

CONSOLIDATED TIN MINES LIMITED  
ACN 126 634 606

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PROSPECTUS

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For an offer of up to 1,667 Shares at an issue price of \$0.60 per Share to raise up to \$1,000 (before expenses) (Offer).

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. The Shares offered by this Prospectus should be considered highly speculative.

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## CORPORATE DIRECTORY

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### Directors

Hon. Morris Iemma  
*Non-Executive Chairman*

Ralph De Lacey  
*Managing Director*

Ze Huang Cai  
*Executive Director*

Yading Wan  
*Non-Executive Director*

Teresa Dyson  
*Non-Executive Director*

### Company Secretary

Sinead Teague

ASX Code

CSD

Share Registry\*

Security Transfer Australia Pty Ltd  
770 Canning Highway  
Applecross WA 6153

### Solicitors

Steinepreis Paganin  
Level 4, 50 Market Street  
Melbourne VIC 3000

### Registered Office

395 Lake Street  
Cairns North QLD 4870

Telephone: +61 (7) 4032 3319  
Facsimile: +61 (7) 4027 9429

Email: [admin@csdtin.com.au](mailto:admin@csdtin.com.au)  
Website: [www.csdtin.com.au](http://www.csdtin.com.au)

### Independent Technical Experts

Mining One Pty Ltd  
Level 9, 50 Market St  
Melbourne VIC 3000  
Australia

### Investigating Accountant

KPMG Transaction Services  
a division of KPMG Financial Advisory Services  
(Australia) Pty Ltd  
Level 38, Tower 3, 300 Barangaroo Avenue  
Sydney NSW 2000

### Lawyers reporting on Title

Steinepreis Paganin  
Level 4, 50 Market Street  
Melbourne VIC 3000

### Auditor

KPMG  
300 Barangaroo Avenue  
Sydney NSW 2000

\* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

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## IMPORTANT NOTICE

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This Prospectus is dated 19 September 2019 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

### Reinstatement Conditions

The Company must satisfy the outstanding Reinstatement Conditions prior to reinstatement of the Company's Securities to trading on the Official List, which include amongst other things, demonstrating compliance with ASX Listing Rules 12.4 to 12.4 inclusive, to the satisfaction of the ASX.

The Company has until 27 September 2019 to comply with the Reinstatement Conditions and have its Securities reinstated to Official Quotation on the ASX.

Further details of the outstanding Reinstatement Conditions as at the date of this Prospectus are set out in Section 2.14 of this Prospectus.

### Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Prospective investors who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

### Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at [www.csdtin.com.au](http://www.csdtin.com.au). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 (2) 8098 1163 during office hours or by emailing the Company at [admin@csdtin.com.au](mailto:admin@csdtin.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

No document or information included on our website is incorporated by reference into this Prospectus.

#### Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.

#### Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

#### Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 (2) 8098 1163.

#### Definitions

Terms used in this Prospectus are defined in the Glossary in Section 14.

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## KEY OFFER INFORMATION

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### KEY DATES - Indicative timetable\*

Lodgement of Prospectus with the ASIC	19 September 2019
Opening Date of the Offer	19 September 2019
Closing Date of the Offer	5:00pm (AEST) on 20 September 2019
Satisfaction of Reinstatement Conditions	23 September 2019
Expected date for re-admission to Official List of ASX	27 September 2019

*\*The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to investors.*

### KEY OFFER DETAILS

Current Shares on issue	655,304,361
Offer Price per Share	\$0.60
Shares to be issued under Offer	1,667
Total number of Shares on issue following the Offer	655,306,028
Proceeds of the Offer (before expenses)	\$1,000

1. INVESTMENT OVERVIEW

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Consolidated Tin Mines Limited (ACN 126 634 606) (Company).	Section 3.1
Who is the Company?	<p>The Company was established in July 2007 as a tin exploration and development company. The Company was admitted to the Official List of the ASX in February 2008. Currently, the Company is a base metals mine operator and developer with mining operations at the Mount Garnet underground mine (specifically, the Mount Garnet Deeps Mine) and the Surveyor Project, specifically the Dry River South Mine. The Company also operates a base metals processing plant, the Mount Garnet Processing Plant.</p> <p>The Company has three wholly owned subsidiaries:</p> <ul style="list-style-type: none"> <li>(a) CTM Alluvial Mining Pty Ltd;</li> <li>(b) Surveyor Mining Pty Ltd; and</li> <li>(c) Colinacobre Pty Ltd.</li> </ul>	Sections 3.1 and 3.2
What are the Company's Projects?	<p>The Company's projects are located in Queensland, Australia and are as follows:</p> <ul style="list-style-type: none"> <li>(a) Mount Garnet underground mine <ul style="list-style-type: none"> <li>(i) Mount Garnet Deeps Mine</li> </ul> </li> <li>(b) Mount Garnet Base Metal Exploration <ul style="list-style-type: none"> <li>(i) Jessie's Dream Exploration Target</li> <li>(ii) Mount Garnet Dam Exploration Target</li> <li>(iii) Mount Garnet Deeps Central Exploration Target</li> <li>(iv) Mount Garnet Deeps Expansion Exploration Target</li> </ul> </li> <li>(c) Einasleigh Regional Exploration Project <ul style="list-style-type: none"> <li>(i) Kaiser Bill Project</li> <li>(ii) Einasleigh Copper Mine</li> <li>(iii) Chloe and Jackson</li> <li>(iv) Railway Flat</li> <li>(v) Einasleigh Exploration Projects</li> </ul> </li> <li>(d) Surveyor Mine Project <ul style="list-style-type: none"> <li>(i) Dry River South Mine</li> <li>(ii) Dry River South Extension</li> <li>(iii) Balcooma Deposit</li> </ul> </li> <li>(e) Surveyor Regional Exploration Project</li> </ul>	Section 3.3 and Section 5

Item	Summary	Further information
	<p>(f) Maitland Project</p> <p>(g) Mount Garnet Tin Project</p> <p>(together, the Projects).</p> <p>Refer to Section 3.3 of this Prospectus and section 1.2 of the Independent Geologists Report (included at Section 5 of this Prospectus) for further detail.</p>	
Have any Mineral Reserve or Resources been identified?	The Company has Mineral Resources reported in accordance with the JORC Code. Refer to Section 3.5 of this Prospectus and tables 1.1 and 1.2 of the Independent Geologists Report at Section 5 of this Prospectus.	Sections 3.5 and 5
What is the Company's interest in the Projects?	<p>The Company (either directly or through its wholly owned subsidiaries) holds 100% beneficial interest in the Projects.</p> <p><b>Further details of the Company's ownership of the Projects are set out in the Solicitor's Tenement Report set out in Section 8.</b></p>	Section 8
Why is the Company suspending from trading on the official list of the ASX?	<p>On 29 June 2016, the securities of the Company were suspended from trading on the Official List of the ASX. The Company subsequently entered into voluntary administration on 19 July 2016.</p> <p>The Company prepared a joint deed of company arrangement proposal (Joint DOCA Proposal) which was considered and approved by creditors on 23 November 2016. The Joint DOCA Proposal was executed as a formal deed of company arrangement on 8 December 2016 (DOCA) and in accordance with the terms of the DOCA control of the affairs of the Company returned to the Directors. The DOCA was wholly effectuated on 12 January 2017.</p>	Section 3.1
How will the Company's securities be reinstated to trading?	<p>The Company must satisfy the Reinstatement Conditions prior to 27 September 2019 for <b>reinstatement of the Company's securities</b> to trading on the Official List to occur, which include amongst other things, demonstrating compliance with ASX Listing Rules 12.1 to 12.4 inclusive, to the satisfaction of the ASX.</p> <p>Further details of the Reinstatement Conditions are set out in Section 2.14 of this Prospectus.</p>	Sections 2.7 and 2.14
<b>B. Business Model</b>		
How does the Company	The Company operates the Mount Garnet underground mine (specifically the Mount Garnet Deeps Mine), the Dry River South Mine and the Mount Garnet Processing Plant and	Section 3



Item	Summary	Further information
generate income?	<p>produces lead, copper and zinc concentrates with silver and gold co-products. A summary of the Company's <b>production activities</b> is set out in Section 3 of this Prospectus and section 10 of the Independent Geologists Report (included at Section 5 of this Prospectus).</p> <p>The Company has entered into a number of offtake agreements for the sale of its products to market (refer to Section 11.7 for further detail) and currently generates significant revenue from these activities (refer to Section 6 for further detail).</p> <p>The Company's management team are well placed to exploit this position given their extensive and detailed knowledge of the Projects and the various commodities markets in which the Company operates.</p> <p>A more detailed explanation of the Company's business model is provided at Section 3.</p>	
What are the key business objectives of the Company?	<p>The Company's strategy is to be a significant producer of base metals. To achieve this the Company intends to:</p> <ul style="list-style-type: none"> <li>(a) continue mining operations at the Mount Garnet underground mine (specifically the Mount Garnet Deeps Mine) and the Surveyor Project (specifically the Dry River South Mine);</li> <li>(b) progress feasibility studies at the Kaiser Bill Project, Maitland Project and Mount Garnet Tin Project;</li> <li>(c) explore mineralisation adjacent the Mount Garnet underground mine and the Dry River South Mine to develop potential to extend current life of mine;</li> <li>(d) explore the Surveyor Regional Exploration Project, the Einasleigh Regional Exploration Project (in particular, the Chloe and Jackson Deposit) and the Mount Garnet Tin Project; and</li> <li>(e) progress planned upgrades and improvements of existing mining equipment at the Mount Garnet underground mine and the Dry River South Mine, improvements to the Mount Garnet Processing Plant, the tailings dam and power supply upgrades.</li> </ul>	Section 3.8

Item	Summary	Further information
What are the key dependencies of the Company's business mode?	<p>The key dependencies for the Company to meet its objectives are:</p> <ul style="list-style-type: none"> <li>(a) <b>reinstatement of the Company's Shares</b> to the official list of the ASX;</li> <li>(b) continued mining and production operations at the Mount Garnet Deeps Mine, the Dry River South Mine and the Mount Garnet Processing Plant and transport of the Company's products efficiently to market for a viable sales price;</li> <li>(c) the success of exploration activities in replacing Mineral Resources depleted by production;</li> <li>(d) maintaining access to equipment <b>necessary for the Company's</b> operations;</li> <li>(e) the market price of the Company's commodities not declining significantly and to the detriment of the <b>Company's activities</b>;</li> <li>(f) increasing throughput at the Mount Garnet Processing Plant;</li> <li>(g) entry into or renewal of existing offtake agreements on favourable terms to <b>the Company for the Company's</b> products (in particular, copper, lead and zinc concentrates);</li> <li>(h) maintaining access to transportation networks such as roads and ports; and</li> <li>(i) retaining highly skilled management staff and an adequate labour force to continue operations.</li> </ul>	Section 3.9
What material contracts has the Company entered into in respect of its Projects?	<p>In 2017, the Company entered into exclusive offtake agreements with an international trading house (Trader) pursuant to which the Company agreed to supply and deliver to the Trader 100% of all copper, zinc and lead concentrates produced by the Company (Offtake Agreements). The Offtake Agreements contain terms and conditions that are considered standard for agreements of this nature and will continue until such time that all delivery and financial obligations have been fulfilled by both parties (expected within the next 12 months).</p> <p>The Company is currently soliciting offers from <b>international trading houses for the Company's</b> future zinc concentrate production to commence following completion of delivery obligations under the current zinc offtake</p>	Section 11.7

Item	Summary	Further information
	<p>agreement and expects to execute a new contract in the near future.</p> <p>The Company also expects to solicit offers for the Company's future lead concentrate production in the near term.</p>	
Who are the Company's advisors engaged to assist with the acquisition strategy?	The Company has engaged Patersons Securities Limited (ACN 008 896 311) (Patersons) to act as financial advisor in support of the Company's business model and acquisition strategy. Further details of the mandate entered into between the Company and Patersons are set out in Section 11.6.	Sections 3.8 and 11.6
C. Key Advantages and Key Risks		
What are the key advantages of an investment in the Company?	<p>The Company is of the view that an investment in the Company provides the following non-exhaustive list of advantages:</p> <ul style="list-style-type: none"> <li>(a) the Company owns and operates the Mount Garnet underground mine, the Dry River South Mine, the Mount Garnet Processing Plant and all associated infrastructure, which is an income producing asset (refer to the financial information at Section 6 for further detail);</li> <li>(b) the Company holds a significant development pipeline, particularly the Surveyor Regional Exploration Project and the Einasleigh Regional Exploration Project, where extensive exploration has been completed by both the Company and previous owners of the projects, with the historical exploration data being held by the Company;</li> <li>(c) the Company is progressing feasibility studies for each of the Kaiser Bill Project, the Maitland Project and the Mount Garnet Tin Project;</li> <li>(d) the Company holds extensive exploration tenure with tin potential in the Mount Garnet area, with extensive exploration undertaken and several deposits in advance stage of development. The Gillian Deposit, forming part of the Company's Mount Garnet Tin Project, is located on a granted mining lease surrounded by additional freehold land owned by the Company; and</li> </ul>	Section 3

Item	Summary	Further information
	(e) the Company has a credible and experienced team, including geologists and mine engineers, to progress exploration and accelerate potential development of the Projects.	
What are the key risks of an investment in the Company?	<p>Risks associated with an investment in the Company under this Prospectus are detailed in Section 4.</p> <p>The key risk factors include:</p> <p>(a) Reinstatement to the Official List: The Company is required to satisfy the Reinstatement Conditions for <b>reinstatement of the Company's</b> Shares to Official Quotation on the ASX. There is a risk that the Company may not be able to meet the Reinstatement Conditions on or before 27 September 2019 and should this occur, the Company will be removed from trading on the Official List and the Shares will be delisted. Following a delisting, there may be <b>little to no market for the Company's</b> Shares.</p> <p>(b) Offtake Agreement Risk: Currently, the Company has entered into offtake agreements for zinc, copper and lead which are expected to be fulfilled within the next 12 months. Accordingly, the Company will need to negotiate and enter into new offtake agreements, or renewals to the existing agreements, for these commodities. There can be no assurance that the terms of such agreements will be favourable to the Company, or that new or renewed agreements will be entered into. Any future earnings of the Company are likely to be dependent on the <b>Company's ability to</b> negotiate and secure offtake agreements with third parties (among other things).</p> <p>(c) Production Risk: Targeted and estimated production levels are <b>based on the Company's experience</b> in operating its mines and developing its Projects. These estimates are subject to numerous uncertainties, many of which are beyond the <b>Company's control</b>.</p>	Section 4

Item	Summary	Further information
	<p>(d) Operational Risks: During operations at the Company's Projects, the Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured. The business of mining and production involves a number of risks and may be impacted by factors including quantity of ore, grade of ore, metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. In addition, the Company's performance could be adversely affected if for any reason its production and processing is unexpectedly interrupted or slowed.</p> <p>(e) Future Capital Requirements: The Company believes that, upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the immediate objectives of the Company. However, the future capital requirements of the Company will depend on many factors including the Company's exploration, production and operating activities. No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company and may involve dilution to Shareholders.</p> <p>(f) Exploration and Development Risk: The Company's ability to sustain or increase its level of production in the longer term is dependent on the success of its exploration activities in replacing Mineral Resources depleted by production, the development of new projects and the expansion of existing mining operations.</p> <p>(g) Environmental Risks: The Company's operations are subject to extensive laws and regulations regarding environmental matters, the use and discharge of hazardous materials and</p>	

Item	Summary	Further information
	<p>wastes. Environmental laws and regulations establish limits on the <b>Company's ability to conduct its operations</b> and impose financial obligations in respect of rehabilitation. The cost of compliance with laws and regulations is expected to continue to be significant.</p> <p>(h) Estimation of Mineral Resources and Ore Reserves: Mineral Resource and Ore Reserve estimates are necessarily imprecise and involve subjective judgements regarding the presence and grade of mineralisation and the ability to economically extract and process the mineralisation, including future zinc, lead, copper, gold and silver prices, operating costs, transport costs, capital expenditures and other costs.</p> <p>(i) Price Volatility and Currency Exchange Rate: Changes in the market price of the <b>Company's commodities</b> (in particular, zinc, lead, copper) will affect the profitability of <b>the Company's operations and its financial condition</b>. A decline in the market price of the <b>Company's commodities below the Company's production costs</b> for any sustained period would have a material adverse impact on the profit, cash flow and <b>results of operations of the Company's Projects</b>. The Company will also have to assess the economic impact of any sustained zinc, lead, copper, gold and silver prices on recoverability, and therefore on cut-off grades and the level of its Mineral Resources. The <b>Company's performance</b> is dependent on the market prices of zinc, lead, copper, gold and silver. Consequently, in addition to the <b>Company's offtake agreements</b> (currently entered into or to be entered into in the future) any future earnings are likely to be closely related to the price of these commodities.</p> <p>These keys risks factors and other risks are detailed in Section 4.</p>	

Item	Summary	Further information																		
D. Directors, Key Management Personnel and Substantial Holders																				
Who are the Directors?	<p>The current Board is not anticipated to change upon listing, and shall be comprised of:</p> <ul style="list-style-type: none"> <li>(a) Mr Morris Iemma <i>(Non-Executive Chairman)</i></li> <li>(b) Mr Ralph De Lacey <i>(Managing Director)</i></li> <li>(c) Mr Ze Huang Cai <i>(Executive Director)</i></li> <li>(d) Mr Yading Wan <i>(Non-Executive Director)</i></li> <li>(e) Ms Teresa Dyson <i>(Non-Executive Director)</i></li> </ul> <p>The profiles of each of the Directors are set out in Section 3.11.</p>	Sections 3.11 and 9.1																		
Who are the Company's management personnel?	Other than the Directors listed above and the Company Secretary, Ms Sinead Teague, the Company employs a large team of experienced and qualified management personnel, including five (5) mining engineers, one (1) metallurgist, five (5) geologists, one Doctor of Environmental Science, two qualified mine surveyors plus a network of consultants and advisers. The profile of the Company Secretary is set out in Section 3.11.	Section 3.11 and 9.1																		
What are the significant interests of Directors in the Company?	<p>The Directors and their associates hold the following interests in the Securities in the Company as at the date of this Prospectus:</p> <table border="1"> <thead> <tr> <th>Director</th><th>Shares</th><th>Options<sup>4</sup></th></tr> </thead> <tbody> <tr> <td>Mr Morris Iemma</td><td>Nil</td><td>6,000,000</td></tr> <tr> <td>Mr Ralph De Lacey</td><td>5,582,806<sup>1</sup></td><td>6,000,000</td></tr> <tr> <td>Mr Ze Huang Cai</td><td>42,630,326<sup>2</sup></td><td>6,000,000</td></tr> <tr> <td>Mr Yading Wan</td><td>352,927,775<sup>3</sup></td><td>6,000,000</td></tr> <tr> <td>Ms Teresa Dyson</td><td>Nil</td><td>6,000,000</td></tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> <li>Includes 3,535,963 held by Ralph De Lacey ATF The Ralph De Lacey Super Fund and 2,046,843 Shares held by NQ Mining Enterprises Pty Ltd (ACN 122 171 573) (NQME).</li> <li>Includes 41,116,921 Shares held by Snow Peak Mining Pty Ltd (ACN 161 212 504), an entity associated with Mr Ze Huang (Martin) Cai.</li> <li>Includes 352,927,775 Shares held by Cyan Stone Pty Ltd (ACN 606 864 840) (Cyan Stone), an entity associated with Mr Yading Wan.</li> </ol>	Director	Shares	Options <sup>4</sup>	Mr Morris Iemma	Nil	6,000,000	Mr Ralph De Lacey	5,582,806 <sup>1</sup>	6,000,000	Mr Ze Huang Cai	42,630,326 <sup>2</sup>	6,000,000	Mr Yading Wan	352,927,775 <sup>3</sup>	6,000,000	Ms Teresa Dyson	Nil	6,000,000	Section 9.2
Director	Shares	Options <sup>4</sup>																		
Mr Morris Iemma	Nil	6,000,000																		
Mr Ralph De Lacey	5,582,806 <sup>1</sup>	6,000,000																		
Mr Ze Huang Cai	42,630,326 <sup>2</sup>	6,000,000																		
Mr Yading Wan	352,927,775 <sup>3</sup>	6,000,000																		
Ms Teresa Dyson	Nil	6,000,000																		

