

31 July 2015

## JUNE 2015 QUARTER ACTIVITIES & CASHFLOW REPORT

ASX RELEASE

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## Snapshot:

ASX: **CSD**Current CSD Share Price: **\$0.069**Current LME Price Tin: **US\$16,275**Zinc: **US\$1,985**Copper: **US\$5,302**Lead: **US\$1,712**

## About Consolidated Tin Mines

Consolidated Tin Mines (ASX: CSD) is a base metals producing company currently producing Zinc, Lead and Copper concentrates with a Silver and Gold co-product. The company operates two mines, with the ore processed at Mt Garnet located approximately 140km south west of Cairns in northern Queensland. The company is also actively exploring within the highly prospective Einasleigh /Greenvale area in north Queensland through a farm in agreement. The company is also a focused tin explorer and developer. Its major tin development project comprised of the Gillian and Pinnacles deposits is also located at Mt Garnet in north Queensland. All CSD projects are located in established mining areas, in close proximity to the company's owned and operating concentrating infrastructure.

Consolidated Tin's objective is to maintain current base metals production and develop the tin project into a major low cost, open pit tin mining operation. On completion of a favourable tin project DFS in 2015, Consolidated Tin's strategy will be to develop and establish tin production and focus on increasing mine life and production profile by developing other tin and base metals production opportunities within the broader Far North Queensland region. The company will continue to diversify its asset base to minimise metal price risk.

## June Quarter 2015 Highlights

### ➤ Consolidated Tin Mines Acquisition

- CSD and Snow Peak Mining Pty Ltd (SPM) are continuing to progress towards final settlement and the asset transfer. Settlement is projected to be completed in the first quarter of FY 2015/2016.
- CSD, through an existing option agreement, purchased land for the mining operation on the Gillian prospect. CSD acquired 583.2 ha of Freehold land

### ➤ Base Metals Production Balcooma (Surveyor) Mine and Mount Garnet Processing Plant

- CSD continued to mine Surveyor and re-established Mount Garnet Mine to produce ore which is processed at the Mount Garnet processing Plant to successfully produce Zinc, Lead and Copper concentrate with a significant Silver co-product plus Gold.
- 88,201 tonnes of ore trucked from Surveyor Mine to Mt Garnet processing plant.

- 16,687 DMT of Zinc concentrate, 3,400 DMT of lead concentrate and 3706 DMT of copper concentrate was trucked to Townsville Port for export.
  - **7,013 tonnes** of **Zinc** Metal was produced for the quarter.
  - **2,254 tonnes** of **Lead** Metal was produced for the quarter.
  - **741 tonnes** of **Copper** Metal was produced for the quarter.
  - **82,458 Ounces (Troy)** of **Silver** Metal was produced for the quarter.
  - Mt Garnet Mine has commenced start-up of operations post 2014/2015 wet season.
- **Mt Garnet Tin Project Definitive Feasibility Study Progresses**
- The Company continues to progress the DFS for the Mt Garnet Tin Project.
  - The Mount Garnet Tin fuming test facility continues to make exciting progress in developing essential data on the performance of Gillian Ore.
  - Fifteen tonnes of Gillian ore was shipped to FEECO International test facility at Green Bay, Wisconsin USA, arriving in May.
  - Completion of the Definitive Feasibility Study is expected in the second quarter FY 2015/2016.
- **Exploration Activity**
- Wanguo International Mining Group (Wanguo) commenced the 2015 exploration season in May.
  - Detailed geological mapping and high precision IP section surveys to be completed before drilling programs commence.
  - On 25<sup>th</sup> June, Mr De Lacey and Mr Gao Mingqing (Executive Chairman and CEO of Wanguo) attended a Chinese – Australian relationship building conference, reaffirming the commitment between Wanguo and CSD.
- **Corporate**
- CSD implemented the 2015-2016 operating plan and budget, changing focus to the Mt Garnet underground mine in the coming months.
  - In May, CSD Joint Executive Chairman and Directors attended the ITRI conference in Shanghai. CSD is undertaking and progressing discussions with potential new investors.

