**

Registered Holder	Tenement No.	Tenement Name	Interest at start of quarter	Interest at end of quarter	Status
Consolidated Tin Mines	MDL 38	Gillian	100%	100%	Granted
	MDL 381	Windermere	100%	100%	Granted
	MDL 448	Herberton Deep Lead	100%	0%	Expired
	MDL 482	Jeannie River	100%	100%	Granted
	EPM 14185	Mt Garnet	100%	100%	Granted
	EPM 15611	Lynd River	100%	100%	Granted
	EPM 17073	Mt Garnet Extended	100%	100%	Granted
	EPM 17547	Tate River Extended	100%	100%	Granted
	EPM 17623	Mt Garnet West	100%	100%	Granted
	EPM 17753	Mt Garnet Nth West	100%	100%	Granted
	EPM 17875	Lynd River Extended	100%	100%	Granted
	EPM 17917	Smith's Creek Extended	100%	100%	Granted
	EPM 18000	Mt Garnet East	100%	100%	Granted
	EPM 18118	Bolwarra	100%	100%	Granted
	EPM 18321	Mt Garnet South	100%	100%	Granted
	EPM 18795	Gillian	100%	100%	Granted
	EPM 19105	Jimbilly North	100%	100%	Granted
	EPM 19204	Nettle Creek South	100%	100%	Granted
	EPM 19468	Jeannie River Extended	100%	100%	Granted
	EPM 19603	Dinner Creek	100%	100%	Granted
	EPM 25386	Spring Creek	100%	100%	Granted
	EPM 25427	Nettle Creek	100%	100%	Granted
	EPM 25428	Reedy Creek	100%	100%	Granted
	EPM 25689	Twelve Mile	100%	100%	Granted
	EPM 25702	Soda	100%	100%	Granted
	EPM 25711	Brownville	100%	100%	Granted
	EPM 25939	Torwood	100%	100%	Granted
	EPMA 26087	Einasteigh Extended	0%	0%	Application
	EPMA 26540	Silver Valley	0%	0%	Application
	EPMA 26635	Einasteigh Upper	0%	0%	Application
	MLA 20583	Mid Battle Creek	0%	0%	Application
	MLA 20584	Nettle Creek Extended	0%	0%	Application
	MLA 20585	Upper Battle Creek	0%	0%	Application
MLA 20693	Pinnacles	0%	0%	Application	
MLA 20694	Windermere	0%	0%	Application	
ML 20743	Gillian	100%	100%	Granted	
MLA 100022	Maitland	0%	0%	Application	
CTM Alluvial Pty Ltd	EPMA 26453	Lynd Regional	0%	0%	Application
	EPMA 26910	Tate Lynd	0%	0%	Application
	ML 4069	Nettle Creek	100%	100%	Granted
	ML 4073	Nettle Creek	100%	100%	Granted
	ML 4074	Nettle Creek	100%	100%	Granted
	MLA 20721	Kangaroo Creek	0%	0%	Application
	MLA 20722	Martins Terrace	0%	0%	Application
	MLA 20723	Martins Hill	0%	0%	Application
MLA 100023	Boomerang	0%	0%	Application	

Registered Holder	Tenement No.	Tenement Name	Interest at start of quarter	Interest at end of quarter	Status	Pending Transfer Holder *
Snow Peak Mining Pty Ltd	EPM 9323	Balcooma	100%	100%	Granted	SM PL
	EPM 12510	Horse Mountain	100%	100%	Granted	CSD
	EPM 12513	Ironstone Knob	100%	100%	Granted	CSD
	EPM 13072	Einasleyh	100%	100%	Granted	SM PL
	EPM 13229	Balcooma East	100%	100%	Granted	SM PL
	EPM 13272	Mount Garnet West	100%	100%	Granted	CSD
	EPM 14107	Balcooma Extended 2	100%	100%	Granted	SM PL
	EPM 14626	Mount Garnet Ext	100%	100%	Granted	CSD
	EPM 16024	Expedition Creek	100%	100%	Granted	CSD
	EPM 16072	Mount Garnet	100%	100%	Granted	CSD
	EPM 18093	Newcastle	100%	100%	Granted	SM PL
	EPM 18165	Caldera	100%	100%	Granted	SM PL
	EPM 18257	Coolabah	100%	100%	Granted	SM PL
	EPM 18284	Nine Mile	100%	100%	Granted	SM PL
	EPM 18558	Blacksoil	100%	100%	Granted	SM PL
	EPM 25199	Fish Hole Creek	100%	100%	Granted	SM PL
	EPM 25200	Telegraph Creek	100%	100%	Granted	SM PL
	EPM 25202	Mt Juliet	100%	100%	Granted	SM PL
	EPM 25211	Tooth Dam	100%	100%	Granted	SM PL
	EPM 25259	Surveyor Two	100%	100%	Granted	SM PL
	EPM 25276	Caterpillar	100%	100%	Granted	SM PL
	EPM 25277	Mt Garnet South	100%	100%	Granted	CSD
	EPM 25424	Railway	100%	100%	Granted	SM PL
	EPMA 25451	Stockman	0%	0%	Application	SM PL
	EPM 25498	Balcooma West	100%	100%	Granted	SM PL
	EPMA 25522	Telegraph Extended	0%	0%	Application	SM PL
	ML 1393	Balcooma	100%	100%	Granted	CSD
	ML 4042	Mount Garnet No 2	100%	100%	Granted	CSD
	ML 4043	Mount Garnet No 3	100%	100%	Granted	CSD
	ML 4044	Mount Garnet No 4	100%	100%	Granted	CSD
	ML 4130	Mount Garnet No 5	100%	100%	Granted	CSD
	MLA 20005	Mount Garnet Ext Nth	0%	0%	Application	CSD
	ML 20016	Mount Garnet No 6	100%	100%	Granted	CSD
	MLA 20105	Mount Garnet Sth Wst	0%	0%	Application	CSD
	ML 30156	Balcooma 95	100%	100%	Granted	CSD
	MLA 30211	Kaiser Bill	0%	0%	Application	SM PL
	MLA 30212	Einasleyh	0%	0%	Application	SM PL
	MLA 30214	Transport MLA	0%	0%	Application	SM PL
	MLA 30217	Chloe	0%	0%	Application	SM PL
	MLA 100001	Mount Garnet South	0%	0%	Application	CSD
	MLA 100177	Stockman	0%	0%	Application	CSD
	MLA 100178	Jackaroo	0%	0%	Application	CSD
	MLA 100179	Ringer	0%	0%	Application	CSD
	MLA 100180	Bel	0%	0%	Application	CSD