Item	Summary	Further information																								
	4. Comprising 2,000,000 Class A Incentive Options and 4,000,000 Class B Incentive Options which are to be issued to each of the Directors after close of the Offer. The terms and conditions of the Options are summarised in Section 12.3 of this Prospectus.																									
What are the benefits being paid to the Directors?	<p><b>Details of the Directors' remuneration for the previous two completed and the current financial year (on an annualised basis) are set out in the table below:</b></p> <table><tr><th>Director</th><th>Financial year ended 30 June 2017</th><th>Financial year ended 30 June 2018</th><th>Financial year ended 30 June 2019</th></tr><tr><td>Ralph De Lacey</td><td>\$401,080</td><td>\$401,080</td><td>\$460,000</td></tr><tr><td>Ze Huang Cai</td><td>\$373,538</td><td>\$373,538</td><td>\$460,000</td></tr><tr><td>Morris lemma<sup>1</sup></td><td>N/A</td><td>N/A</td><td>\$273,500</td></tr><tr><td>Yaden Wan<sup>1</sup></td><td>N/A</td><td>N/A</td><td>\$54,750</td></tr><tr><td>Teresa Dyson<sup>2</sup></td><td>N/A</td><td>N/A</td><td>\$50,000</td></tr></table> <p>Notes:</p> <p>1. Mr Morris lemma and Mr Yading Wan were appointed as Directors on 29 August 2018.</p> <p>2. Ms Teresa Dyson was appointed as a Director on 24 January 2019.</p>	Director	Financial year ended 30 June 2017	Financial year ended 30 June 2018	Financial year ended 30 June 2019	Ralph De Lacey	\$401,080	\$401,080	\$460,000	Ze Huang Cai	\$373,538	\$373,538	\$460,000	Morris lemma <sup>1</sup>	N/A	N/A	\$273,500	Yaden Wan <sup>1</sup>	N/A	N/A	\$54,750	Teresa Dyson <sup>2</sup>	N/A	N/A	\$50,000	Section 9.3
Director	Financial year ended 30 June 2017	Financial year ended 30 June 2018	Financial year ended 30 June 2019																							
Ralph De Lacey	\$401,080	\$401,080	\$460,000																							
Ze Huang Cai	\$373,538	\$373,538	\$460,000																							
Morris lemma <sup>1</sup>	N/A	N/A	\$273,500																							
Yaden Wan <sup>1</sup>	N/A	N/A	\$54,750																							
Teresa Dyson <sup>2</sup>	N/A	N/A	\$50,000																							
What contracts has the Company entered into with related parties?	<p>The Company has entered into:</p> <p>(a) a commercial tenancy agreement with NQME for the rent of Company's registered office located at 395 Lake Street, Cairns QLD. NQME is an entity associated with Director, Mr Ralph De Lacey;</p> <p>(b) a property lease agreement with ARM NQ Pty Ltd (ACN 161 602 151) (ARM NQ) in relation to the rent of residential properties located at Mount Garnet. ARM NQ is an entity associated with Directors, Mr Ze Huang (Martin) Cai and Mr Ralph De Lacey; and</p> <p>(c) a licence agreement with Cyan Stone in relation to the use by the Company of an office located at Level 16, 5 Martin Place, Sydney, NSW. Cyan Stone is an entity associated with Director, Mr Yading Wan.</p>	Sections 9 and 11																								



Item	Summary	Further information															
	Refer to Sections 11.8 to 11.10 of this Prospectus for summaries of these related party contracts. In addition, summaries of the related party contracts entered into by the Company with the Directors and key management personnel (including, without limitation, the executive contracts of employment and non-executive Director appointment letters) are set out in Sections 9.4 to 9.6.																
Who will be the substantial holders of the Company on completion of the Offer?	<p>The following Shareholders (and their associates) will hold an interest in 5% or more of the Shares on issue on completion of the Offer:</p> <table border="1"> <thead> <tr> <th>Shareholder</th><th>Shares</th><th>Voting Power</th></tr> </thead> <tbody> <tr> <td>Cyan Stone Pty Ltd<sup>1</sup></td><td>352,927,775</td><td>53.86%</td></tr> <tr> <td>Snow Peak International Investment Limited</td><td>80,720,983</td><td>12.32%</td></tr> <tr> <td>Win Harvest Corporation Limited</td><td>41,133,855</td><td>6.28%</td></tr> <tr> <td>Snow Peak Mining Pty Ltd<sup>2</sup></td><td>41,116,921</td><td>6.27%</td></tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> <li>1. An entity associated with Director, Yading Wan.</li> <li>2. An entity associated with Director, Ze Huang (Martin) Cai.</li> </ol>	Shareholder	Shares	Voting Power	Cyan Stone Pty Ltd <sup>1</sup>	352,927,775	53.86%	Snow Peak International Investment Limited	80,720,983	12.32%	Win Harvest Corporation Limited	41,133,855	6.28%	Snow Peak Mining Pty Ltd <sup>2</sup>	41,116,921	6.27%	Section 3.15
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E. Financial Information																	
What is the Company's financial performance?	<p>The statutory audited historical statement of profit and loss and other comprehensive income of the Company (including its Subsidiaries) for the financial years ended 30 June 2016, 30 June 2017 and 30 June 2018 and the six months ended 31 December 2017 and 31 December 2018 are set out in Section 6.</p> <p>The table below sets out the summarised historical consolidated statement of profit and loss and other comprehensive income for the year ended 30 June 2018 and the reviewed year ended 30 June 2019.</p> <table border="1"> <thead> <tr> <th>\$000</th><th>Audited year ended 30 June 2018</th><th>Reviewed year ended 30 June 2019</th></tr> </thead> <tbody> <tr> <td>Revenue</td><td>9,788</td><td>26,487</td></tr> <tr> <td>Cost of Sales</td><td>(13,544)</td><td>(22,529)</td></tr> <tr> <td>Gross Profit</td><td>(3,756)</td><td>3,958</td></tr> <tr> <td>Mine and processing plant refurbishment</td><td>(10,386)</td><td>(20,388)</td></tr> </tbody> </table>	\$000	Audited year ended 30 June 2018	Reviewed year ended 30 June 2019	Revenue	9,788	26,487	Cost of Sales	(13,544)	(22,529)	Gross Profit	(3,756)	3,958	Mine and processing plant refurbishment	(10,386)	(20,388)	Section 6
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Gross Profit	(3,756)	3,958															
Mine and processing plant refurbishment	(10,386)	(20,388)															

Item	Summary			Further information
	Care and maintenance	(2,537)	(366)	
	Occupancy	(137)	(201)	
	Corporate, administration and other	(5,439)	(6,178)	
	Impairment of Exploration and Evaluation costs	(1,665)	(209)	
	Exploration expenditure not capitalised	(4,193)	(1,935)	
	Impairment of mining tenements	(379)	-	
	Reinstatement transaction costs	-	(442)	
	Loss on conversion of debt to equity	(1,960)	-	
	EBITDA	(30,452)	(25,761)	
	Depreciation and amortisation	(7,141)	(12,133)	
	EBIT	(37,593)	(37,894)	
	Net interest expense	(902)	(2,567)	
	PBT	(38,495)	(40,461)	
	Tax	-	-	
	NPAT	(38,495)	(40,461)	
What is the financial outlook for the Company?	<p><b>Given the current status of the Company's Projects and the speculative nature of mineral exploration and development, the Directors do not consider it is appropriate to forecast future earnings.</b></p> <p>Any forecast or projection information could contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>			Section 6
F. Offer				
What is being offered?	<p>The Company invites applications for up to 1,667 Shares at an issue price of \$0.60 per Share, to raise up to \$1,000.</p> <p>The purpose of the Offer is to satisfy the Reinstatement Conditions and remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the</p>			Section 2

Item	Summary	Further information
	Corporations Act prior to the Closing Date (including prior to the date of this Prospectus). Accordingly, the Company is seeking to raise only a nominal amount under the Offer as the purpose of this Prospectus is not to raise capital. The key information relating to the Offer, including the purpose of the Offer is set out in Section 2.2.	
Are there any conditions to the Offer?	Other than the Minimum Subscription, the Offer is not conditional.	Section 2.4
G. Additional information		
What are the tax implications of investing in securities?	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>	Section 2.12
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, in light of the <b>Company's size and nature</b>, the Company has adopted <i>The Corporate Governance Principles and Recommendations (3rd Edition)</i> as published by ASX Corporate Governance Council (Recommendations).</p> <p>The Company's main corporate governance policies and practices and the Company's compliance and departures from the Recommendations as at the date of this Prospectus are outlined in Section 10.11.</p> <p>In addition, the Company's full Corporate Governance Plan is available from the <b>Company's website</b> (<a href="http://www.csdtin.com.au">www.csdtin.com.au</a>).</p>	Section 10
Where can I find more information?	<p>(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser;</p> <p>(b) By contacting the Company Secretary, on +61 2 8098 1163; or</p> <p>(c) By contacting the Share Registry on + 61 8 9315 2233.</p>	

This section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

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## 2. DETAILS OF THE OFFER

### 2.1 The Offer

Pursuant to this Prospectus, the Company invites applications for up to 1,667 Shares at an issue price of \$0.60 per Share to raise \$1,000.

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. Please refer to Section 12.2 for further information regarding the rights and liabilities attaching to the Shares.

### 2.2 Purpose of the Offer

The purpose of the Offer is to:

- (a) satisfy the Reinstatement Conditions; and
- (a) remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

Accordingly, the Company is seeking to raise only a nominal amount under this Prospectus as the purpose of this Prospectus is not to raise capital.

### 2.3 Use of Funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first 12 months following re-admission of the Company to the official list of ASX as follows:

Funds available	Full Subscription (\$1,000)	Percentage of Funds (%)
Existing cash reserves <sup>1</sup>	\$5,085,000	99.98
Funds raised from the Offer	1,000	0.02
Total	\$5,086,000	100.00
Allocation of funds <sup>2</sup>		
Exploration activities <sup>3</sup>	\$875,000	17.20
Feasibility Studies <sup>4</sup>	\$1,500,000	29.49
Upgrade to current mining facilities <sup>5</sup>	\$500,000	9.83
Repayment of existing loans <sup>6</sup>	\$410,000	8.06
Recent capital raising costs <sup>7</sup>	\$1,000,000	19.66
Costs of the Offer and other reinstatement costs <sup>8</sup>	\$300,000	5.90
Other working capital requirements	\$501,000	9.85
Total	\$5,086,000	100.00

Notes:

1. Refer to the Financial Information set out in Section 6 and the Limited Assurance Investigating Accounts Report in Section 7 of this Prospectus for further details.
2. Refer to the Independent Geologists Report in Section 5 of this Prospectus for further information on the planned activities and expenditure budget for the Project.
3. Including:
  - (a) Infill drilling at the Chloe and Jackson Project;
  - (b) Drilling within the Einasleigh Regional Exploration Project;
  - (c) Drilling at the Surveyor Regional Exploration Project; and
  - (d) Drilling at the Mount Garnet Project.Funds are also allocated to building target generation technical teams for each regional exploration area including consultants and administrative support and for exploration equipment including off road vehicles.
4. Including, feasibility studies at the Kaiser Bill, Maitland and Mount Garnet Tin Projects.
5. Including:
  - (a) Expansion of the tailings dam at the Mount Garnet Processing Plant;
  - (b) Mount Garnet Processing Plant upgrades; and
  - (c) Power infrastructure updates at Mount Garnet.
6. Including, \$250,000 to Snow Peak International Limited and \$160,000 to Cyan Stone Pty Ltd.
7. Including, approximately \$600,000 in capital raising fees in relation to the placement of Shares to Wealth Pointer Global Limited (as first announced on the ASX on 4 April 2019) and \$400,000 in estimated legal fees.
8. Refer to Section 12.8 of this Prospectus for further details.

The Company will use its existing cash reserves together with budgeted revenue generated from mining operations to achieve these objectives.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis depending upon issues that may arise during exploration and production activities. This will involve an ongoing assessment of the performance of the plant and equipment at the Company's Projects, efficiencies derived from the investment in and application of new equipment at the Company's Projects and ongoing anticipated customer demand.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

On completion of the Offer, the Company will have sufficient working capital to achieve its objectives as stated in this Prospectus. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 4.

## 2.4 Minimum subscription

The minimum amount which must be raised under the Offer is the full subscription of \$1,000 (Minimum Subscription).

If the Minimum Subscription has not been raised within 4 months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

## 2.5 Applications

Applications for Shares under the Offer must only be made by investors at the direction of the Company and using the Application Form accompanying this Prospectus. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Payment for Shares must be made in full at the issue price of \$0.60 per Share.

Completed Application Forms and accompanying cheques, made payable to "Consolidated Tin Mines Limited – Share Offer Account" and crossed "Not Negotiable", must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (AEST) on the Closing Date.

The Company reserves the right to close the Offer early.

## 2.6 Not underwritten

The Offer is not underwritten.

## 2.7 ASX Listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

## 2.8 Issue

Subject to the Minimum Subscription to the Offer being reached and to the Company satisfying the Reinstatement Conditions, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Shares in their sole discretion. There is no guaranteed allocation of Shares under the Offer. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

The Company's decision on the number of Shares to be allocated to an applicant will be final.

Holding statements for Shares issued to the issuer sponsored sub-register and confirmation of issue for Clearing House Electronic Sub-register System (CHES) holders will be mailed to applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

## 2.9 Applicants Outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

## 2.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## 2.11 Commissions Payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

## 2.12 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

## 2.13 Withdrawal of Offer

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

## 2.14 Reinstatement Conditions

The Company is in a position to seek reinstatement of its Shares to Official Quotation. This reinstatement is subject to the discretion of the ASX, however the Company has received confirmation from the ASX that it will, subject to satisfaction of the Reinstatement Conditions, allow reinstatement of the **Company's Shares to Official Quotation**.

The Reinstatement Conditions are as follows:

- (a) Confirmation that the DOCA has been fully effectuated and the Company is not subject to any other forms of external administration, receivership or liquidation.
- (b) Despatch of the Notice of Meeting containing (inter alia) disclosures about the activities of the Company since its securities were suspended from Official Quotation on 29 June 2016 to the satisfaction of the ASX.
- (c) Shareholders approving the resolution contained in the Notice of Meeting under which the Company is seeking Shareholder approval to convert **Cyan Stone's debt to Shares**.
- (d) Confirmation of completion of the issue of 71,100,000 Shares to **Cyan Stone on conversion of Cyan Stone's debt to Shares**.
- (e) The release by the Company of a full form prospectus for the purposes of section 710 of the Corporations Act for a nominal capital raising (the purpose of this Prospectus), and the Offer having closed satisfying its minimum subscription requirement.
- (f) The Company demonstrating to the satisfaction of ASX the following:
  - (i) that it has net tangible assets of not less than \$4 million after deducting the cost of any fundraising (refer to ASX Listing Rule 1.3.1(a));



- (ii) that it has working capital of at least \$1.5 million. The amount must be available after allowing for the first full financial year's budgeted administration cost and the cost of acquiring any assets referred to in this Prospectus to the extent those costs are to be met out of working capital (refer ASX Listing Rule 1.3.3(b)).
- (g) Confirmation in a form acceptable to ASX that the Company has received cleared funds which are deposited in an Australian bank account in the name of the Company for the complete amount of the issue price of every security allotted and issued under each of:
  - (i) The July 2018 Placement (being, (a) the placement of 14,764,833 Shares at \$0.60 per Share to raise \$8,858,900; and (b), the issue of 19,817,678 Shares at \$0.12615 per Share to raise \$2,500,000 upon the exercise of an Option by Cyan Stone);
  - (ii) The August 2018 Placement (being, the placement of 2,517,332 Shares at an issue price of \$0.60 each as announced to the ASX on 7 August 2018). For the avoidance of doubt, the total raised under paragraph (a) of the July 2018 Placement; and the August 2018 Placement, was \$11,998,987;
  - (iii) The April 2019 Placement (being, the placement of 32,974,562 Shares at an issue price of \$0.605 each to raise a total of \$19,949,610 as announced to the ASX on 4 April 2019 and 24 June 2019); and
  - (iv) The May 2019 Placement (being, the placement of 6,661,571 Shares at an issue price of \$0.60 each to raise a total of \$4,000,000 as announced to the ASX on 22 May 2019).
- (h) Confirmation in a form acceptable to ASX that the Company has received cleared funds for the complete amount of the issue price of every Share issued to every successful applicant for Shares under the Offer under this Prospectus.
- (i) Confirmation that, except for the Baal Gammon site, the Company retains the businesses and assets (other than cash) that it held prior to the appointment of the administrators on 19 July 2016, including any businesses and assets held on trust for the Company pursuant to the asset sale agreement dated 24 October 2014 and settled on 19 April 2016 entered into between the Company, SPM, Surveyor Mining Pty Ltd (ACN 601 108 776) and Colinacobre Pty Ltd (ACN 601 312 207) (ASA) (Business and Assets), and that none of these assets formed part of the deed funds established pursuant to the DOCA.
- (j) Confirmation of completion of the ASA and the effectuation of the legal transfer of all of the Business and Assets of SPM as outlined in section 14 of the Report to Creditors of the Company dated 15 November 2016, including the payment of outstanding stamp duty to the Queensland Office of State Revenue with respect to the ASA.
- (k) The Company demonstrating compliance with Chapter 12 of the Listing Rules to the satisfaction of ASX and in particular that the Company's level of operations satisfies the requirement of Listing Rule 12.1 including:
  - (i) confirmation that all of the Company's material tenements are in good standing;

- (ii) confirmation that the Company is in compliance with all of its unconditional performance bonds and mining rehabilitation fund obligations;
  - (iii) confirmation that there are no legal, regulatory or contractual impediments to the Company undertaking its activities as set out in this Prospectus; and
  - (iv) the Company's **level of Shareholder spread** will satisfy the requirements of ASX Listing Rule 12.4, with there being at least 300 holders each holding at least \$500 worth of Shares and 225 of which are Australian resident Shareholders.
- (l) Confirmation that the Company's **secured creditors have released and discharged** any security granted to them by the Company and there are no outstanding security interests over the Company's **assets and that the Company's secured creditors have no further interest** in the Company's assets (save for security granted in the day to day operation of the Company's **business**).
  - (m) Confirmation of the repayment of loans and interest in full to Ming Huang Trading Limited, Ralph De Lacey and Snow Peak International Limited.
  - (n) Confirmation (to the satisfaction of ASX) that SPM and the Company have complied with the Department of Environment and Heritage Protection clean up notice with respect to the Baal Gammon Project.
  - (o) Confirmation (to the satisfaction of ASX) that no event of default has occurred under the two loan agreements with Cyan Stone.
  - (p) Confirmation of the completion of all agreements required to complete the recapitalisation of the Company.
  - (q) Lodgement of all outstanding Appendices 3B with ASX for issues of new securities.
  - (r) Reinstatement of the Company's **CHESS sub-register**.
  - (s) The Company having a free float (as that term is defined in Chapter 19 of the ASX Listing Rules) of not less than 20% at the time of its reinstatement to the Official List.
  - (t) Provision of copies of restriction agreements entered into by the Company, together with undertakings provided by a bank, recognised trustee or the provider of registry services, in relation to the restricted securities of the Company, if required.
  - (u) Lodgement of any outstanding reports for the period since the Company's **securities were suspended and any other outstanding documents** required by ASX Listing Rule 17.5.
  - (v) **Lodgement of Director's interest notices**, being either Appendix 3Xs, 3Ys or 3Zs, as required.
  - (w) Confirmation that there are no legal, regulatory or contractual impediments to the Company undertaking its existing activities.