### ➤ Upcoming Activities

- Mining and Processing of base metals continues.
- The DFS for the Mt Garnet Tin Project is progressing and being funded by revenue.
- Finalisation of the SPM assets transfer and settlement.

### SPM Asset Acquisition

Settlement of assets from SPM is projected to be completed in the first quarter of FY 2015/2016. CSD is actively working with related parties to complete settlement expediently.

Full payment and property settlement of Lot 2 on SP254665 occurred on 5 June 2015, this being part of an existing Option agreement between CSD and the landowners to purchase the land that covers the mining operations of the Gillian project.

### Base Metals Production Surveyor (Balcooma Mine) and Mt Garnet Processing Facility

During the June Quarter 88,200 tonnes of ore was trucked from Surveyor Mine to the Mt Garnet processing plant. A total of 31,953 tonnes held in stock from the previous quarter from the Mt Garnet Mine, was included in the processing at a blend ratio of approximately 3:1 (Surveyor : Mt Garnet). 16,687 DMT of Zinc concentrate, 3,400 DMT of lead concentrate and 3,706 DMT tonnes of copper concentrate was hauled to Townsville Port for export.

The Mt Garnet concentrator is operating continuously with a through-put of approximately 1,274 ore tonnes per day. Surveyor Mine is continuing to operate 24/7, while the Mt Garnet Mine commenced producing ore late June post the wet season and re-establishment of the mining operations.

Mt Garnet Processing Plant		Amount
<b>Apr-Jun 2015</b>		
Average Processed Tonnes Per Hour	(t)	59.4
Average Daily Ore Processed	(DMT)	1,274
Average Daily Concentrate Zn	(DMT)	163
Average Daily Concentrate Pb	(DMT)	37
Average Daily Concentrate Cu	(DMT)	34
Zn Metal Tonnes Produced	(t)	7,013
Zn Average Feed Grade	%	6.66
Pb Metal Tonnes Produced	(t)	2,254
Pb Average Feed Grade	%	2.54
Cu Metal Tonnes Produced	(t)	741
Cu Average Feed Grade	%	0.86
Ag Metal Ounces (Troy) Produced	(oz)	82,458
Concentrate Hauled to Townsville Port Apr-Jun 2015	(DMT)	23,793

\*A blend of 3:1, Surveyor to Mount Garnet ore plant feed was maintained for the quarter.

### Mt Garnet Tin Project Definitive Feasibility (DFS) Study Progresses

The Company continued its metallurgical optimisation test work program on the Mt Garnet Tin Project during the quarter. The bulk sample arrived at the Pilot Fuming Facility in FEECO, Green Bay, Wisconsin USA in May. The intention of this test work is to simulate the planned full scale operation in a scaled down pilot test. This will involve continuous Gillian ore feed up to 150kg per hour into a 6.1m long, 0.53m diameter rotary kiln. This test work is to establish the parameters for the scale up to the production model.

Prior to the FEECO pilot fuming commencement, test work has continued at the Mount Garnet Tin Fuming Test Facility advancing tin recovery results which exceeded previous CSIRO test lab results. Recent results at the Mt Garnet lab are consistently exceeding 80% tin recovery with up to 90% tin recovery being achieved in the test fuming facility.

The encouraging results have led the Company to further develop the fuming process at the Mt Garnet test facility causing minor delays to the pilot test work at FEECO so that the FEECO tests gives the optimal results utilising the Gillian Ore feed and establishing maximum recovery at minimum residence time. Expected delivery of the DFS is in the second quarter FY 2015/2016.

The tin DFS is being funded from operating revenue.

### Exploration Activity

Wanguo commenced the 2015 exploration season in May with a team of eight experienced technical personnel, establishing a field camp at Einasleigh. The team is continuing with detailed geophysics and geochemical surveys. Ground base IP and magnetic surveys are being undertaken around known resource areas of Kaiser Bill and Chloe/Jackson and also within the Surveyor/Balcooma areas.

Several drill targets have been identified and an initial drill program of 2,300m commenced on 16<sup>th</sup> July.