\*Pending transfer holder = CSD – Consolidated Tin Mines Limited, SM PL – Surveyor Mining Pty Ltd

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

Consolidated Tin Mines Ltd

**ABN**

57 126 634 606

**Quarter ended ("current quarter")**

31 December 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter</b>	<b>Year to date (6 months)</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	8,241	11,036
1.2 GST refunds	-	682
1.3 Payments for		
(a) mining & processing	(2,613)	(5,201)
(b) staff costs	(3,861)	(8,489)
(c) administration and corporate costs	(165)	(1,190)
(d) other suppliers	(4,639)	(5,468)
1.4 Dividends received (see note 3)	-	-
1.5 Interest received	0	1
1.6 Interest and other costs of finance paid	(34)	(85)
1.7 Income taxes paid	-	-
<b>1.8 Net cash from / (used in) operating activities</b>	<b>(3,071)</b>	<b>(8,714)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire / for:		
(a) exploration & evaluation	(570)	(1,310)
(b) property, plant and equipment	(107)	(1,750)
(c) mine development	(1,253)	(3,931)
(d) tenements (see item 10)	-	-

+ See chapter 19 for defined terms

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

<b>Consolidated statement of cash flows</b>	<b>Current quarter</b>	<b>Year to date (6 months)</b>
	<b>\$'000</b>	<b>\$'000</b>
(e) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(1,931)</b>	<b>(6,991)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	10,439
3.2 Proceeds from borrowings	5,541	8,574
3.3 Repayment of borrowings	(79)	(3,177)
3.4 Dividends paid	-	-
3.5 Other (provide details if material)	-	-
<b>3.6 Net cash from / (used in) financing activities</b>	<b>5,462</b>	<b>15,837</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	18	345
4.2 Net cash from / (used in) operating activities (item 1.8 above)	(3,071)	(8,714)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,931)	(6,991)
4.4 Net cash from / (used in) financing activities (item 3.6 above)	5,462	15,837
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>477</b>	<b>477</b>

+ See chapter 19 for defined terms

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$'000</b>	<b>Previous quarter \$'000</b>
5.1 Bank balances	477	18
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>477</b>	<b>18</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.3
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$'000</b>
-
-

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$'000</b>
-
-



<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$'000</b>	<b>Amount drawn at quarter end \$'000</b>
8.1 Loan facilities	40,400	37,832
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Cyan Stone Pty Ltd (Cyan) provided the Company with 2 loan facilities whereby individual drawdowns are separately agreed:

- \$10m commencing September 2017 for a 3-year period, fully drawn at quarter end; and
  - \$30m commencing November 2017 for a 3-year period, remaining facility \$2.425m at quarter end.
- These loans incur interest at 6% p.a. and are secured by a floating charge over all of the Group's assets.


Ralph De Lacey provided the Company with a short term loan facility of \$400,000 in August 2018. This loan facility incurs interest at 0.4% per month (effectively 4.8% p.a.) and has a term of 3 months.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$'000</b>
9.1 Exploration and evaluation	820
9.2 Development	5,281
9.3 Mining & processing	5,844
9.4 Property, plant & equipment	-
9.5 Bonds	-
9.6 Staff costs	5,820
9.7 Administration and corporate costs	942
9.8 Finance lease	455
9.8 Other (provide details if material)	-
<b>9.9 Total estimated cash outflows</b>	<b>19,162</b>

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....  
(Company secretary)

Date: 31 January 2019

Print name: Ze Huang Cai (Martin)

**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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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