- (x) Payment of any ASX fees, including listing fees, applicable and outstanding (including the annual listing fee for the year ended 30 June 2020).
- (y) Confirmation the securities to be issued following the General Meeting have been issued, and despatch of each of the following has occurred.
  - (i) In relation to all holdings on the CHESS sub-register, a notice from the Company under ASX Settlement Operating Rule 8.9.1.
  - (ii) In relation to all other holdings, issuer sponsored holding statements.
  - (iii) Any refund money.
- (z) Provision of the following documents, in a form suitable for release to the market.
  - (i) A statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders.
  - (ii) A distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number of holders in the following categories.
    - 1 - 1,000
    - 1,001 - 5,000
    - 5,001 - 10,000
    - 10,001 - 100,000
    - 100,001 and over
  - (iii) A statement outlining the Company's **capital structure** following the General Meeting on a post-issue basis and post-consolidation basis.
  - (iv) A statement confirming the completion of the ASA and the effectuation of the legal transfer of all of the Business and Assets of SPM as outlined in section 14 of the Report to Creditors of the Company dated 15 November 2016, including the payment of outstanding stamp duty to the Queensland Office of State Revenue with respect to the ASA.
  - (v) A statement confirming that the Company's **secured** creditors have released and discharged any security granted to them by the Company and there are no outstanding security interests over the Company's **assets** and that the Company's **secured** creditors have no further interest in the Company's **assets** (save for security granted in the day to day operation of the Company's **business**).
  - (vi) A statement confirming the issue of 71,100,000 Shares to Cyan Stone on conversion of Cyan Stone's debt to shares in the Company.

- (vii) A statement confirming the repayment of loans and interest in full to Ming Huang Trading Limited, Ralph De Lacey and Snow Peak International Limited.
- (viii) Details of the Company's **current offtake party and the material** terms of each offtake agreement.
- (ix) Details of any changes to the Company's **business model** since the appointment of administrators.
- (x) A statement confirming (to the satisfaction of ASX) that SPM and the Company have complied with the Department of Environment and Heritage Protection clean up notice with respect to the Baal Gammon Project
- (xi) A statement confirming (to the satisfaction of ASX) that no event of default has occurred under the two loan agreements with Cyan Stone.
- (xii) A statement confirming the completion of all agreements required to complete the recapitalisation of the Company.
- (xiii) The Company's **reviewed** pro forma balance sheet following completion of the recapitalisation.
- (xiv) The Company's **updated statement** of commitments following completion of the recapitalisation.
- (xv) A consolidated activities report setting out the proposed business strategy for the Company including Business and Assets and current activities.
- (xvi) Full terms and conditions of all Options on issue (if any).
- (xvii) Full terms and conditions of any employee incentive schemes (if any).
- (xviii) A statement disclosing the extent to which the Company will follow, as at the date its securities are reinstated, the recommendations set by the ASX Corporate Governance Council. If the Company does not intend to follow all of the recommendations on its reinstatement, the Company must identify those recommendations that will not be followed and give its reasons for not following them.
- (xix) A statement setting out the number of securities subject to ASX restrictions and the restriction period applied to those securities, if applicable.
- (xx) A copy of the Company's **securities trading** policy as required by ASX Listing Rule 12.9.
- (xxi) the Company's **annual review of its resources and reserves** for the year ended 30 June 2018 as required by ASX Listing Rule 5.21.
- (xxii) An update on all litigation with respect to the Company.

- (xxiii) A statement that there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Notice and the disclosure document issued for the Recapitalisation.
  - (xxiv) A statement confirming the Company is in compliance with the Listing Rules and in particular ASX Listing Rule 3.1.
  - (xxv) Any further documents and confirmations ASX may determine are required to be released to the market as pre-quotation disclosure following its review of the prospectus and any ancillary documentation.
- (aa) Confirmation of the responsible person for the purposes of ASX Listing Rule 1.1 Condition 13.
- (bb) Provision of any other information required or requested by ASX or satisfaction of any other conditions required by ASX including, but not limiting the generality of the foregoing, in relation to any issues that may arise (1) from ASX's review of the Prospectus to be issued by the Company and (2) from ASX's review of the Company's financial reports.

The Company has until 27 September 2019 to comply with the Reinstatement Conditions set out above and have its Securities reinstated to Official Quotation on the ASX.

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### 3. COMPANY AND PROJECTS OVERVIEW

#### 3.1 Background

The Company was incorporated in July 2007 and listed on the official list of the ASX in February 2008. The Company was established as a tin exploration and development company which initially focussed on the Company's tin bearing Mount Garnet Tin Project.

In 2014, the Company entered into the Asset Sale Agreement under which it agreed to acquire a number of base metal assets from SPM, including the Surveyor Project, the Mount Garnet underground mine and the Mount Garnet Processing Plant, transitioning the Company into a base metals producer.

The securities of the Company were suspended from trading on the official list of the ASX on 29 June 2016. Following a prolonged period of depressed commodity prices, the Company entered into voluntary administration on 19 July 2016.

A joint deed of company arrangement was proposed by the Directors which was considered and subsequently approved by SPM and the creditors of the Company and SPM at the second meeting of creditors held on 23 November 2016 (Joint DOCA Proposal). The Joint DOCA Proposal was executed as a formal deed of company arrangement on 8 December 2016 (DOCA) and in accordance with the terms of the DOCA control of the affairs of the Company returned to the Directors of the Company, subject to the DOCA. The DOCA was wholly effectuated on 12 January 2017.

#### 3.2 Corporate Structure

The Company's corporate structure consists of the Company and its three wholly owned subsidiaries:

- (a) CTM Alluvial Mining Pty Ltd (ACN 137 305 947);
- (b) Surveyor Mining Pty Ltd (ACN 601 108 776); and
- (c) Colinacobre Pty Ltd (ACN 601 312 207).

#### 3.3 Projects Summary

The Company directly and indirectly owns a number of base metal and tin projects in Queensland Australia, being:

- (a) Mount Garnet underground mine
  - (i) Mount Garnet Deeps Mine
- (b) Mount Garnet Base Metal Exploration
  - (i) Jessie's Dream Exploration Target
  - (ii) Mount Garnet Dam Exploration Target
  - (iii) Mount Garnet Deeps Central Exploration Target
  - (iv) Mount Garnet Deeps Expansion Exploration Target

- (c) Einasleigh Regional Exploration Project
  - (i) Kaiser Bill Project
  - (ii) Einasleigh Copper Mine
  - (iii) Chloe and Jackson
  - (iv) Railway Flat
  - (v) Einasleigh Exploration Projects
- (d) Surveyor Mine Project
  - (i) Dry River South Mine
  - (ii) Dry River South Extension
  - (iii) Balcooma Deposit
- (e) Surveyor Regional Exploration Project
- (f) Maitland Project
- (g) Mount Garnet Tin Project

(together, the Projects). The Project locations are depicted in Figure 1 below.



Figure 1 - Project Locations

In addition, a detailed schedule of the tenements comprising the Projects (the Tenements) is contained in the Solicitors Tenement Report set out in Section 8 of this Prospectus.

The Company's Projects are classified as mining, pre-development and exploration stage. There are currently two operating mines, the Dry River South Mine and the Mount Garnet underground mine (specifically, the Mount Garnet Deeps Mine). The pre-development projects are Kaiser Bill, Balcooma Deposit, Chloe and Jackson, Dry River South Extension, Maitland and the Mount Garnet Tin Projects. The exploration areas are the Einasleigh Regional and Surveyor Regional Exploration Projects.

### 3.4 Overview of the Projects

#### (a) Mount Garnet Deeps Mine

In April 2016, the Company acquired the assets of SPM, including the Mount Garnet underground mine. SPM had acquired the mine from Kagara Limited (Kagara) in January 2013. Kagara had suspended mining operations at the Mount Garnet Base Metals project on 24 April 2012 and announced entry into voluntary administration on 30 April 2012.

In late 2017, the Company commenced development to access the **newly discovered 'Mount Garnet Deeps' deposit** adjoining the Mount Garnet underground mine. Initial drilling from surface had returned favourable results and two further drilling programs from surface provided the Company with sufficient information to commence mine design and planning.

Remnant mining of the existing Mount Garnet underground mine continued in parallel with new development to access Mount Garnet Deeps.

The Mount Garnet Deeps base metal mineralisation occurs in a garnet-pyroxene-amphibole skarn-altered, northerly-trending, fossiliferous limestone and limey siltstone unit that hosts sphalerite-rich mineralisation. The skarn zone dips sub-vertically, is typically 30 metres to 60 metres wide, and extends beyond 550 metres below surface, which is the current limit of drill investigations.

Development of the new Mount Garnet Deeps decline continued during the last quarter of the 2019 financial year in parallel with ore drive development. Ore from Mount Garnet Deeps continued with small quantities of remnant ore from the upper levels of the old Mount Garnet underground mine, with over 16,000 tonnes of ore mined from Mount Garnet Deeps and the old Mt Garnet underground mine in the June quarter.

Ore mined in the last six months of the 2019 financial year is summarised in Table 10-1 of the Independent Geologists Report (set out in Section 5 of this Prospectus). Increasing quantities of development ore will continue to be mined from the Mount Garnet Deeps Mine with stope production expected to commence in the first quarter of the 2020 financial year.

The Mount Garnet Deeps Mineral Resources were updated in August 2019 to comply with the JORC Code 2012 reporting guidelines. Refer to Section 3.5 of the Prospectus for details of the Mineral Resources.



(b) Mount Garnet Base Metal Exploration Project

As set out above, exploration has recently been focused on definition of the Mount Garnet Deeps domain. In addition, four high priority targets in the regional exploration package around the Mount Garnet deposit have been identified, these are the Mount Garnet Deeps Central, Mount Garnet Deeps Expansion, Mount Garnet Dam and Jessie's Dream.

Exploration planned for the Mount Garnet Deeps project area includes underground diamond drilling to target the Mount Garnet Deeps deposit, underground drilling to target the Mount Garnet Deeps Central target, surface drilling to target the Mount Garnet Dam target, and reverse circulation drilling is also planned at the Jessie's Dream prospect where repeats of the Mount Garnet style of mineralisation potentially occur.

(c) Einasleigh Regional Exploration Project

As set out above, the Company acquired the assets of SPM, including the Einasleigh copper projects in April 2016. SPM had acquired the projects from Kagara in late 2013. Kagara had acquired the Einasleigh copper projects from Copper Strike Limited in late 2011.

Key prospects within the Einasleigh Regional Exploration Project area include Kaiser Bill, Chloe and Jackson, Einasleigh Copper Mine and Railway Flat, in addition to numerous other prospects (refer to Figure 5-1 of the Independent Geologists Report for further detail). These prospects have been discovered by various explorers using methods ranging from soil sampling through to drilling.

Substantial deposits of copper, zinc, lead, silver and minor gold have been located within the Einasleigh Regional Exploration Project area. Previous project owners defined several of the larger prospects that contain Mineral Resources, such as Kaiser Bill, Einasleigh Copper Mine, Chloe and Jackson and Railway Flat.

A number of other prospects are known within the project area such as Teasdale and Bloodwood Knoll, many of which appear to also have potential. The project area represents a possible new production centre especially with the upside potential indicated for an increased Mineral Resource base, particularly for copper. The Einasleigh Copper Mine and Kaiser Bill copper-gold deposits are iron oxide copper gold deposits similar in style to those developed in the world-class Cloncurry district of north-west Queensland.

(i) Kaiser Bill

The Kaiser Bill Deposit is an undeveloped Iron Oxide Copper Gold (IOCG) deposit located about 8km west of Einasleigh Township in north Queensland. The Kaiser Bill Deposit is within the Company's Einasleigh Project area which also contains the historic Einasleigh Copper Mine and the Chloe and Jackson lead-zinc-copper-silver deposits (described in further detail below). The base metal deposits in the Einasleigh area occur within the Paleoproterozoic Georgetown Inlier.

The Kaiser Bill Deposit is hosted within a sequence of quartz-feldspar-biotite metasedimentary gneiss overlain by a massive felsic leucogneiss with the copper mineralisation occurring as

chalcopyrite within quartz-pyrite-pyrrhotite-magnetite disseminations, stringers and breccia-fill. It has a thick massive central zone, with a southerly dip and well-developed west-southwest plunge. The mineralisation envelope diverges from the leucogneiss-biotite gneiss contact.

Indicated and Inferred Mineral Resources at Kaiser Bill were reported in 2017 in accordance with JORC Code 2012. The Mineral Resource was subsequently updated to account for drilling completed in 2017 and 2018 in accordance with JORC Code 2012 (refer to Section 3.5 of this Prospectus for further detail regarding the Mineral Resources). A total of 169 drill holes, a combination of reverse circulation drilling and NQ2 sized diamond core, were used in the estimation.

The Kaiser Bill Project is the most advanced deposit within the Einasleigh Project area and is where proposed future infrastructure and processing facilities are likely to be located. Progressing the Kaiser Bill feasibility study is an important part of **the Company's forward planning strategy. The feasibility study** will include mining feasibility of the Kaiser Bill Project with a 1.6Mt processing plant proposed to be located on the Kaiser Bill mining lease and also potentially mining the Chloe and Jackson deposit (described at Section 3.5 below) and transporting ore from Chloe and Jackson to be processed at a 1.6Mt processing plant proposed to be located on the Kaiser Bill mining lease.

(ii) Einasleigh Copper Mine

The Einasleigh Copper Mine and smelter are located in the Etheridge Shire, some 360 kilometres from Cairns. The site occupies an area of around four hectares, situated one kilometre north of Einasleigh Township, on the west bank of the Copperfield River at its junction with the Einasleigh River. It is located about 500 metres north of the Copperfield Gorge. Historically, a range of activities have occurred at the Einasleigh Copper Mine (refer to section 5.2.1 of the Independent Geologists Report for further detail).

Copper mineralisation at the Einasleigh Copper Mine occurs as chalcopyrite associated with variable amounts of pyrrhotite and lesser pyrite within altered quartz-sulphide breccias. Alteration mainly consists of amphibole (actinolite)-magnetite-garnet-chlorite-barite replacing the quartz feldspar-biotite gneiss host rock. Brecciation in the host rocks and within the massive sulphide mineralisation is common.

The most recent Mineral Resource for Einasleigh Copper Mine was reported in 2006 in accordance with the JORC Code 2004. The Mineral Resource estimate has not been updated to comply with the JORC Code 2012 on the basis that the information used for the estimate has not materially changed since it was last reported (refer to Section 3.5 of the Prospectus for details of the Mineral Resources).

The Mineral Resource was estimated using a total of 26 drill holes that were pre-collared down to an average depth of 36 m with reverse circulation and then completed to final depth with NQ2

sized diamond core. The drill holes were geologically logged for key geology and mineralisation domains and were then half core sampled, typically in 1m lengths, and samples were sent to the ALS Chemex laboratory in Townsville for assaying.

The Einasleigh Copper Mine shows some exploration upside along strike of the currently defined mineralisation where a fold hinge is interpreted to exist. Further drilling would be required to confirm this interpretation. The drilling planned within the proposed exploration budget is designed to test these target areas and is assessed as suitable.

(iii) Chloe and Jackson

The Chloe and Jackson Deposit was previously known as Mount Misery and Railway Pb-Zn-Ag Horizons and the deposits are less than 1km apart, located 20kms south-west of Einasleigh. The two deposits are part of the Chloe to Dreadnought Trend, containing a Pb-Zn-Ag mineral system, present as a series of deposits that have geological similarities to zinc-rich skarn deposits in terms of host rocks, alteration, mineralogy and chemistry.

The Chloe – Jackson – Dreadnought trend is structurally complex with multiple generations of folds mapped and a number of orientations of fault structures. The mineralisation lenses are generally thin and, in some areas, multiple lenses are evident.

Chloe and Jackson have similar alteration and mineralisation assemblages and overprinting relationships. There are at least four main groups of mineral assemblages, an outer, usually barren quartz-epidote-zoisite assemblage; a garnet-dominated assemblage usually with pale sphalerite, a pyrrhotite-dominated assemblage usually in the core of the thickest mineralisation, and a magnetite-dominated assemblage which appears to be a retrograde and oxidized version of the pyrrhotite mineralisation.

In June 2018, the Chloe and Jackson Deposit Mineral Resource estimates were reported in accordance with the JORC Code 2012 (refer to Section 3.5 of the Prospectus for details of the Mineral Resources). A total of 249 drill holes comprising a combination of reverse circulation and NQ2 sized diamond core were used in the estimation.

The Chloe and Jackson Deposit has exploration potential both down dip in each deposit and also along strike between the two mineralised domains.

(iv) Railway Flat

Also located within the Einasleigh region, the Railway Flat Deposit is one of the advanced projects of the region. It is a zinc/lead sulphide deposit that has had a substantial amount of exploration including drilling, completed over a period of 30 years. There are no reports of historical mining.

The Railway Flat area, some 3km west of Einasleigh, was identified as a shallowly covered to sub-cropping lead-zinc anomalous zone extending along strike for 2 km. The

mineralisation is hosted by meta-sedimentary biotite gneisses, close to the contact with underlying magnetic calc-silicates which are interpreted as the lowest unit of the Palaeoproterozoic Etheridge Group in the Einasleigh area. Pegmatites and amphibolites also occur within the biotite gneiss package. These rocks strike approximately NE and dip moderately to the SE.

The most recent Mineral Resource for Railway Flat was reported in accordance with the JORC Code 2004. The Mineral Resource estimate has not been updated to comply with the JORC Code 2012 on the basis that the information used for the estimate has not materially changed since it was last reported. The Mineral Resource was estimated using a total of 53 drill holes that were a combination of reverse circulation drilling and NQ2 sized diamond core.

The drill holes were geologically logged for key geological and mineralisation domains and either splits from 1m sample lengths for the reverse circulation samples or half core sampled, typically in 1m lengths, and samples were sent to the ALS Chemex laboratory in Townsville for assaying.

(v) Einasleigh Regional Exploration Targets

Outside of the Kaiser Bill, Einasleigh Copper Mine, Chloe-Jackson and Railway Flat, there exist numerous exploration targets that are hosted within similar geological and mineralisation settings. Anomalies have been defined via surface gossan exposures, soil sampling, geophysical surveys and shallow reconnaissance drilling.

The exploration potential of the Einasleigh area is assessed as high given that the historically defined deposits do not have large surface expressions. For example, the Kaiser Bill Deposit shows very small gossanous outcrops over a deposit that extends approximately 1km along strike and the Railway Flat Deposit **does not outcrop at all. Potential therefore exists for “blind”** deposits to exist within the Einasleigh Regional Exploration Project area.

(d) Surveyor Mine Project

The Surveyor Project deposits are located near the banks of the Dry River in Queensland. The nearest town is Mount Garnet, about 150km away. The nearest sealed road to the mine is the Kennedy Developmental Road. The Surveyor Mine Project is base metal deposits of copper, gold, lead, silver and zinc.

The Surveyor Mine Project consists of an operating underground mine at the Dry River South (DRS) deposit (Dry River South Mine), multiple pre-development targets, and more than 30 exploration targets. Underground mining at the Dry River South Mine has been focussed on remnant pillar extraction in the upper areas of the historical Mount Garnet underground mine. Exploration has also continued, and mineralised targets will be developed in order of priority.

The Surveyor, Balcooma and Dry River South deposits are within a North to North-East trending 8km x 40km belt of strongly deformed and

metamorphosed Cambrian-Ordovician volcanics and sediments of the Balcooma metamorphics.

The latest report of Mineral Resources for the Dry River South deposit was made in accordance with the JORC Code 2012 as at 30 June 2019 (refer to Section 3.5 of the Prospectus for details of the Mineral Resources). Ore mined in the last six months of the 2019 financial year is summarised in Table 10-1 of the Independent Geologists Report.

(e) Surveyor Regional Exploration Project

Numerous exploration targets exist within the Surveyor Regional Exploration Project area. Anomalies have been identified based on soil geochemistry, geophysical surveys and shallow drilling. Several targets have also been identified near the Dry River South deposit. These targets represent either extensions to the currently defined mineralised domains or sub-parallel lenses or splays to the main mineralised domain (refer to Table 7-3 of the Independent Geologist Report for further detail regarding the exploration targets).

Several near mine targets have been identified adjacent to the historically mined Balcooma deposit. The primary target for drilling programs completed in 2018 is known as the Lens 2 Upper target. A total of 21 reverse circulation holes were drilled during 2018. The drilling was designed to target the Lens 2 Upper zone that exists approximately 50 m above the historically mined Lens 2. The Lens 2 Upper has a sigmoidal shape that dips east, plunges moderately to the south and has been subject to shearing and deformation.