On 25<sup>th</sup> June Mr Gao Mingqing (Executive Chairman and CEO of Wanguo) and CSD's Joint Executive Chairman, Mr Ralph De Lacey, attended a Chinese-Australia business relationship building conference held in Sydney. A delegation of business associates from Jiangxi Province met with a delegation of Australian business associates to formally ratify current China-Australia business relationships. Mr Gao and Mr De Lacey were invited to participate in the formal signing ceremony as a demonstration of the commitment between Wanguo and CSD, and to ratify the existing agreement between Snow Peak Mining Pty Ltd and Wanguo made in October 2014.

Wanguo and CSD are actively working together to further strengthen the business relationship and ultimately further develop base metals opportunities into the future.

### Corporate

The 2015-2016 FY budget was approved by CSD Board and the Company is now implementing the operational plan. This plan will see a change in mining production and a shift to focus on the Mt Garnet underground mine and zinc concentrate production. Mining at the Surveyor Mine (Balcooma underground) will continue during the first quarter then transitioned into temporary care and maintenance. Options for Surveyor Mine site are being evaluated with the intention to recommence in 2016.

The Company continues to review its near and longer term capital requirements. CSD's Joint Executive Chairman's Mr De Lacey and Mr Tsoi along with Executive Director/Chief Financial Officer, Mr Cai, attended the ITRI conference in Shanghai in May. Discussions are progressing with a number of potential new investors and institutions regarding funding opportunities, for both the Tin Project and growth and expansion of base metals prospects.

#### 1 SECURITY HOLDERS

Total ordinary shares on issue 279,770,521.

Total options on issue 24,689,450.

#### Top 5 Shareholders at 30 June 2015

Shareholder	% Of Issued Capital
Snow Peak International Investments Ltd	22.76
ARM (NQ) Pty Ltd	10.42
De Lacey Ralph + Ryan M	5.80
Beacon Minerals Ltd	4.72
Ji Baoxian	1.88

#### 2 CASH RESERVES & LOAN FACILITIES

The Company had A\$2.742 million in cash reserves at the end of the June quarter. As at 30 June 2015, the Company had available the \$1million loan facility from ARM (NQ) Pty Ltd, an entity associated with Mr Ralph De Lacey and Alex Tsoi Co-Executive Chairpersons of the Company, and Mr Martin Cai, Executive Director and CFO of the Company.

The ARM loan facility remain undrawn at the end of the June quarter.

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.*

**Table 1: Schedule of Tenements**

Registered Holder	Tenement No.	Tenement Name	Interest at beginning of Qtr	Interest at end of Qtr	Status
Consolidated Tin Mines	MDL 38	Gillian	100%	100%	Granted
	MDL 381	Windermere	100%	100%	Granted
	MDL 448	Herberton Deep Lead	100%	100%	Granted
	MDL 482	Jeannie River	100%	100%	Granted
	EPM 14185	Mt Garnet	100%	100%	Granted
	EPM 14580	Jeannie River	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 17548	Petford East	100%	100%	Granted
	EPM 17550	Herberton Extended	100%	100%	Granted
	EPM 17551	Smiths Creek	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 19323	Kangaroo Creek	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
	EPMA 25689	Twelve Mile	0%	0%	Application
	EPMA 25702	Soda	0%	0%	Application
	EPMA 25711	Brownville	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
MLA 20743	Gillian	0%	0%	Application
MLA 100022	Maitland	0%	0%	Application

Table 1: Schedule of Tenements cont.

Registered Holder	Tenement No.	Tenement Name	Interest at beginning of Qtr	Interest at end of Qtr	Status
CTM Alluvial Pty Ltd	ML 4069	Nettle Creek	100%	100%	Granted
	ML 4073	Nettle Creek	100%	100%	Granted
	ML 4074	Nettle Creek	100%	100%	Granted
	MLA 20544	Return Creek	0%	0%	Application
	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