Additional drilling is planned to continue testing of the upper Dry River South targets that exist in close proximity to the current underground development during the Company's 2019 exploration program.

(f) Maitland Project

The Maitland Copper-Molybdenum prospect forms part of the Maitland Project located 200km west of Townsville in North Queensland and 200km south of Mount Garnet. It is situated about 30kms southeast of the abandoned Kidston gold mine and 30kms southwest of the Company's Surveyor Project.

Mineralisation occurs as a shear-controlled, quartz body with disseminated chalcopyrite and molybdenite hosted in calc-silicate gneiss with the ore body cut by a number of amphibolite sills. The shape of the orebodies is controlled by the intersection of subvertical shears with the shallow south plunging stratigraphy. The mineralisation appears epigenetic, structurally controlled and possibly coeval with north south trending shears.

The last report of Mineral Resources for the Maitland Project was made in 2010. The Mineral Resource was reported in accordance with the JORC Code 2004. The Mineral Resource estimate has not been updated to comply with the JORC Code 2012 on the basis that the information used for the estimate has not materially changed since it was last reported (refer to Section 3.5 of the Prospectus for details of the Mineral Resources). The Mineral Resource was estimated using a total of 266 drill holes that comprise a combination of reverse circulation and NQ2 sized diamond core.

Exploration upside at the Maitland Project consists of down dip extensions to the known mineralisation in addition to repeats along the host structural corridor.

Funds have been allocated by the Company to the Maitland Project for verification drilling and a feasibility study. The Maitland Project will require diamond drilling to produce core for geotechnical analysis and mine design purposes, further fresh diamond core will be required for metallurgy studies. This core will also be split and assayed to verify existing hole data. The feasibility study will be collated in house using external consultants where additional expertise is required and as independent third-party review. The Maitland Project has potential to add additional ore supply to the Mount Garnet Processing Plant. Progressing the feasibility study is an essential part of ascertaining viability.

(g) Mount Garnet Tin Project

The Mount Garnet Tin Project is located approximately 180kms south-west of Cairns and is serviced by sealed roads and access is by National Highway One that runs through the project area. The nearby town of Mount Garnet has all infrastructure expected in a small town such as a primary school, police, fuel, general stores and accommodation. A regional hospital is located in Atherton with Cairns Base Hospital within a one-hour flight. Power is provided from the Queensland power grid. Port facilities at Mourilyan and Townsville are located 145km and 450km respectively from the Mount Garnet Processing Plant via an all-weather highway.

The Company has been exploring and evaluating the tin deposits at Mount Garnet since the Company was established in 2007. Prior to the **Company's** involvement, the area was explored by many others. Notable discoveries during this time were the Gillian tin skarn, the Pinnacles tin-fluorite skarn, the Windermere tin skarn and the Sailor Valley anomaly.

The Company reported the results of a Pre-Feasibility Study for the Mount Garnet Tin Project in September 2013. The Pinnacles Deposit and Windermere-Deadmans Gulley Mineral Resource estimates were reported in 2013 in accordance with the JORC Code 2012. An updated **estimate of the Company's Mineral Resources** in the Gillian Deposit at Mount Garnet was made in 2014. The Company reported the practical completion of a Definitive Feasibility Study for the Gillian Deposit at Mount Garnet in December 2015. Refer to Section 3.5 of the Prospectus for details of the Mineral Resources.

Funds have been allocated by the Company to the Mount Garnet Tin Project for further drilling and a feasibility study. The Mount Garnet Tin Project has potential viability dependent on developing additional '**Gillian**' type mineralisation to allow for extended mine life. The drilling will mostly be by reverse circulation to produce rock chip for assay and also diamond drilling to produce fresh diamond core that will be required metallurgy studies. Further metallurgy studies will be required on the new areas and also further metallurgy will be required on Gillian ore, including bulk sample test work. The feasibility study will be collated in house using external consultants where additional expertise is required and as independent third-party review. Progressing the Gillian Deposit feasibility study is an essential part of ascertaining viability of the Mount Garnet Tin Project.

### 3.5 Projects Mineral Resources

The Company's Projects contain a combination of JORC Code 2004 and JORC Code 2012 compliant Mineral Resources.

JORC Code 2012 Compliant Mineral Resources as at 30 June 2019

Project	Category	Tonnes (Mt)	Zn (%)	Pb (%)	Cu (%)	Au (ppm)	Ag (ppm)	Sn (%)
Kaiser Bill <sup>1</sup>	Measured	-	-	-	-	-	-	-
	Indicated	12.86	-	-	0.82	-	5.7	-
	Inferred	4.04	-	-	0.86	-	9.4	-
Chloe and Jackson <sup>2</sup>	Measured	-	-	-	-	-	-	-
	Indicated	4.02	4.07	1.61	0.18	-	38.5	-
	Inferred	3.99	3.80	1.43	0.18	-	32.7	-
Dry River South <sup>3</sup>	Measured	-	-	-	-	-	-	-
	Indicated	0.35	10.59	4.22	0.80	0.64	82.9	-
	Inferred	0.28	7.22	2.71	0.70	0.56	63.6	-
Mount Garnet Deeps <sup>4</sup>	Measured	-	-	-	-	-	-	-
	Indicated	0.42	4.32	0.22	0.06	-	13.0	-
	Inferred	0.31	3.73	0.18	0.10	-	17.4	-
Gillian <sup>5</sup>	Measured	1.20	-	-	-	-	-	0.93
	Indicated	1.16	-	-	-	-	-	0.74
	Inferred	0.18	-	-	-	-	-	0.53
Windermere-Deadmans Gully <sup>6</sup>	Measured	-	-	-	-	-	-	-
	Indicated	1.27						0.29
	Inferred	1.21						0.27
Pinnacles <sup>7</sup>	Measured	-	-	-	-	-	-	-
	Indicated	4.27	-	-	-	-	-	0.33
	Inferred	1.12	-	-	-	-	-	0.32

Notes:

1. Kaiser Bill Resources reported above a 0.5% Cu cut-off
2. Chloe and Jackson Resources reported above a 1.0% Zn cut-off
3. Dry River South Resources reported above a 2.0% Zn cut-off
4. Mount Garnet Deeps Resources reported above a 2.0% Zn cut-off

5. Gillian Resources reported above a 0.2% Sn cut-off
6. Windermere-Deadmans Gully Resources reported above a 0.2% Sn cut-off
7. Pinnacles Resources reported above a 0.2% Sn cut-off

The **Company's** Mineral Resources reported under JORC Code 2004 are set out in the table below. These have not been updated to comply with JORC Code 2012 due to no material work or changes occurring since the Mineral Resources were last publicly stated.

JORC Code 2004 Mineral Resources as at 30 August 2019

Project	Category	Tonnes (Mt)	Zn (%)	Pb (%)	Cu (%)	Au (ppm)	Ag (ppm)	Sn (%)
Railway Flat <sup>1</sup>	Measured	-	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-	-
	Inferred	0.80	4.31	1.38	0.20	-	23.0	-
Einaleigh Copper Mine <sup>2</sup>	Measured	-	-	-	-	-	-	-
	Indicated	0.49	-	-	4.00	0.22	18	-
	Inferred	0.34	-	-	1.70	0.09	8	-
Maitland <sup>3</sup>	Measured	-	-	-	-	-	-	-
	Indicated	1.45	-	-	1.50	-	-	-
	Inferred	0.04	-	-	1.10	-	-	-
	Indicated	0.22	-	-	-	-	-	0.49
	Inferred	1.65	-	-	-	-	-	0.39

Notes:

1. Railway Flat Resources reported above a 2.0% Cu cut-off
2. Einaleigh Copper Mine Resources reported above a 1.0% Cu cut-off
3. Maitland Resources reported above a 0.5% Cu cut-off



### 3.6 Mount Garnet Processing Plant

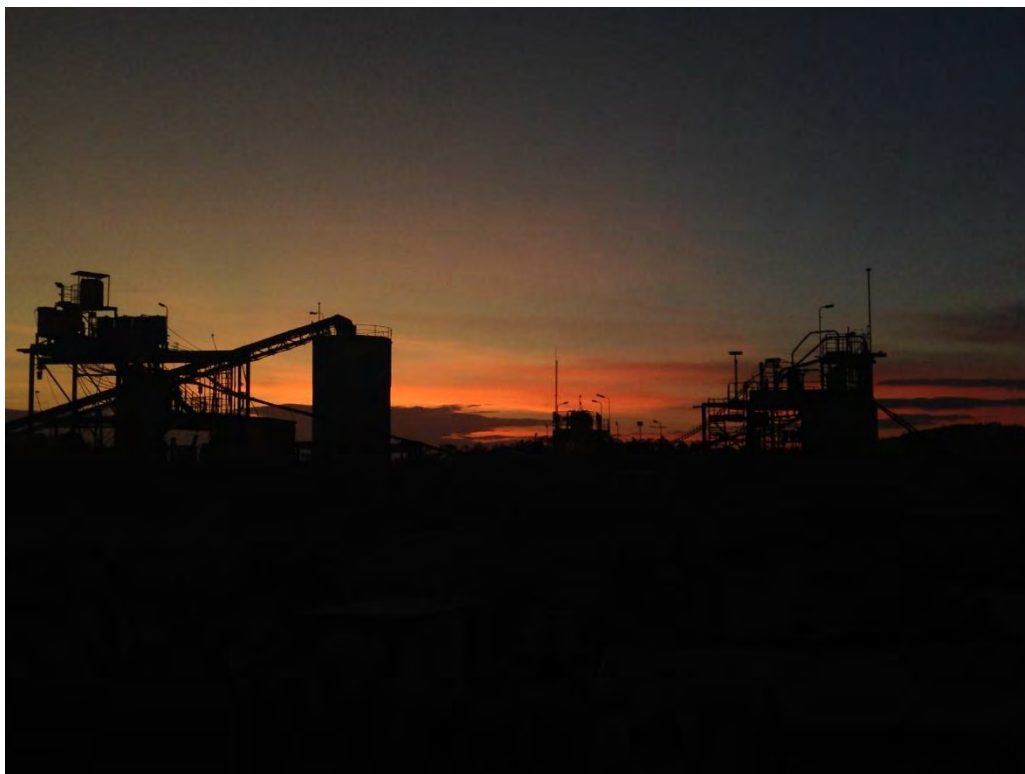


Figure 2 – Mount Garnet Processing Plant Closed Down

The Mount Garnet Processing Plant is located adjacent to the Mount Garnet township with modern infrastructure and operates on power from the grid. Process water top up is supplied from a bore field located approximately 1km from the Mount Garnet Processing Plant and is a reliable water supply all year round. The Company has a licence to draw water from Return Creek, with a pipeline installed as back-up water supply, however, this back-up supply has not been used for many years as the bore field can supply more water than is required.

The Company commenced base metal mining in December 2013 with ore haulage to Mount Garnet from the Surveyor Project. The Mount Garnet Processing Plant produced polymetallic (zinc, lead and copper) concentrate from March 2014 through to July 2016 before entering temporary care and maintenance. Mining and processing at the Mount Garnet Processing Plant resumed in January 2017.

The Mount Garnet Processing Plant has previously been capable of processing one million tonnes of ore per annum and is currently operating at a target of 70 tonnes per hour in the polymetallic circuit. The Mount Garnet Processing Plant currently produces approximately 150 tonnes a day of zinc, lead and copper concentrates with silver and gold co-product.

The Mount Garnet Processing Plant is progressing towards a steady state of production with a significant increase in ore processed compared to the March 2019 quarter. Base metal production from the Mount Garnet Processing Plant for the 2019 financial year is summarised in Table 10-1 of the Independent Geologists Report. Further details in respect of operation of the Mount Garnet Processing Plant is set out in section 10 of the Independent Geologists Report (included at Section 5 of this Prospectus).



Figure 3 – Mount Garnet Processing Plant in 2019

### 3.7 Transport and Logistics

Under the current offtake agreements entered into by the Company, the Company sells its products at the 'mine gate'. Concentrates are loaded into trucks that are contracted by the offtake party at the Company's concentrate shed and the concentrate is then transported by truck to Townsville Port, approximately 400km from the Company's Mount Garnet Processing Plant.

All risk passes to the offtake party at the 'mine gate'. That party organises all trucking, storing, shipping once the concentrate leaves the mine weighbridge. The Company has no involvement in logistics past the mine gate.

### 3.8 Business Model

The Company is a base metals mine operator and developer which also operates a base metals processing plant, the Mount Garnet Processing Plant. The Company is expanding operations at the Mount Garnet underground mine (specifically, the Mount Garnet Deeps Mine) and the Dry River South Mine and is developing a significant pipeline of projects, particularly the Surveyor Regional Exploration Project and the Einasleigh Regional Exploration Project.

The Company's strategy is to be a significant producer of base metals. To achieve this the Company intends to:

- (a) satisfy the Reinstatement Conditions;
- (b) continue mining operations at the Mount Garnet underground mine (specifically the Mount Garnet Deeps Mine) and the Surveyor Project (specifically the Dry River South Mine);
- (c) progress feasibility studies at the Kaiser Bill Project, Maitland Project and Mount Garnet Tin Project;
- (d) explore mineralisation adjacent the Mount Garnet underground mine and the Dry River South Mine to develop potential to extend current life of mine;
- (e) explore the Surveyor Regional Exploration Project, the Einasleigh Regional Exploration Project (in particular, the Chloe and Jackson Deposit) and the Mount Garnet Tin Project; and

- (f) progress planned upgrades and improvements of existing mining equipment at the Mount Garnet underground mine and the Dry River South Mine, improvements to the Mount Garnet Processing Plant, the tailings dam and power supply upgrades.

The Company will use its existing cash reserves together with budgeted revenue generated from mining operations to achieve these objectives.

The Company wishes to retain flexibility to consider acquisition opportunities in the event that such opportunities are presented. **The Company's current intention** is to consider base metal exploration and mining projects located in North Queensland, proximate to the Company's existing Projects. The Company cannot guarantee that further acquisitions will occur.

The Company has engaged Patersons Securities Limited (Patersons) to act as financial advisor in support of this acquisition strategy. Further details of the mandate entered into between the Company and Patersons is set out in Section 11.6.

The Company has entered into exclusive offtake agreements with an international trading house (Trader) pursuant to which the Company agreed to supply and deliver to the Trader 100% of all copper, zinc and lead concentrates produced by the Company (Material) (Offtake Agreements). The Offtake Agreements contain terms and conditions that are considered standard for agreements of this nature and will continue until such time that all delivery and financial obligations have been fulfilled by both parties (expected within the next 12 months).

The Company is currently soliciting offers from international trading houses for the Company's future zinc concentrate production to commence following completion of delivery obligations under the current zinc offtake agreement and expects to execute a new contract in the near future. The Company also expects to solicit offers for the Company's future lead concentrate production in the near term. A summary of the Offtake Agreements is set out in Section 11.7 of this Prospectus.

### 3.9 Business Model Dependencies

The key dependencies for the Company to meet its business objectives are:

- (a) **reinstatement of the Company's Shares** to trading on the ASX;
- (b) continued mining and production operations at the Mount Garnet Deeps Mine, the Dry River South Mine, the Mount Garnet Processing Plant and **transport of the Company's products efficiently to market for a viable sales price**;
- (c) the success of exploration activities in replacing Mineral Resources depleted by production;
- (d) **maintaining access to equipment necessary for the Company's operations**;
- (e) **the market price of the Company's commodities not declining significantly and to the detriment of the Company's activities**;
- (f) increasing throughput at the Mount Garnet Processing Plant by improving flotation capacity and through planned upgrades;

- (g) entry into or renewal of existing offtake agreements on favourable terms to the Company for the Company's products (in particular, copper, lead and zinc concentrates);
- (h) maintaining access to transportation networks such as roads and ports; and
- (i) retaining highly skilled management staff and an adequate labour force to continue operations.

### 3.10 Competent Person's Statement

The information in this Prospectus that relates to Exploration Results and Mineral Resources at the Mount Garnet Deeps Mine, Dry River South Mine, Kaiser Bill and Chloe and Jackson Projects has been compiled by Mr Ian Taylor, a Competent Person, who is engaged as independent geologist by the Company and who is a Certified Professional Geologist by the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. Mr Ian Taylor is a full-time employee of Mining Associates Pty Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity to which he is undertaking to qualify as an expert and competent person as defined in the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ian Taylor consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to Exploration Results and Mineral Resources at the Railway Flat, Einasleigh Copper Mine, Maitland and Balcooma Projects has been compiled by Mr Richard Addo, a Competent Person, who is engaged as a geologist by the Company and who is a Member of the Australasian Institute of Geoscientists and is bound by and follows the Institute's codes and recommended practices. Mr Richard Addo is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity to which he is undertaking to qualify as an expert and competent person as defined in the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Richard Addo consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to Exploration Results and Mineral Resources at the Mount Garnet Tin Projects including Gillian, Pinnacles, Windermere and Deadman's Gully, has been compiled by Mr John Sainsbury, a Competent Person, who is engaged as an independent geologist by the Company and who is a Member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. Mr John Sainsbury is a Geology Consultant and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity to which he is undertaking to qualify as an expert and competent person as defined in the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr John Sainsbury consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

### 3.11 Directors and Key Personnel

Hon. Morris Iemma  
*Non-executive Chairman*

Mr Iemma has a distinguished 17-year NSW political career, holding several key portfolios including Treasurer; Minister for State Development; Minister for Public Works; Minister for Health; Minister for Sport and Recreation; and Minister for Citizenship. Mr Iemma notably served as the NSW Premier from 2005-2008.

Mr Iemma is currently Chairman of Southern Expansion FC, the Group bidding for new A-League and W-league licences; Chairman of Greyhound Racing NSW; District Commissioner for the Greater Sydney Commission and sits on the Board of TAFE NSW and is Chairman of Miracle Babies Foundation and NSW Cancer Institute. He has previously served on the Boards of Beyond Blue, the Sydney Cricket Ground (SCG) Trust and as Chair of the South East Sydney Health District.

Mr Iemma is considered to be an independent Director.

Ralph De Lacey  
*Managing Director*

Mr De Lacey is the Company founder, which was established as a focused tin exploration and development company, to progress large tin deposits located on the lower Herberton Tin Field, near Cairns, to production.

Mr De Lacey is an experienced, hands-on, mine manager and has extensive mining experience in north Queensland. He has managed successful large scale private mining operations and a number of successful mining and exploration projects throughout the region.

Mr De Lacey is a life member of the influential lobby group, North Queensland Miners Association Inc, having served 17 years as President. Mr De Lacey has not been a Director of any other listed company in the last 3 years.

Mr De Lacey was a director of the Company at the time the Company entered into voluntary administration on 19 July 2016. The Company prepared a joint deed of company arrangement proposal (Joint DOCA Proposal) which was considered and subsequently approved by creditors on 23 November 2016. The Joint DOCA Proposal was executed as a formal deed of company arrangement on 8 December 2016 (DOCA) and in accordance with the terms of the DOCA control of the affairs of the Company returned to the Directors, subject to the DOCA. The DOCA was effectuated on 12 January 2017.

Mr De Lacey is not considered to be an independent Director as he is an employee of the Company.

Ze Huang Cai  
*Master of Applied Finance*  
*Executive Director and Chief Financial Officer*

Mr Ze Huang Cai is an experienced financial executive having co-founded and managed a number of companies in Australia and Hong Kong. Mr Cai has a Masters in Applied Finance from Macquarie University and a Bachelor of Science (Mathematics) from the Hua Qiao University, China.

Mr Cai has comprehensive experience in the financial sector having spent four years with the Construction Bank of China and more than three years with a

commodity trading company. Most recently, Mr Cai has managed and advised several resource and trading companies including Shinewarm Resources. He was formerly an Executive Director and the Chief Financial Officer of SPM from January 2013 to January 2015. Mr Cai has not been a Director of any other listed company in the last 3 years.

Mr Cai was also a director of the Company at the time the Company entered into voluntary administration on 19 July 2016. The Company prepared the Joint DOCA Proposal which was considered and subsequently approved by creditors on 23 November 2016. The Joint DOCA Proposal was executed as a formal DOCA on 8 December 2016 and in accordance with the terms of the DOCA control of the affairs of the Company returned to the Directors, subject to the DOCA. The DOCA was effectuated on 12 January 2017.

Mr Cai is not considered to be an independent Director as he is an employee of the Company.

Yading Wan  
*Non-executive Director*

Yading (Caden) Wan has over 25 years' experience working in property development in Australia and China.

Mr Wan has held numerous senior management roles within the property industry and is the CEO and Executive Director of leading publicly-listed property group, Boyuan Holdings Limited (ASX: BHL).

Mr Wan was the Chairman and CEO of Jiaxing Zhonghuan Properties Co. Ltd and the Chairman of the Australian Jiaxing Association Pty Ltd.

Mr Wan is not considered to be an independent Director due to his association with Cyan Stone Pty Ltd who holds a controlling interest in the Company.

Teresa Dyson  
*Non-executive Director*

Ms Dyson is a highly credentialed and well-respected company director and Chair, with a broad range of experience spanning the resources sector; financial and transport services and infrastructure projects.

Ms Dyson is currently a Non-Executive Director at Seven West Media, Power and Water Corporation, Genex Power, Energy Super and Energy Queensland; Board Member of the National Housing Finance and Investment Corporation and the Foreign Investment Review Board (FIRB) and Member of the Takeovers Panel.

Ms Dyson holds a law degree from the University of Queensland and a Master of Applied Finance from Macquarie University and was Queensland Woman Lawyer of the Year in 2011.

Ms Dyson is considered to be an independent Director.

Sinead Teague  
*Company Secretary*

Ms Teague is a governance and compliance professional at the Automic Group, with over ten years of company secretarial experience across a range of industries and ASX listed companies. Ms Teague has a Masters in Management and Corporate Governance and a degree in Law with Government and qualified as

a Chartered Company Secretary through the Governance Institute of which she is an associate member.

### 3.12 Additional Information

Prospective investors are referred to and encouraged to read in their entirety the:

- (a) Independent Geologists Report in Section 5 for further details about the Company's Projects;
- (b) financial information in Section 6 and the Limited Assurance Investigating Accountant's Report in Section 7 for further details in respect to the Company's financial performance; and
- (c) Solicitor's Tenement Report in Section 8 for further details in respect to the Company's interests in the Tenements.

### 3.13 Dividend Policy

The Board anticipates that significant expenditure will be incurred in the development of the business of the Company and its Projects. These activities are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

### 3.14 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

Shares <sup>1</sup>	
Shares on issue as at the date of this Prospectus	655,304,361
Shares issued pursuant to the Offer	1,667
Total Shares on issue after completion of the Offer	655,306,028

Option <sup>2</sup>	
Options on issue as at the date of this Prospectus	Nil
Options to be issued to the Directors	30,000,000 <sup>3</sup>
Options offered pursuant to the Offer	Nil
Total Options on issue after completion of the Offer and issue to the Directors	30,000,000

Notes:

1. The rights attaching to the Shares are summarised in Section 12.2.

2. Terms and conditions of the Options are summarised in Section 12.3
3. Comprising the following Options which will be issued to the Directors after close of the Offer:
  - a. 10,000,000 Class A Incentive Options which shall vest on the date that is one (1) year after the date that the Incentive Options are granted (Grant Date) and are exercisable at \$0.25 each on or before the date that is two (2) years after the Grant Date; and
  - b. 20,000,000 Class B Incentive Options of which 833,335 Class B Incentive Options shall vest in monthly increments commencing on the date that is thirteen (13) months after the Grant Date. The date that the relevant tranche of Class B Incentive Options vests is referred to as the Class B Vesting Date. The Class B Incentive Options are exercisable at \$0.25 each on or before the date that is one (1) year after their relevant Class B Vesting Date.

Upon the resignation of a Director, dismissal of a Director with cause or should the Director no longer be eligible to be a Director of the Company, all unvested Incentive Options shall lapse immediately. Should a Director be terminated by the Company without cause or be made redundant, all unvested Incentive Options shall vest immediately. Refer to Section 12.3 for further detail regarding the terms and conditions of the Incentive Options.

The Company will announce to the ASX full details (quantity and duration) of the Shares and Options required to be held in escrow (if any) prior to the Shares re-commencing trading on ASX.

### 3.15 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue on completion of the Offer (on an undiluted basis) is set out in the table below.

Shareholder	Shares	%
Cyan Stone Pty Ltd <sup>1</sup>	352,927,775	53.86%
Snow Peak International Investment Limited	80,720,983	12.32%
Win Harvest Corporation Limited	41,133,855	6.28%
Snow Peak Mining Pty Ltd <sup>2</sup>	41,116,921	6.27%

Notes:

1. An entity associated with Director, Yading Wan.
2. An entity associated with Director, Ze Huang (Martin) Cai.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares re-commencing trading on ASX.



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## 4. RISK FACTORS

### 4.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and in the Investment Overview, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company and the base metals mining industry. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section 4 and in the Investment Overview, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### 4.2 Company specific

#### (a) Reinstatement to the Official List of ASX

The Company is required to satisfy the Reinstatement Conditions for **reinstatement of the Company's** Shares to Official Quotation on the ASX. There is a risk that the Company may not be able to meet the Reinstatement Conditions on or before 27 September 2019 and should this occur, the Company will be removed from trading on the Official List and the Shares will be delisted. Following a delisting, there may be little to **no market for the Company's Shares.**

Details of the Reinstatement Conditions are set out in Section 2.14 of this Prospectus.

#### (b) Future capital requirements

The future capital requirements of the Company will depend on many factors including its operating and production activities and business development activities.

The Company presently has operating revenue and such revenue is expected to continue to be generated in line with the business strategy and objectives stated in this Prospectus. The Company believes its available cash and operating revenue should be adequate to fund its operating activities in the short term as stated in this Prospectus.

In order to successfully develop the exploration and pre-development Projects, the Company may require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or issue price of Shares under the Offer) or may involve restrictive covenants which limit **the Company's operations and business strategy.** Debt financing, if available, may involve restrictions on financing and operating activities.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, or if the current and planned operations do not generate sufficient revenues, the Company may be required to reduce the scope of its activities and this could have a material adverse effect on the **Company's activities and could affect the Company's ability to continue as a going concern.**

(c) Offtake agreement risks

Whilst the Company does not consider it to be a material risk, the Company has currently entered into offtake agreements for zinc, copper and lead which are expected to be fulfilled within 12 months. Accordingly, the Company will need to negotiate and enter into new offtake agreements, or renewals to the existing agreements, for these commodities. There can be no assurance that the terms of such agreements will be favourable to the Company, or that new or renewed agreements will be entered into. Any future earnings of the Company are likely to be **dependent on the Company's ability** to negotiate and secure offtake agreements with third parties (among other things).

4.3 Industry specific

(a) Commodity price risk

The Company's performance is dependent on the market prices of zinc, lead, copper, gold and silver. Consequently, in addition to the **Company's offtake agreements (currently entered into or to be entered into in the future)** any future earnings are likely to be closely related to the price of these commodities.

The world market for minerals is volatile and subject to many variables. These variables include world demand for zinc, lead, copper, gold and silver that may be mined commercially from the Company's Project areas, forward selling by producers, speculative activity by market participants and production cost levels in major mineral-producing regions.

If zinc, lead, copper, gold and silver prices were to decline over an extended period, in addition to adversely affecting the Company's revenues from the sale of zinc, lead, copper, gold and silver, this could result in the cessation of mining activities that become uneconomical, halt or delay the development of new projects, and reduce funds available for exploration resulting in the depletion of mineral reserves and resources.

(b) Exchange rate risk

Metals are principally priced and sold around the world in US dollars. The Company's earnings and cash flows are influenced by movements in exchange rates of the US dollar against the Australian dollar. As a result, appreciation of the Australian dollar against the US dollar, without offsetting improvements in the US dollar denominated zinc, lead, copper, gold and silver metal prices, could adversely affect the Company's profitability and financial position.

(c) Exploration and development risk

The Company's ability to sustain or increase its level of production in the longer term is dependent on the success of its exploration activities in replacing Mineral Resources depleted by production, the development of new projects and the expansion of existing mining operations.

Exploration activities are highly speculative, involve many risks and are often unsuccessful. Such activities also require substantial expenditure. Once mineralisation is discovered, it will usually take several years to define a deposit and determine whether a resource exists and additional years to determine if these resources can be declared as economic reserves.

No assurance can be given that the Company's planned development and expansion projects will result in additional reserves or that the Company will be successful in developing additional mines or that the development of additional mines and projects will adhere to the Company's estimated and targeted timeframes.

(d) Production risks

The failure of the Company to achieve its production estimates could have a material and adverse effect on any or all of the Company's future cash flows, results of operations and financial condition. These production estimates are dependent on, among other things, the continued mining and production operations at the Mount Garnet Deeps Mine and the Dry River South Mine and the Mount Garnet Processing Plant, the accuracy of Mineral Resource and Reserve estimates, the accuracy of assumptions regarding ore grades and recovery rates, zinc, lead, copper, gold and silver prices and exchange rates, ground conditions and physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics and the accuracy of estimated rates and costs of mining and processing.

The Company's actual production may also vary from its estimates for a variety of reasons, including, adverse operating conditions (such as unexpected geological conditions, fire, weather, accidents), compliance with governmental requirements, labour and safety issues, delays in installing or repairing plant and equipment, inability to complete, or lack of success of, capital development and exploration drilling. Problems may also arise due to interruptions to essential services (such as power, water, fuel, equipment or transport capacity) or technical support which results in a failure to achieve expected target dates for production.

Each of these factors also applies to the Company's Projects not yet in production and for the Company's operations that are to be expanded. Depending on the price of zinc, lead, copper, gold and silver, the Company may determine that it is impractical to commence or, if commenced, to continue commercial production at a particular site.

(e) Mining risks

The Company's current and future mining operations are, and will continue to be, subject to risks and hazards inherent in the mining industry.

Hazards associated with mining include (but are not limited to):

- (i) rock bursts and/or high wall failures;
- (ii) discharges of gases and toxic chemicals;
- (iii) flooding;
- (iv) accidents and injuries;
- (v) over-exposure to airborne pollutants (including manganese dust);
- (vi) over-exposure to noise;
- (vii) other human health hazards associated with operating in extreme climatic conditions, such as heat-exhaustion; and
- (viii) other conditions resulting from drilling, blasting and removal and processing of material associated with hard rock mining.

As at the date of this Prospectus, there have been no significant injuries or incidents at the Mount Garnet underground mine and Dry River South Mine. However, occurrence of one or more of these events may result in the death of, or personal injury to, personnel, the loss of mining equipment, damage to or destruction of mineral properties or production facilities, reduction in available resources, monetary losses, a work stoppage order from the Department of Natural Resources, Mines and Energy (DNRME) or other delays in production, environmental damage, potential legal liabilities and damage to the Company's reputation, any of which could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

(f) Processing Plant performance

The Mount Garnet Processing Plant may not perform as the Company expects. Inability to achieve planned levels of productivity and performance will result in reduced revenue and increased costs.

The Company has implemented an effective and timely maintenance practices to ensure expected levels of productivity and performance are achieved to mitigate this risk.

(g) Personnel performance

Injury to personnel, damage to plant and low productivity through unsatisfactory performance of personnel may result in reduced production, increased cost and reduced revenue.

Accordingly, the Company is committed to adequate training of all operators, maintainers, and staff to minimise harm to personnel and damage to equipment and, to maintain expected levels of productivity and performance.

(h) Exploration and mining titles risks

The ability of the Company to carry out successful exploration and mining activities will depend on the ability to maintain or obtain tenure to mining titles. The maintenance or issue of any such titles must be in accordance with the laws of the relevant jurisdiction and in particular, the relevant mining legislation. Conditions imposed by such legislation must also be complied with. No guarantee can be given that tenures will be maintained or granted, or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed or that they will not be planted by third parties.

Although the Company has investigated title to all of its Tenements (as detailed in the Solicitor's Tenement Report), the Company cannot give any assurance that title to such Tenements will not be challenged or impugned. The Tenements may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects or native title claims.

Further, the **Company's** Tenements will be subject to applications for renewal (as the case may be). The renewal or grant of the term of each Tenement is usually at the discretion of the relevant government authority. If a Tenement is not renewed, the Company may suffer significant damage through loss of the opportunity to develop and discover any Mineral Resource on that Tenement.

In particular, the Company notes that the following Tenements are subject to renewal applications, EPM 12510, EPM 13072, EPM 13229, EPM 13272, EPM14107, EPM 14626, EPM 15611, EPM 16024, EPM 17547, EPM 17917, EPM 18257, EPM 18558, EPM 18795, EPM 25199, EPM 25200, EPM 25202, EPM 25259, EPM 25276, EPM 27277, EPM 25424, EPM 25427, EPM 25428, EPM 9323, MDL 38, MDL 381, MDL 482, ML 1393, ML 4042, ML 4043, ML 4044, ML 4073, ML 4074, ML 4130. There is no guarantee that these renewal applications will be granted.

(i) Native Title risks

In Australia, the *Native Title Act 1993* (Cth) recognises native title and establishes processes relating to mining and exploration titles. Many of the Company's Tenements are located on land over which native title claims have been made (please refer to the **Solicitor's Tenement Report** in Section 8 of this Prospectus for further details).

Although the Company has previously been able to negotiate commercially reasonable and acceptable arrangements with native title claimants or landowners where it operates, there can be no assurance that claims will not be lodged in the future which may impact the Company's ability to effectively operate its Projects.

(j) Regulatory risks

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and environmental and rehabilitation activities.

Obtaining permits can be a time consuming process and there is a risk that Company will not obtain all of permits which are required for it to conduct its activities on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

(k) Financial assurance bond

Queensland legislation requires holders of environmental authorities to provide to the DNRME financial assurance (as security) for compliance with the environmental authority. As part of the Company's current operations, and plans to its additional Projects, the Company may be required to submit additional financial assurance.

In addition, there is a risk the financial assurance levels may change in the future due to changes in environmental risk associated with the Company's Projects and this may have an adverse effect on the Company's performance.

(l) Environmental risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or further mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment,

environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

Development of any of the Company's Projects is dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

(m) Metallurgical process risks

Metal and/or mineral recoveries are dependent upon the metallurgical process. The nature of metallurgical processing contains elements of risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process flowchart to produce a metal and or/concentrate; and
- (iii) changes in minerology in the ore deposit can result in inconsistent metal recovery, affecting the financial performance and economic viability of a project.

(n) Estimation of Mineral Resources and Ore Reserves

Mineral Resource and Ore Reserve estimates are necessarily imprecise and involve subjective judgements regarding the presence and grade of mineralisation and the ability to economically extract and process the mineralisation, including future zinc, lead, copper, gold and silver prices, operating costs, transport costs, capital expenditures and other costs.

Fluctuations in the price of minerals, results of additional drilling, metallurgical testing and the evaluation of mine plans subsequent to the date of any mineral resource or reserve estimate may require revision of such estimate. Any material reductions in estimates of mineral resources or reserves, could have a material adverse effect on the Company's financial position.

Investors should not assume that Mineral Resource estimates are capable of being directly reclassified as Ore Reserves under the JORC code. The inclusion of Resource estimates should not be regarded as a representation that these amounts can be economically exploited, and investors are cautioned not to place reliance on Mineral Resource estimates.

(o) Occupational health and safety risk

The Company's operations are subject to a variety of health and safety laws and regulations. If these laws and regulations were to change and if, as a result, material additional expenditure were required to comply with new laws and regulations, this could adversely affect the Company's results of operations and financial condition.

While the Company has a strong health and safety record, a serious incident or failure to comply with health and safety laws and regulations may expose the Company to significant penalties, imposition of restrictions on the Company's operations and liability for compensation.

These liabilities and penalties may not be covered by the Company's insurance policies, or if covered, may exceed the Company's policy limits or be subject to deductibles.

Any claim under the Company's insurance policies may increase the Company's future costs of insurance. Accordingly, workplace incidents may result in a material adverse impact on the Company's operations and financial condition.

(p) Weather and natural risks

The business of mining is subject to hazardous weather conditions including flooding or drought, natural forces, including seismic activity, fires and cyclones. Such risks could result in damage to the Company's mines and infrastructure, including the Mount Garnet Processing Plant, personal injury, environmental damage, delays in mining or metal production, monetary losses and possible legal liability. Delays associated with these impacts will likely result in increased costs and reduction in sales revenue.

(q) Storms, flooding and inrush

Severe local storms may cause localised inrush and flooding at the Company's Projects. Flooding within the transport corridor between the mine and the port may interrupt rail and road access to the port. Lightning strikes may cause electrical outage or fires. These events have the potential to delay production, impact the Company's ability to supply its products to customers and increase costs. This will adversely impact the Group's revenue, working capital provisions and profitability.

Mine inrush is caused by breaching the containment of underground water bodies. This can cause flooding of the mine operating areas and negatively impact safety and production. This would increase costs and reduce revenue and profitability and may result in injury to personnel and damage to equipment.

The Company has, however, implemented flood and inrush mitigation strategies.

(r) Potential acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks



commonly encountered in making acquisitions or companies, products, technologies or resource projects.

(s) Agents and contractors

The Directors are unable to predict the risk of financial failure or default by any of the contractors used by the Company or its subsidiaries in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company or its subsidiaries for any activity. The Company and its subsidiaries are a party to various contracts. Whilst the Company and its subsidiaries will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company and or its subsidiaries are party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provision, the Company and or its subsidiaries will be successful in enforcing compliance.

(t) Equipment and availability

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

4.4 General risks

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in commodity prices, interest and inflation rates and currency exchange rates may have an adverse effect on the Company, as well as on its ability to fund its operations.

(b) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company.

The Company sells products into markets which may or may not be subject to disruptor technology or substitution risk. The Company will have no influence or control over these risks which may, positively or negatively, affect the operating and financial performance of the Company.

(c) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) General economic outlook.

- (ii) Introduction of tax reform or other new legislation.
- (iii) Interest rates and inflation rates.
- (iv) Changes in investor sentiment toward particular market sectors.
- (v) The demand for, and supply of, capital.
- (vi) Terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

(d) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) Additional requirements for capital

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to its current cash reserves and amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(f) Force majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(g) Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Queensland may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(h) Litigation risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(i) Insurance

The Company currently, and intends in the future, to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with the Company's business may not always be available and where available the costs may be prohibitive.

(j) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

The Company must employ the appropriately qualified statutory officers to ensure compliance with the various requirements of the legislation and regulations under which it operates. There can be no assurance that the Company can retain the current officers or replace those who elect to resign.

#### 4.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.





# **INDEPENDENT GEOLOGISTS REPORT**

**For**

## **CONSOLIDATED TIN MINES LTD**

Job No. 2595\_G  
Doc No. 5786v7  
Date: September 2019  
Prepared by: M V Leuven  
S Hutchin

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Level 9, 50 Market Street  
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# 1 EXECUTIVE SUMMARY

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## 1.1 Commission and Scope

Mining One Consultants were commissioned to review the geological aspects of the projects controlled by Consolidated Tin Mines Limited (Consolidated Tin Mines or the Company) in order to prepare an Independent Geologists Report (IGR). The report is to be included in a cleansing prospectus to be lodged by Consolidated Tin Mines with the Australian Securities and Investments Commission.

## 1.2 Project Summary

Consolidated Tin Mines directly and indirectly owns a number of base metal and tin projects in Queensland Australia. These are summarised as follows;

- Mount Garnet Underground Mine
  - Mount Garnet Deeps Mine
- Mount Garnet Base Metal Exploration
  - Jessie's Dream Exploration Target
  - Mount Garnet Dam Exploration Target
  - Mount Garnet Deeps Central Exploration Target
  - Mount Garnet Deeps Expansion Exploration Target
- Einasleigh Regional Exploration Project
  - Kaiser Bill Project
  - Einasleigh Copper Mine
  - Chloe and Jackson
  - Railway Flat
  - Einasleigh Exploration Projects
- Surveyor Mine Project
  - Dry River South Mine
  - Dry River South Extension
  - Balcooma Deposit
- Surveyor Regional Exploration Project
- Maitland Project
- Mount Garnet Tin Project

The project locations are depicted in Figure 1-1.