## 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")

30 June 2015

#### Consolidated statement of cash flows

Cash flows related to operating activities	Curent quarter \$A'000	Year to date (12 mths) \$A'000
1.1 Receipts from product sales and related debtors <sup>i</sup>	20,685	42,573
1.2 Payments for		
(a) exploration and evaluation	(215)	(1,610)
(b) development	-	-
(c) production <sup>ii</sup>	(13,398)	(25,219)
(d) administration	(1,239)	(3,232)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	23	24
1.5 Interest and other costs of finance paid	(1,065)	(1,748)
1.6 Income taxes paid	-	-
1.7 Other – R&D refund	-	568
<b>Net Operating Cash Flows</b>	<b>4,791</b>	<b>11,356</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(1)
(d) bonds & deposits	-	(3)
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 – Repayment of SPM loans assumed <sup>iii</sup>	(4,475)	(9,375)
Other – Payment of loan associated with SPM asset acquisition <sup>iv</sup>	(400)	(400)
<b>Net investing cash flows</b>	<b>(4,875)</b>	<b>(9,779)</b>
1.13 Total operating and investing cash flows (carried forward)	(84)	1,577

<sup>i</sup> Cash received from concentrate sales net of commission (\$5.46m).

<sup>ii</sup> Production costs for the year to date include \$6.24m paid out to SPM trade payables assumed on 12<sup>th</sup> January 2015.

<sup>iii</sup> Repayment of SPM loans assumed on 12<sup>th</sup> January 2015

<sup>iv</sup> Repayment of part of \$2m liability associated with SPM asset acquisition.

+ See chapter 19 for defined terms.



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

1.13	Total operating and investing cash flows (brought forward)	(84)	1,577
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	112
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	300	2,260
1.17	Repayment of borrowings	(300)	(1,280)
1.18	Dividends paid	-	-
1.19	Other (Share Issue Costs)	-	(8)
	<b>Net financing cash flows</b>	-	1,084
	<b>Net increase (decrease) in cash held</b>	(84)	2,661
1.20	Cash at beginning of quarter/year to date	2,826	81
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,742	2,742

**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	369
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- i. Remuneration of Directors- \$347k.
- ii. Office rent and motor vehicle expenses paid to NQ Mining Enterprise Pty Ltd an entity owned by Mr Ralph De Lacey - \$22k.
- iii.

**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

During the year to date the Company issued 29,156,140 ordinary fully paid shares at 7 cents per share, in settlement of a \$2 million loan and \$40,390 accrued interest, to ARM (NQ) Pty Ltd, an entity associated with Mr Ralph De Lacey, Mr Martin Cai and Mr Alex Tsoi.

As at 12<sup>th</sup> January 2015 the Company assumed the operating assets and liabilities relating to the operation of Snow Peak Mining's operations. Settlement of the acquisition of SPM's plant and mining assets had not occurred as at the end of the June quarter.

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	1,000	-
3.2 Credit standby arrangements	-	-

#### Loan Facility

The Company advised on 12 November 2014 that it had entered into a \$1 million loan facility from ARM (NQ) Pty Ltd, a company associated with Mr Ralph De Lacey, Mr Martin Cai and Mr Alex Tsoi. The loan is convertible, subject to shareholder approval, into shares at a deemed price of 7 cents per share.

At the end of the quarter \$1,000,000 was available to the Company under the loan facility.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(402)
4.2 Development	(188)
4.3 Production	4,360
4.4 Administration	(1,675)
<b>Total</b>	<b>2,095</b>

As at 30 June 2015 the Company has access to \$1,000,000 under a short term loan facility (see section 3 above).

Net cash flow figures for Production is inclusive of estimated expenditure and revenue from the recently acquired Snow Peak Mining Pty Ltd assets.

The Company is continuing to review near term capital raising options.

### 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	2,356	2,826
5.2 Deposits at call	386	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,742</b>	<b>2,826</b>

+ See chapter 19 for defined terms.

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

**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		

**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>	279,770,521	279,770,521	
7.4	Changes during quarter			
	(a) Increases through issues	-	-	
	(b) Decreases through returns of capital, buy-backs	-	-	
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	-	-	

+ See chapter 19 for defined terms.



7.7	<b>Options</b> <i>(description and conversion factor)</i>			Exercise price	Expiry date
		2,200,000	-	40 cents	31/12/2015
		22,489,450	22,489,450	20 cents	31/12/2015
7.8	Issued during quarter	-	-		
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>	-	-		

## 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:

  
(Finance Director)

Date: 31 July 2015

Print name:

Martin Cai

## 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.

+ See chapter 19 for defined terms.

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

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- 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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