Figure 1-1: Consolidated Tin Mines – Project Locations

The Company's projects are classified as mining, pre-development and exploration stage. There are currently two operating mines, the Dry River South Mine and the Mount Garnet Deeps Mine. The Einasleigh project area contains the most advanced pre-development project at Kaiser Bill where a feasibility study is being progressed to assess an open pit copper project.

### 1.3 Project Mineral Resources

The Company's projects contain a combination of JORC Code 2004 and JORC Code 2012 compliant Mineral Resources. The JORC Code 2004 resources have not been updated given there are no material changes.

Mining One has not completed a full audit of these Mineral Resources or provided Competent Persons sign off as part of this IGR, they are therefore reported as provided and publicly reported by Consolidated Tin Mines.

A summary of these is shown in Table 1-1.

**Table 1-1: Consolidated Tin Mines JORC 2012 Compliant Mineral Resources as at 30 June 2019**

DEPOSIT	CATEGORY	TONNES (Mt)	Zn (%)	Pb (%)	Cu (%)	Au (ppm)	Ag (ppm)	Sn (%)
Kaiser Bill <sup>1</sup>	Measured	-	-	-	-	-	-	-
	Indicated	12.86	-	-	0.82	-	5.7	-
	Inferred	4.04	-	-	0.86	-	9.4	-
Chloe and Jackson <sup>2</sup>	Measured	-	-	-	-	-	-	-
	Indicated	4.02	4.07	1.61	0.18	-	38.5	-
	Inferred	3.99	3.80	1.43	0.18	-	32.7	-
Dry River South <sup>3</sup>	Measured	-	-	-	-	-	-	-
	Indicated	0.35	10.59	4.22	0.80	0.64	82.9	-
	Inferred	0.28	7.22	2.71	0.70	0.56	63.6	-
Mount Garnet Deeps <sup>4</sup>	Measured	-	-	-	-	-	-	-
	Indicated	0.42	4.32	0.22	0.06	-	13.0	-
	Inferred	0.31	3.73	0.18	0.10	-	17.4	-
Gillian <sup>5</sup>	Measured	1.20	-	-	-	-	-	0.93
	Indicated	1.16	-	-	-	-	-	0.74
	Inferred	0.18	-	-	-	-	-	0.53

Windermere-Deadmans Gully <sup>6</sup>	Measured	-	-	-	-	-	-	-
	Indicated	1.27						0.29
	Inferred	1.21						0.27
Pinnacles <sup>7</sup>	Measured	-	-	-	-	-	-	-
	Indicated	4.27	-	-	-	-	-	0.33
	Inferred	1.12	-	-	-	-	-	0.32

<sup>1</sup> Kaiser Bill Resources reported above a 0.5% Cu cut-off

<sup>2</sup> Chloe and Jackson Resources reported above a 1.0% Zn cut-off

<sup>3</sup> Dry River South Resources reported above a 2.0% Zn cut-off

<sup>4</sup> Mount Garnet Deeps Resources reported above a 2.0% Zn cut-off

<sup>5</sup> Gillian Resources reported above a 0.2% Sn cut-off

<sup>6</sup> Windermere-Deadmans Gully Resources reported above a 0.2% Sn cut-off

<sup>7</sup> Pinnacles Resources reported above a 0.2% Sn cut-off

The Mineral Resources reported under the historical JORC Code 2004 guidelines are listed in Table 1-2 below. These have not been updated to comply with the JORC Code 2012 guidelines due to no material work or changes occurring since the Mineral Resources were publicly stated.

**Table 1-2: Consolidated Tin Mines JORC 2004 Compliant Mineral Resources as at 30 August 2019**

DEPOSIT	CATEGORY	TONNES (Mt)	Zn (%)	Pb (%)	Cu (%)	Au (ppm)	Ag (ppm)	Sn (%)
Railway Flat <sup>1</sup>	Measured	-	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-	-
	Inferred	0.80	4.31	1.38	0.20	-	23.0	-
Einasleigh Copper Mine <sup>2</sup>	Measured	-	-	-	-	-	-	-
	Indicated	0.49	-	-	4.00	0.22	18	-
	Inferred	0.34	-	-	1.70	0.09	8	-
Maitland <sup>3</sup>	Measured	-	-	-	-	-	-	-
	Indicated	1.45	-	-	1.50	-	-	-
	Inferred	0.04	-	-	1.10	-	-	-
	Indicated	0.22	-	-	-	-	-	0.49



DEPOSIT	CATEGORY	TONNES (Mt)	Zn (%)	Pb (%)	Cu (%)	Au (ppm)	Ag (ppm)	Sn (%)
	Inferred	1.65	-	-	-	-	-	0.39

<sup>1</sup> Railway Flat Resources reported above a 2.0% Cu cut-off

<sup>2</sup> Einasleigh Copper Mine Resources reported above a 1.0% Cu cut-off

<sup>3</sup> Maitland Resources reported above a 0.5% Cu cut-off

## 1.4 Mineral Resource and Exploration Upside Potential

There exists Mineral Resource and exploration upside at the Company's currently defined projects as well as potential for new discoveries within the Company's tenement holdings. There exists near mine upside potential at the Dry River South Mine where repeat mineralised lenses are being tested with diamond drilling to potentially provide additional run of mine (ROM) material that is accessible from extensions to the existing underground development. Additional mineralisation is also being tested via drilling at the Balcooma Deposit where an extension to the currently defined Lens 2 Upper is being tested. The Mount Garnet Deeps Mine domain is being drill tested to potentially enable access to additional ROM material from the current decline development at the project.

Resource upside exists at the pre-development projects such as Kaiser Bill and Chloe and Jackson where strike and down dip extensions may be located with additional future drilling programs. Potential also exists for discovery of new deposits within the regional package at the Einasleigh, Mount Garnet and Surveyor project areas.

## 1.5 Funding Allocation

A total of approximately AUD\$5,085,000 of the Company's existing cash reserves and funds raised under the Prospectus have been allocated to exploration activities, completion of feasibility studies, upgrade to current mining facilities and working capital to support the ongoing operations. The breakdown of proposed expenditure is summarised in Table 1-3 below.

**Table 1-3: Consolidated Tin Mines Proposed Expenditure**

Activity	Amount
Exploration work including: <sup>1</sup> <ul style="list-style-type: none"> <li>○ Infill drilling at the Chloe and Jackson Project</li> <li>○ Drilling within the Einasleigh Regional Exploration Project</li> <li>○ Drilling at the Surveyor Regional Exploration Project</li> <li>○ Drilling at the Mount Garnet Project</li> </ul> Funds are also allocated to building target generation technical teams for each regional exploration area including consultants and administrative support and for exploration equipment including off road vehicles.	\$875,000
Completion of a feasibility study at the Kaiser Bill Project <sup>2</sup>	\$500,000



Activity	Amount
Feasibility Study at the Maitland Project <sup>3</sup>	\$500,000
Drilling, test work and a feasibility study at the Mount Garnet Tin Project <sup>4</sup>	\$500,000
Upgrade to current mining facilities including: <sup>5</sup> <ul style="list-style-type: none"> <li>Expansion of the tailings dam at the Mount Garnet Processing Plant</li> <li>Mount Garnet Processing Plant upgrades</li> <li>Power infrastructure updates at Mount Garnet</li> </ul>	\$500,000
Working capital	\$500,000
Repayment of loans	\$410,000
Capital raising costs	\$1,000,000
Reinstatement costs	\$300,000
<b>Total Expenditure</b>	<b>\$5,085,000</b>

**Notes:**

1. Refer to section 11 of this report for further information.
2. Refer to section 5.5.6 of this report for further information.
3. Refer to section 8.3.3 of this report for further information.
4. Refer to section 9.4.4 of this report for further information.
5. Refer to section 12 of this report for further information.

## **2 INTRODUCTION**

---

### **2.1 Commission and Scope**

Consolidated Tin Mines Limited (Consolidated Tin Mines, CSD or the Company) commissioned Mining One Pty Ltd (Mining One) to prepare an Independent Experts Report (IGR) for inclusion in a prospectus to be lodged by the Company with the Australian Securities and Investments Commission (Prospectus).

The Report has been prepared independently and in accordance with both the JORC Code (2012 Edition) and the VALMIN Code.

The VALMIN Code is the Code and Guidelines for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports. This report is a Technical Assessment Report as defined in the VALMIN Code.

The relevant mineral assets which pertain to this report are as follows:

- Operating Mines – Dry River South Mine and Mount Garnet underground mine (specifically, the Mount Garnet Deeps Mine)
- Pre-Development Projects – Kaiser Bill, Balcooma Deposit, Chloe and Jackson, Dry River South Extension, Maitland and Mount Garnet Tin Projects.
- Exploration Areas – Einasleigh Regional and Surveyor Regional.

This report has also been prepared in accordance with the requirements of the Australian Securities and Investments Commission Regulatory Guides 111 and 112 (ASIC, 2011).

### **2.2 Mining One Competence and Independence**

Mining One is an independent private company which provides consulting services to the mining and mineral exploration industries.

The author of this report is Mr Stuart Hutchin who is a Geologist BSc with over 20 years' experience and a Member of the Australian Institute of Geoscientists (AIG). Mr Hutchin is appropriately qualified and experienced to act in the following capacities:

- A Competent Person as defined by the JORC Code (2012), and;
- An Independent Expert as defined in the VALMIN Code & ASIC Regulatory Guide 111.

Whilst the JORC Code does not require a person to be "independent", there is a need for a Competent Person to fulfil their professional obligations separate from the commissioning entity. Mr Hutchin does not have any significant pecuniary or beneficial interest in Consolidated Tin Mines, nor in the outcome of this Report.

### **2.3 Reliance on Information**

Consolidated Tin Mines has given Mining One assurances that to the best of its knowledge and understanding, complete, accurate and true disclosure has been made to Mining One of all material information relevant to the projects described in this Report. Mining One makes no representation and gives no warranty as to the accuracy or completeness of the information that it has relied on.



## **2.4 Consent**

Mr Hutchin of Mining One consents to the publication of this Independent Geologist's Report for inclusion in the Prospectus to be lodged by Consolidated Tin Mines. Neither Mining One's Report, nor any part of it, nor any reference to it, may be used for any other purpose without the written consent of Mining One.

## **2.5 Disclaimer**

This document contains certain statements that involve a number of risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements.

## **2.6 Forward Looking Statements**

The materials may include forward looking statements. Forward looking statements inherently involve subjective judgement, and analysis and are subject to significant uncertainties, risks, and contingencies, many of which are outside the control of, and may be unknown to, the company.

Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on forward looking statements.

Any forward-looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, the company does not undertake any obligation to publicly update or revise any of the forward-looking statements, changes in events, conditions or circumstances on which any statement is based.

## **2.7 Competent Person's Statement**

The information that relates to the technical review of the data provided of the mineral assets, exploration targets, exploration results and resources has been compiled by Mr Stuart Hutchin who is a Member of the Australian Institute of Geoscientists and is deemed a Competent Person.

Mr Hutchin has sufficient experience with the type and style of mineralisation of the projects under consideration and to activities being undertaken as to qualify as a Practitioner as defined in the 2015 edition of the 'Australian Code for the public reporting of technical assessments and valuations of Mineral Assets'. He is also deemed a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Mr Hutchin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## **2.8 Site Visit**

A site visit was undertaken to the Mount Garnet, Einasleigh and Surveyor project areas by Mr Hutchin of Mining One between 12 and 15 March 2019.

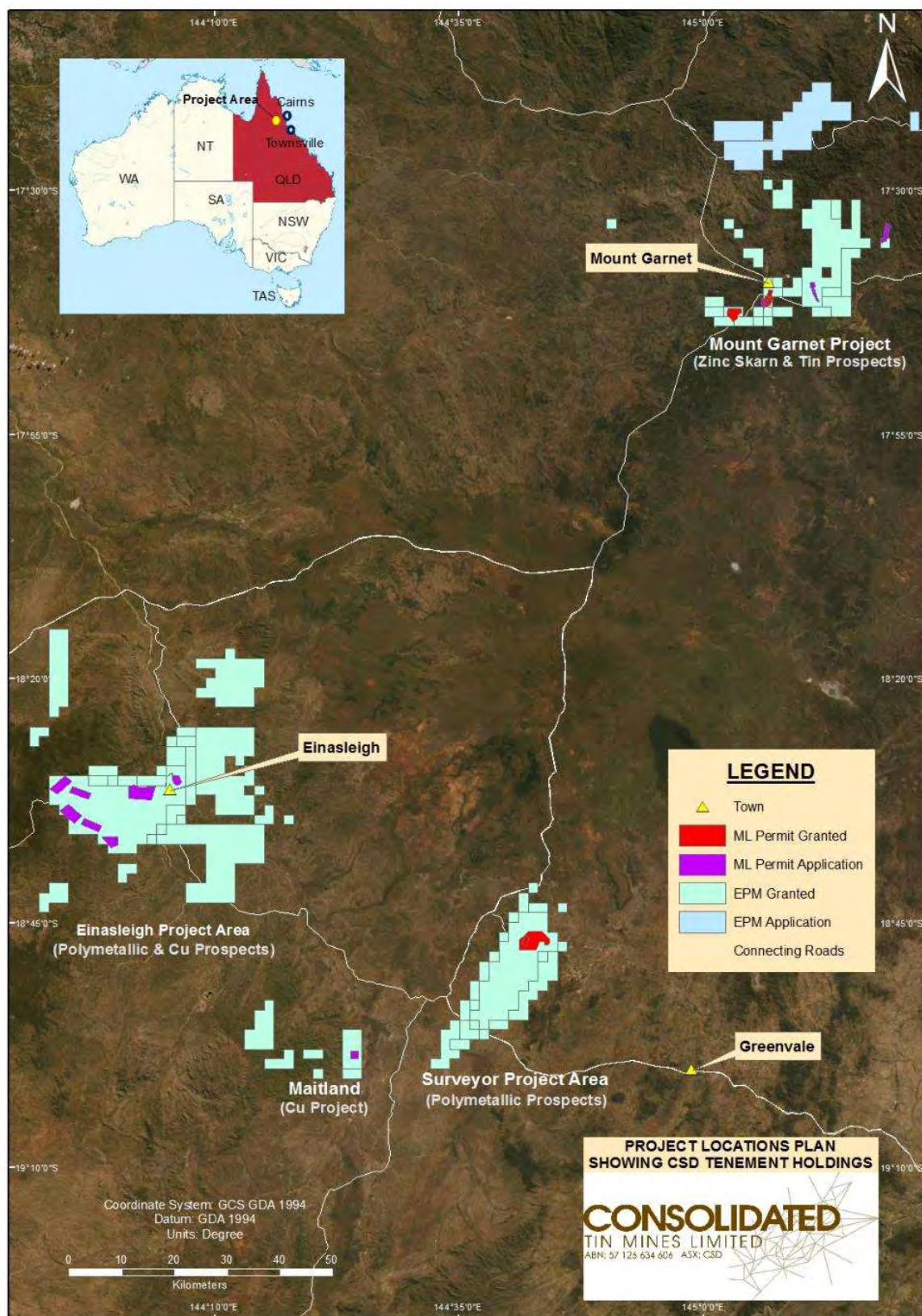
## 2.9 Location of Projects

The Company's projects are all located in Queensland, Australia:

- Mount Garnet Underground Mine
  - Mount Garnet Deeps Mine
- Mount Garnet Base Metal Exploration
  - Jessie's Dream Exploration Target
  - Mount Garnet Dam Exploration Target
  - Mount Garnet Deeps Central Exploration Target
  - Mount Garnet Deeps Expansion Exploration Target
- Einasleigh Regional Exploration Project
  - Kaiser Bill Project
  - Historic Einasleigh Copper Mine
  - Chloe and Jackson
  - Railway Flat
  - Einasleigh Exploration Projects
- Surveyor Mine Project
  - Dry River South Mine
  - Dry River South Extension
  - Balcooma Deposit
- Surveyor Regional Exploration Project
- Maitland Project
- Mount Garnet Tin Project

The locations of the projects are shown in Figure 2-1.





**Figure 2-1: Consolidated Tin Mines – Project Location Tenure**

The tenement schedule of Consolidated Tin Mines is presented within the Solicitors Tenement Report contained within Section 8 of the Prospectus.

## **3 MOUNT GARNET DEEPS**

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### **3.1 Mount Garnet Deeps Mine**

The Mount Garnet underground mine was first mined by the Mount Garnet Freehold Copper and Silver Mining Co. Ltd. They commenced mining secondary copper in 1898 and then smelting copper ore in 1901. Copper rich ore was sourced from two main pits, the No. 1 Pit developed on the South Shoot, and the smaller No. 2 Pit developed on the North Shoot as the mine contained two lenses staggered vertically and plunging gently to the north. Underground development extended to around 72.6 metres depth with limited stoping. The oxide and transition ore were exhausted by 1902 and smelting operations ceased. Tribute mining continued in 1904 and, from 1915 to 1917, a trial zinc mining operation was attempted, unsuccessfully.

Zinc Corporation, Metals Exploration and CRA Exploration (CRAE) explored the Mount Garnet area (including diamond drilling) from 1947 to 1974. Reverse Circulation (RC) and diamond drilling were completed by the Mount Garnet Joint Venture partners Perilya Mines N.L., Cove Mining N.L., Foster Allan N.L. and Falcona Exploration and Mining N.L. between 1989 and 1991 inclusive.

The project was acquired by Kagara Limited (Kagara) in 1997 with a further 150 diamond and RC drill holes completed. Kagara commenced mining at Mount Garnet in 2002 with open pit and underground mining operations producing 484 kt at 6.9% Zn and 0.45% Cu from the open pit and 600 kt at 10.3% Zn, 0.35% Cu from underground activities. The underground mine at Mount Garnet was placed on care and maintenance in September 2011 with the processing plant continuing to treat ore until April 2012, at which time it was also placed on care and maintenance.

Snow Peak Mining Pty Ltd (SPM) purchased the Mount Garnet underground mine and Dry River South Mine in January 2013. The Mount Garnet underground mine and Dry River South Mine were reopened in March 2014 (under management of CSD), and approximately 975,000 tonnes of ore was processed at Mount Garnet from both Mount Garnet underground mine and Dry River South Mine with more than 126,000 dmt of base metal concentrates sent to overseas ports via Townsville port.

Mining recommenced on remnant stopes within the Mount Garnet underground mine in June 2017. The Mount Garnet Processing Plant was refurbished and restarted in July 2017.

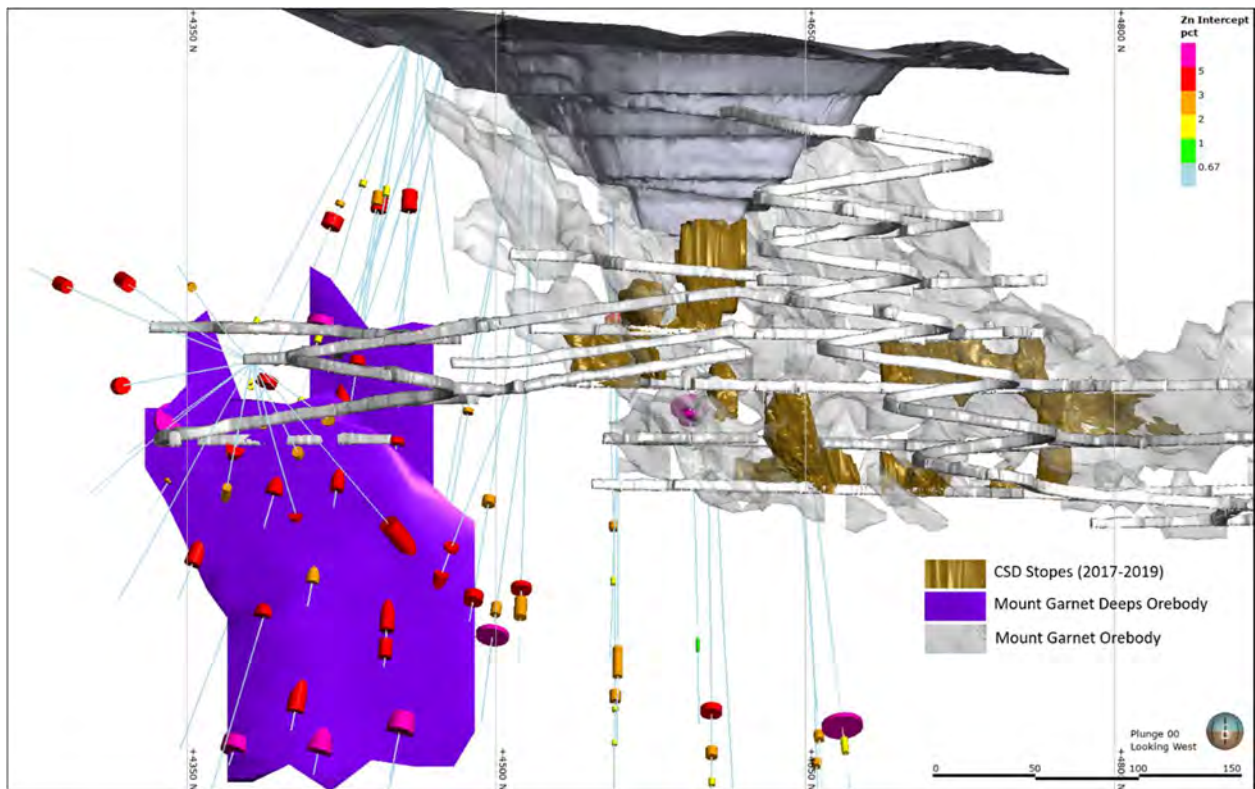
#### **3.1.1 Previous Exploration and Underground Development**

In April 2016, CSD acquired the assets of SPM, including the Mount Garnet underground mine. SPM had acquired the mine from Kagara in January 2013. Kagara had suspended mining operations at the Mount Garnet Base Metals project on 24 April 2012 and announced entry into voluntary administration on 30 April 2012.

In late 2017, CSD commenced development to access the newly discovered 'Mount Garnet Deeps' deposit adjoining the Mount Garnet underground mine, see Figure 3-1. Initial drilling from surface had returned favourable results and two further drilling programs from surface provided the Company with sufficient information to commence mine design and planning.

Remnant mining of the existing Mount Garnet underground mine continued in parallel with new development to access Mount Garnet Deeps.





**Figure 3-1: Mount Garnet Base Metal Project – Looking West**

### 3.1.2 Mount Garnet Base Metal Local Geology

The Mount Garnet Deeps base metal mineralisation occurs in a garnet-pyroxene-amphibole skarn-altered, northerly-trending, fossiliferous limestone and limey siltstone unit that hosts sphalerite-rich mineralisation. The skarn zone dips sub-vertically, is typically 30 metres to 60 metres wide, and extends beyond 550 metres below surface, which is the current limit of drill investigations.

High-grade massive and semi-massive sphalerite-rich mineralisation (notionally >10% Zn) is largely confined to two distinct, sub-parallel, shallow to moderately north-plunging “shoots”, termed the South Shoot and the North Shoot. The South Shoot was mostly extracted during the open cut phase of mining, completed by Kagara in 2008. The North Shoot ore-grade mineralisation has been tracked down-plunge for about 550 metres from 4600 mN to 5100 mN in horizontal projection. The North Shoot was extracted by Kagara, SPM and CSD.

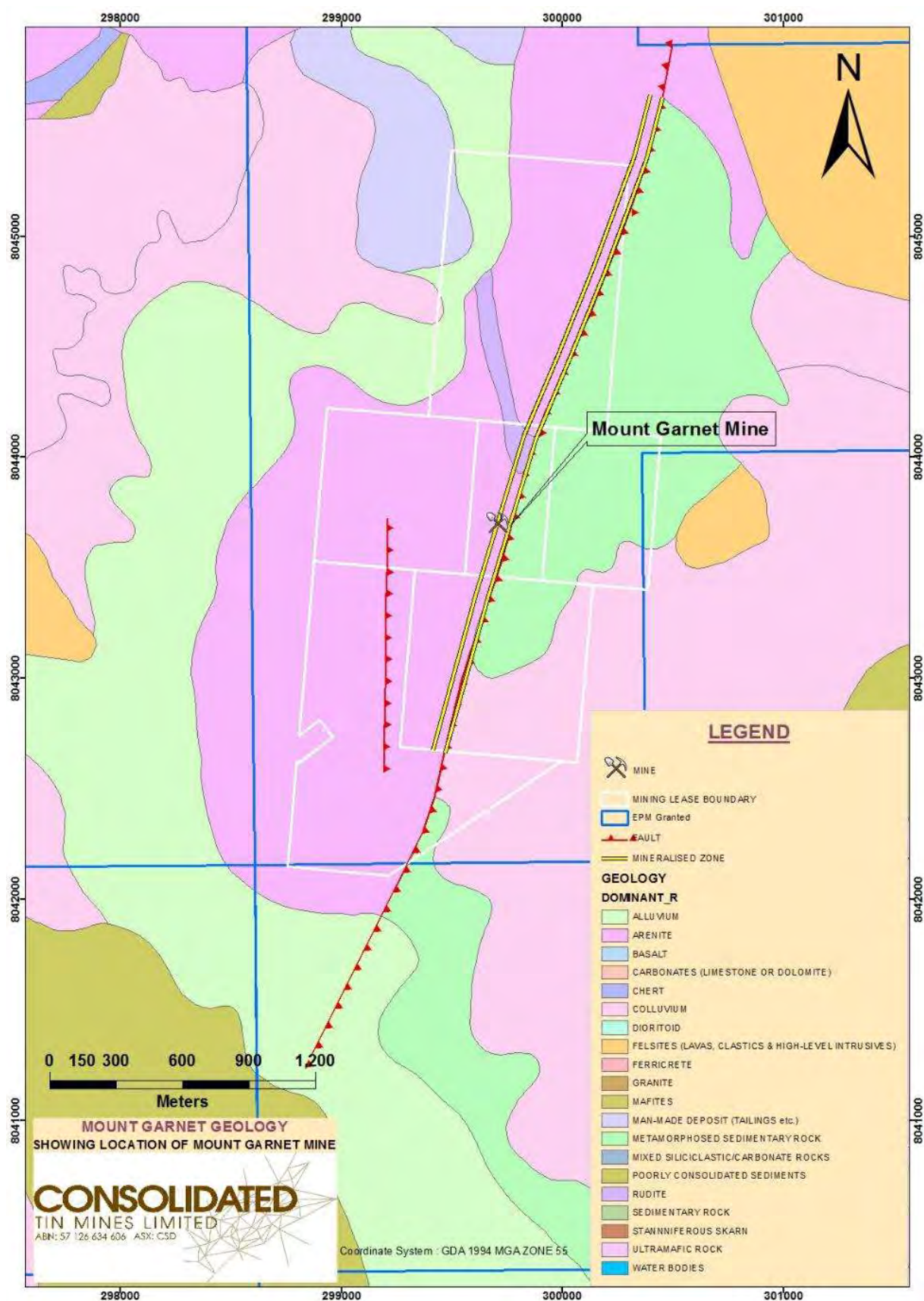


Figure 3-2: Mount Garnet Geology



### 3.1.3 Mount Garnet Deeps Resources

The Mount Garnet Deeps resources were updated in August 2019 to comply with the JORC Code 2012 reporting guidelines.

The Mineral Resources are reported above a 2% Zinc cut-off grade as summarised in Table 3-1 below.

**Table 3-1: Mount Garnet Deeps- Resource Summary as at 30 June 2019**

Resource	Mineralised		Grade				Metal			
Category	Material	Tonnes	Zinc (%)	Lead (%)	Copper (%)	Silver (g/t)	Zinc (t)	Lead (t)	Copper (t)	Silver (koz)
Indicated	LG	197,000	2.78	0.22	0.04	13.9	5,500	400	100	88
	HG	219,000	5.69	0.22	0.08	12.17	12,500	500	200	86
Sub Total		416,000	4.32	0.22	0.06	12.99	18,000	900	300	174
Inferred	LG	185,000	2.83	0.19	0.09	17.78	5,200	400	200	106
	HG	122,000	5.10	0.15	0.12	16.84	6,200	200	200	66
Sub Total		308,000	3.73	0.18	0.10	17.4	11,500	500	300	172
Total Resource		724,000	4.07	0.20	0.08	14.87	29,400	1,400	600	346

### 3.1.4 Mount Garnet Deeps Mining Activity

Development of the new Mount Garnet Deeps decline continued during the last quarter of FY2019 in parallel with ore drive development. Ore from Mount Garnet Deeps continued with small quantities of remnant ore from the upper levels of the old Mount Garnet underground mine, with over 16 000 t of ore mined from Mount Garnet Deeps and the old Mt Garnet underground mine in the June Quarter.

Ore mined in the last six months of FY2019 is summarised in Table 10-1. Information has been extracted from CSD Quarterly Activities reports.

Increasing quantities of development ore will continue to be mined from the Mount Garnet Deeps Mine with stope production expected to commence in the first quarter of FY2020.

Extraction of the Mount Garnet Deeps Mine employs Longhole Open Stopping as the mining method with 20 m to 25 m level spacing. Development is achieved using CSD owned Atlas Copco M2D twin boom Jumbos. Longhole production drilling is achieved using CSD owned Sandvik DL432i Production Drill. Teleremote loading in stope is done by CSD CAT R1700 and R2900 loaders and ore is hauled to surface using CSD CAT AD55 articulated dump trucks.

## 4 MOUNT GARNET BASE METAL EXPLORATION

### 4.1.1 Mount Garnet Deeps – Exploration Target/Exploration Upside

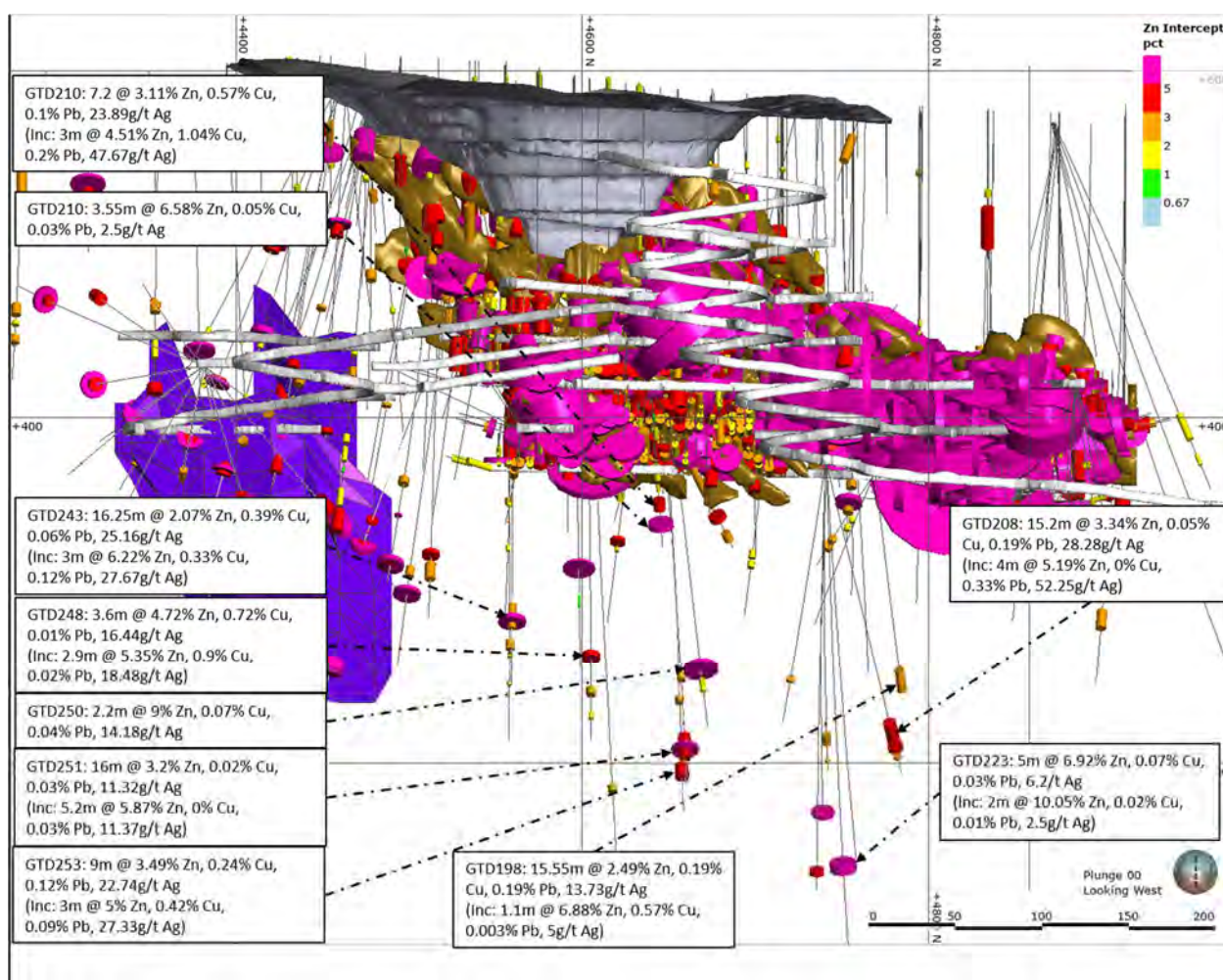
Exploration has been focused on definition of the Mount Garnet Deeps domain. The domain is best drilled from underground drill positions.

Also, four high priority targets in the regional exploration package around the Mount Garnet deposit have been identified, these are Mount Garnet Deeps Central, Mount Garnet Deeps Expansion, Mount Garnet Dam and the Jessie's Dream.

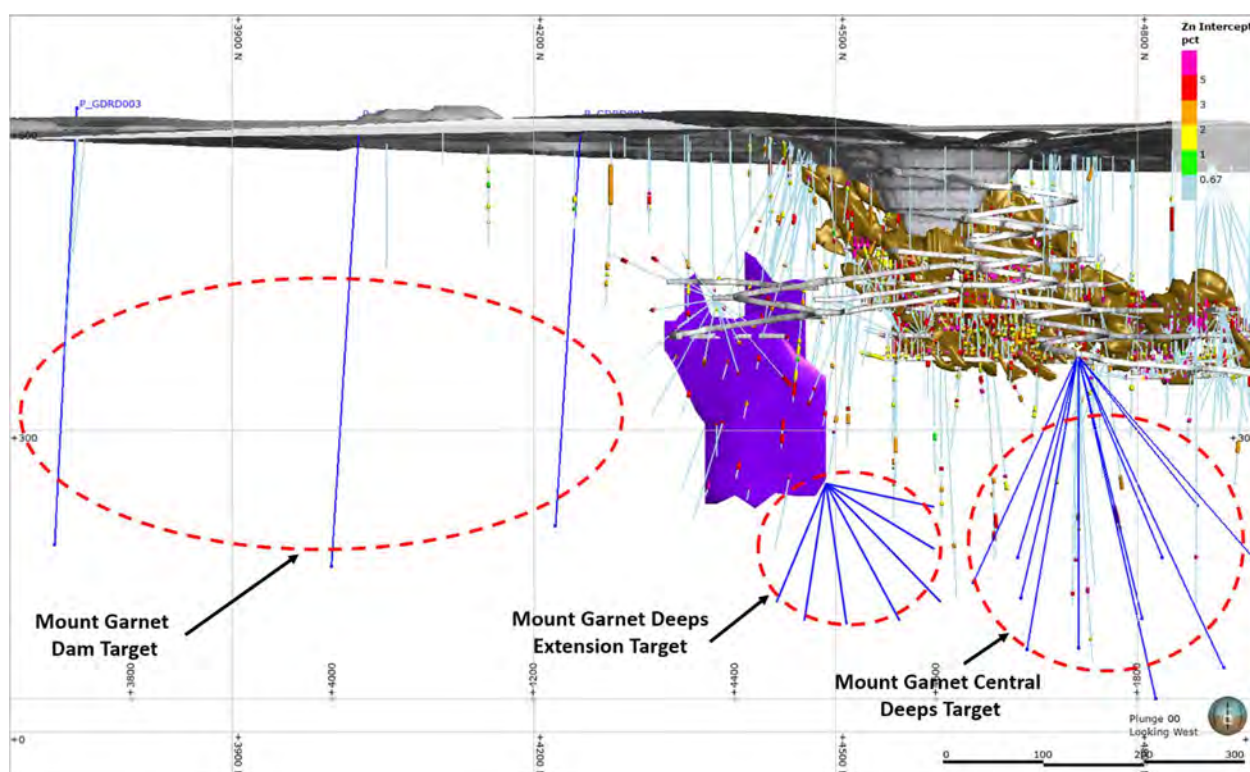
**Table 4-1: Examples of Mount Garnet Deeps Central Significant Intercepts**

Hole ID	From (m)	To (m)	Int (m)	Zn (%)	Cu (%)	Pb (%)	Ag (g/t)	Hole ID	From (m)	To (m)	Int (m)	Zn (%)	Cu (%)	Pb (%)	Ag (g/t)
GTD069	309.2	312.75	3.55	6.65	0.82	0.03	37.52	GTD246	250.5	254.5	4	2.03	0.24	0.15	15.5
<i>Includes</i>	310.6	312.75	2.15	9.73	0.27	0.04	25.3	GTD246	341.1	346.85	5.75	2.36	0	0.04	16.63
GTD198	132.55	148.1	15.55	2.49	0.19	0.16	13.73	GTD246	368	370.1	2.1	1.26	0.41	0.11	27.76
<i>Includes</i>	140	142	2	3.86	0.1	0.06	5	GTD247	201.1	203.35	2.25	8.55	1.85	0.62	170.62
GTD208	204.1	219.3	15.2	3.34	0.05	0.19	28.28	GTD247	207.8	210	2.2	5.1	0.24	1.53	16.64
<i>Includes</i>	212	216	4	5.19	0	0.33	52.25	GTD248	364.8	368.4	3.6	4.72	0.72	0.01	16.44
GTD208	230	232.2	2.2	2.29	0.02	0.59	81.55	<i>Includes</i>	365.5	368.4	2.9	5.35	0.9	0.02	18.48
GTD212	19	21	2	1.29	0.01	0	2.5	GTD248	388.05	393	4.95	2.6	0	0.04	16.12
GTD212	48	50	2	2.15	0.12	0.55	31	GTD249	443.8	447.8	4	2.42	0.72	0.1	26.5
GTD212	57	82	25	2.18	0.26	0.44	22.56	GTD250	385.3	387.5	2.2	9	0.07	0.04	14.18
<i>Includes</i>	60.6	63	2.4	4.43	0.35	0.42	22.83	GTD250	393.7	402.5	8.8	1.61	0.27	0.04	16.68
<i>Includes</i>	78	81	3	4.85	0.74	0.05	25.67	GTD251	381.6	386.3	4.7	2.24	1.13	0.06	26.66
GTD212	91	93	2	1.3	0.13	0	2.5	GTD251	425	441	16	3.2	0.02	0.03	11.32
GTD212	98	101.4	3.4	4.51	0.48	0.07	17.03	<i>Includes</i>	430.8	436	5.2	5.87	0	0.03	11.37
GTD212	112	118.2	6.2	2.47	0.05	0.19	13.9	<i>Includes</i>	434	436	2	6.99	0	0.04	12
GTD213	56	62.8	6.8	1.64	0	0.05	3.17	GTD253	402	405.9	3.9	2.21	0	0	9.49
GTD210	48.7	58.2	9.5	1.79	0.03	1.34	136.03	GTD253	449	458	9	3.49	0.24	0.12	18.57
GTD210	62	66	4	1.12	0.05	0.82	68.25	GTO007	482.55	485.15	2.6	5.45	0.05	1.78	177.52
GTD210	70.8	78	7.2	3.11	0.57	0.1	23.89	GTO008	288.8	291.2	2.4	3.98	0.04	0.1	11.75
<i>Includes</i>	74	77	3	4.51	1.04	0.2	47.67	GTD223	253	258	5	6.92	0.07	0.03	6.2
GTD210	85.8	89.35	3.55	6.58	0.05	0.03	2.5	<i>Includes</i>	254	258	4	8.36	0.09	0.02	4.75
GTD226	234.5	237.3	2.8	5.8	0.19	0.03	5.45	<i>Includes</i>	254	256	2	10.05	0.02	0.01	2.5
GTD227	258.7	262.1	3.4	3.8	0.41	0.11	22.74	GTD224	181	183.2	2.2	2.21	0.05	0.22	14
GTD243	141	144.1	3.1	4.62	0.61	4.66	59.45	GTD225	202	209	7	2.41	0.01	0.75	92.76
<i>Includes</i>	141	143	2	5.89	0.72	6.33	74	<i>Includes</i>	204	206	2	5.56	0.03	0.55	29
GTD243	230	233.2	3.2	1.69	0.17	0.07	9.12	GTD046	332	344	12	2.73	0.76	0	19.33
GTD243	319	335.25	16.25	2.07	0.39	0.06	25.16	<i>Includes</i>	332	337	5	3.51	0.83	0	23.4
<i>Includes</i>	329	332	3	6.22	0.33	0.12	27.67	GTD244	291	294.7	3.7	1.14	0	0	13.27

The locations of the Mount Garnet Deeps Central significant drilling results are shown in Figure 4-1. Figure 4-2 shows the Mount Garnet Dam, Mount Garnet Deeps Extension and Mount Garnet Deeps Central exploration targets.



**Figure 4-1: Mount Garnet Deeps Central Significant Intercepts**

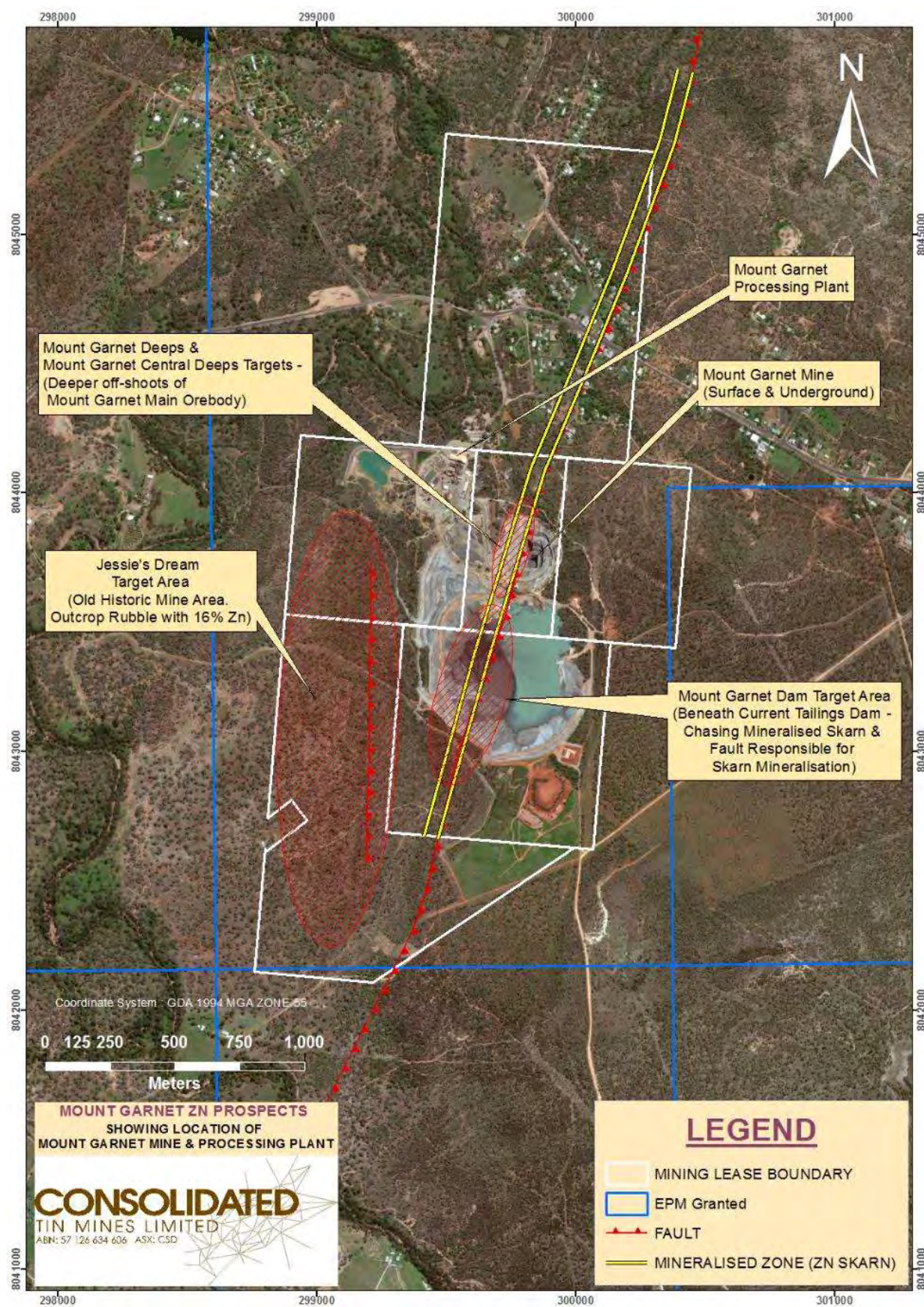


**Figure 4-2: Mount Garnet Zn Exploration Targets – Long Section Looking West**

#### 4.1.2 Mount Garnet Proposed Exploration Budget

Exploration planned for the Mount Garnet Deeps project area includes underground diamond drilling to target the Mount Garnet Deeps deposit, underground drilling to target the Mount Garnet Deeps Central target, surface drilling to target the Mount Garnet Dam Target, and reverse circulation drilling is also planned at the Jessie's Dream prospect where repeats of the Mount Garnet style of mineralisation potentially occur. These prospects are shown in Figure 4-3.





**Figure 4-3: Plan Showing Mount Garnet Zn Exploration Prospects**



**Table 4-2: Mount Garnet Base Metals- 2019 Exploration Budget**

Mount Garnet Exploration Budget 2019				
	Amount	Metres RC	Metres DD	U/G DD
<b>Mount Garnet</b>				
Mount Garnet Deeps	\$90,000			600
Mount Garnet Deeps Central	\$90,000			600
Mount Garnet Dam	\$70,000	600		
Jessie's Dream	\$75,000	600		



## 5 EINASLEIGH REGIONAL EXPLORATION PROJECT

### 5.1 Introduction

Deposits within the Einasleigh Regional Exploration Project area include Kaiser Bill, Chloe and Jackson, Dreadnought, Einasleigh Copper Mine, Teasdale, Railway Flat in addition to numerous other prospects – see Figure 5-1. These have been discovered by various explorers using methods ranging from soil sampling through to drilling.

Substantial deposits of copper, zinc, lead, silver and minor gold have been located within the project area. Copper Strike Limited defined several of the larger prospects that contain Mineral Resources, such as Kaiser Bill, Einasleigh Copper Mine, Chloe and Jackson and Railway Flat.

A number of other prospects are known such as Teasdale and Bloodwood Knoll and numerous other mineral occurrences in the area, many of which appear to also have potential. The project area represents a possible new production centre especially with the upside potential indicated for an increased Mineral Resource base, particularly for copper. The Einasleigh Copper Mine and Kaiser Bill copper-gold deposits are iron oxide copper gold (IOCG) deposits similar in style to those developed in the world-class Cloncurry district of north-west Queensland.

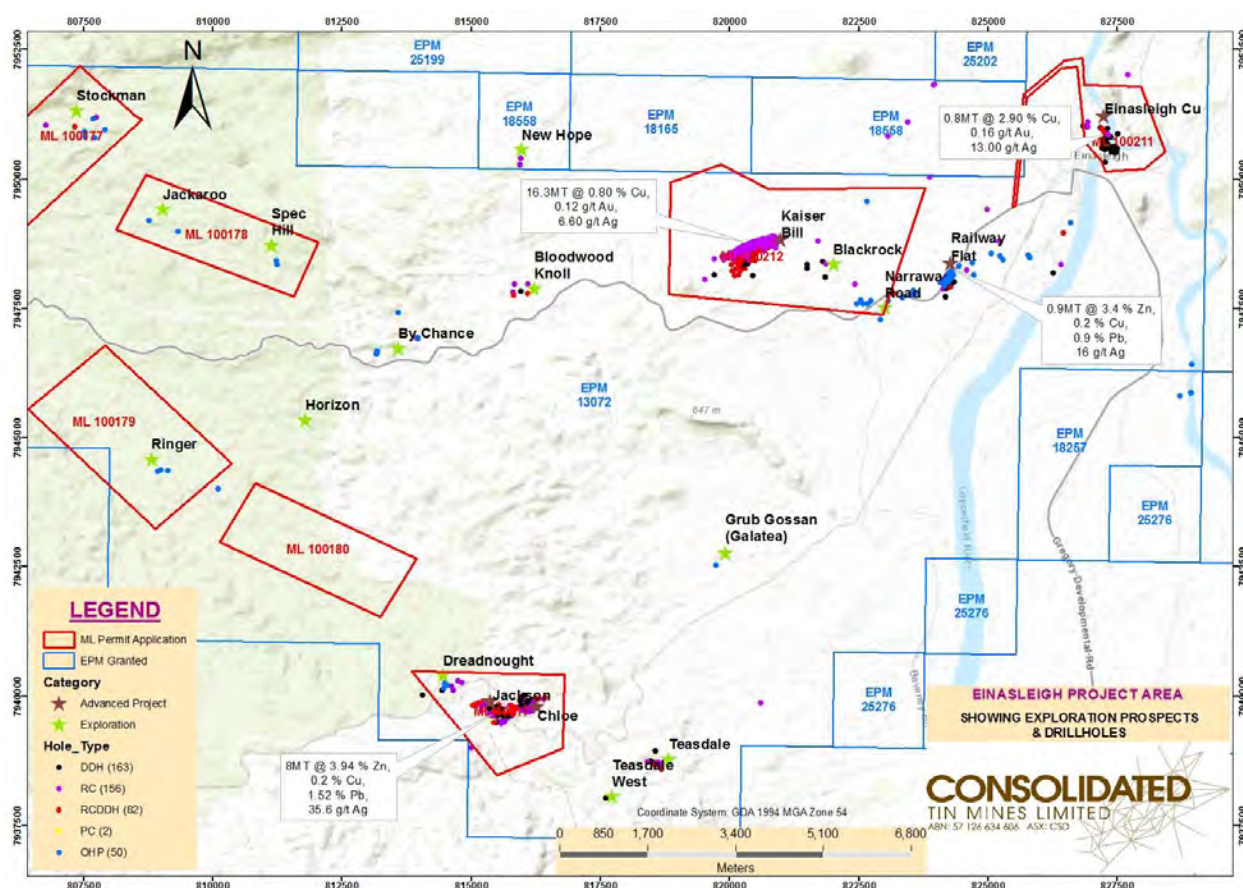


Figure 5-1: Einasleigh Project – Prospect Locations

### **5.1.1 Historical Information**

CSD acquired the assets of SPM, including the Einasleigh copper projects, in April 2016. SPM had acquired the projects from Kagara in late 2013. Kagara had acquired the Einasleigh copper projects from Copper Strike Limited (Copper Strike) in late 2011.

Wanguo International Mining Group (Wanguo) signed a Farm-in Agreement with SPM in July 2014 and this was later assigned to CSD after CSD acquired the assets of SPM.

From 2005 to 2010, Copper Strike focused activity on resource evaluation at the Einasleigh Copper Mine, and Kaiser Bill and Chloe and Jackson projects. Regional programs were defined to evaluate further prospects and considerable drilling was undertaken.

Wanguo collected approximately 1500 soil samples in 2015 from the Surveyor, Balcooma and Einasleigh areas, as well as completing approximately 60 line-kilometres of ground-based Induced Polarisation (IP) surveys over various prospects within the Einasleigh Regional Exploration Project area including, Teasdale, Railway Flat, Kaiser Bill East, Kaiser Bill West and Chloe and Jackson. A further 9.52 line-kilometres of ground magnetics over Chloe and Jackson were also completed. The results of this work were incorporated into the programs of CSD in 2017 and 2018.

### **5.1.2 Regional Geology**

Base metal deposits in the Einasleigh Regional Exploration Project area occur within the Paleoproterozoic Georgetown Inlier, see Figure 5-2. The oldest rocks in the region, the lower Etheridge Group, locally represented as the Einasleigh Metamorphics, formed at c.1700 Ma (Black et al, 2005).

The Einasleigh Metamorphics comprise calc-silicate and metasedimentary biotite gneiss with extensive amphibolite intrusions. Metamorphic grade is up to granulite facies but is commonly amphibolite facies. Palaeozoic thermal events are evidenced by Siluro-Devonian granite, and Permo-Carboniferous Caldera formation and related porphyry intrusions.

Dating of the Chloe Project by Geoscience Australia give Pb-Pb model ages of 1,644 Ga and 1.678 Ga. The Einasleigh Copper Mine contains molybdenite and monazite, which give a Re-Os age suggesting the mineralisation in its current structural setting formed at ca. 1400 Ma. Kaiser Bill has not been effectively dated.

Extensive mapping of the Einasleigh Regional Exploration Project region shows that the sequence contains a more complex stratigraphy, with several mappable units; however, the relationships among these units are significantly conjectural due to structural complexity.

In a regional framework, the thinly bedded pelites, psammites and calc-silicates that form the basal Boree Unit, together with the main calc-silicate unit and leucogneiss are grouped as the “calc-silicate suite”, while biotite gneiss and pelite units together form the “biotite gneiss suite”. Thin to massive amphibolite units, often with fine-grained margins indicative of likely intrusive contacts, are interpreted as mafic sills intruding the metasedimentary sequence.



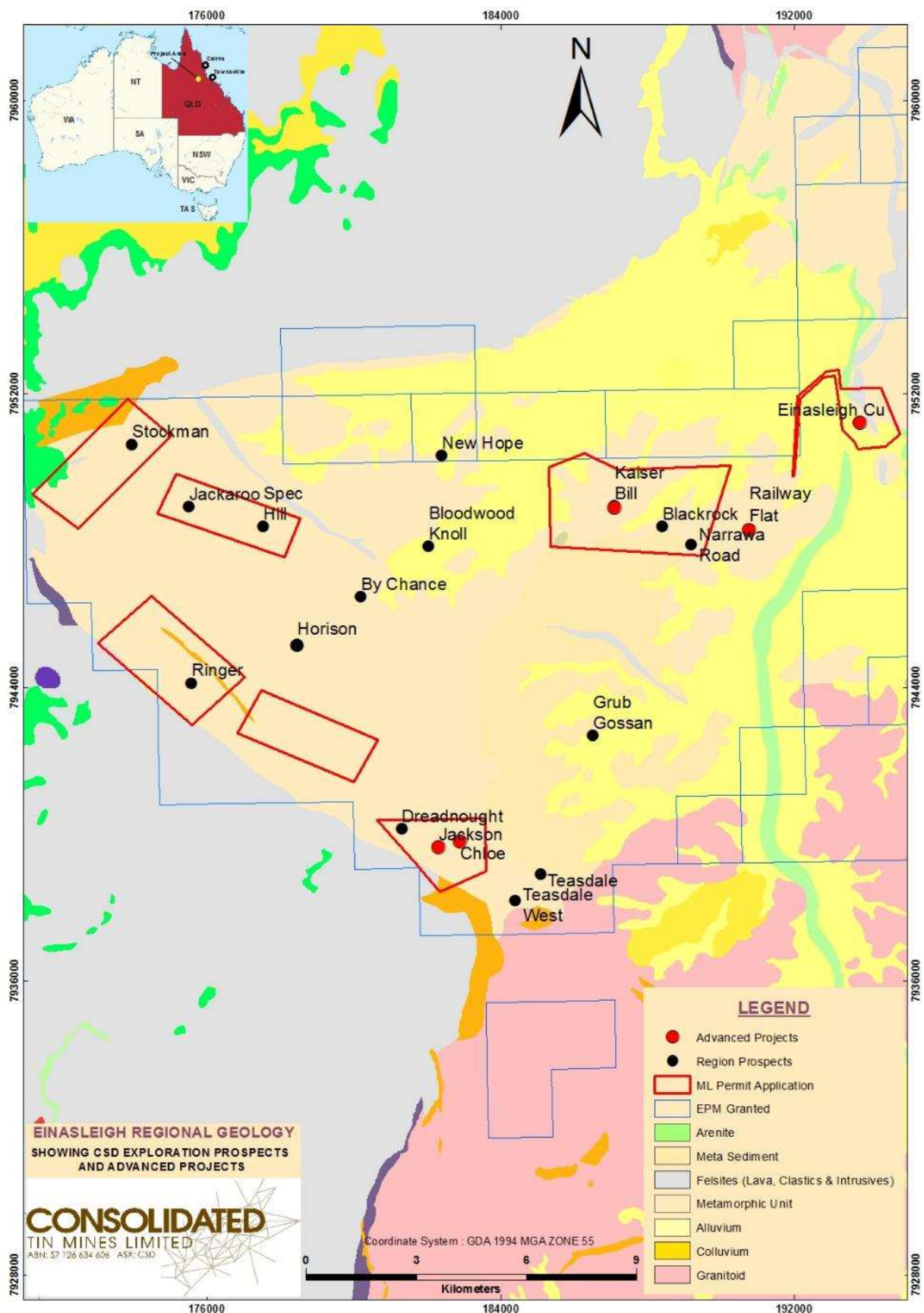


Figure 5-2: Einasleigh Regional Exploration Project Geology Map

## 5.2 Einasleigh Copper Mine

### 5.2.1 Introduction

The Einasleigh Copper Mine and smelter are located in the Etheridge Shire, some 360 kilometres from Cairns. The site occupies an area of around four hectares, situated one kilometre north of Einasleigh Township, on the west bank of the Copperfield River at its junction with the Einasleigh River. It is located about 500 metres north of the Copperfield Gorge.

Historically, a range of activities have occurred at the Einasleigh Copper Mine, including:

- Between 1901 and 1921, underground mining was undertaken intermittently by a succession of companies. The mine was abandoned in 1922 and the workings allowed to flood.
- In 1966-67, Carpentaria Exploration drilled two diamond holes, with one hole intersecting low grade (<1% Cu) copper mineralisation.
- In 1968, Trans Australian Exploration undertook geological mapping, induced polarisation (IP) surveying and ground magnetics around the mine but not over the mining lease. One diamond hole, drilled to test an IP anomaly, intersected traces of mineralisation (8.8 m at 0.04% Cu).
- From 1970 to 1972, a joint venture between Combined Mining and Exploration (CME) and North Interior Explorations dewatered the shaft and obtained access to the underground mine. A program of underground drilling, sampling and mapping was performed. Although the drill holes intersected some significant copper mineralisation, the results showed that it was not economically viable. CME estimated that the deposit contained 260,660 t at 2.13% Cu adjacent to the old stopes.
- From 1976 to 1995, regional exploration programs were undertaken in the vicinity of the Einasleigh Copper Mine by CRA and BHP Minerals. No specific work was undertaken at the Einasleigh Copper Mine, which was held under a mining lease during much of that period.
- In 2002, the current tenement EPM 13072 which included the Einasleigh Copper Mine, was granted to Teck Cominco Australia (Teck). Teck undertook ground magnetics and moving-loop electromagnetic (EM) surveying at Einasleigh and drilled one diamond hole, ECD01, to test two resulting conductors. Low grade copper mineralisation was intersected but not enough to warrant further work by Teck.
- Late 2004, EPM 13072 was transferred to Copper Strike Limited following the successful float of Teck's assets in the Georgetown area.

### 5.2.2 Geology and Mineralisation

Copper mineralisation at the Einasleigh Copper Mine occurs as chalcopyrite associated with variable amounts of pyrrhotite and lesser pyrite within altered quartz-sulphide breccias. Alteration mainly consists of amphibole (actinolite)-magnetite-garnet-chlorite-barite replacing the quartz feldspar-biotite gneiss host rock. Brecciation in the host rocks and within the massive sulphide mineralisation is common.

The mineralisation/alteration envelope delineated by Copper Strike beneath the Einasleigh Copper Mine has a general synformal shape with a gentle south-southwest plunging axis. Copper Strike defined this basic morphology by modelling down-hole Electro-Magnetic (EM) data

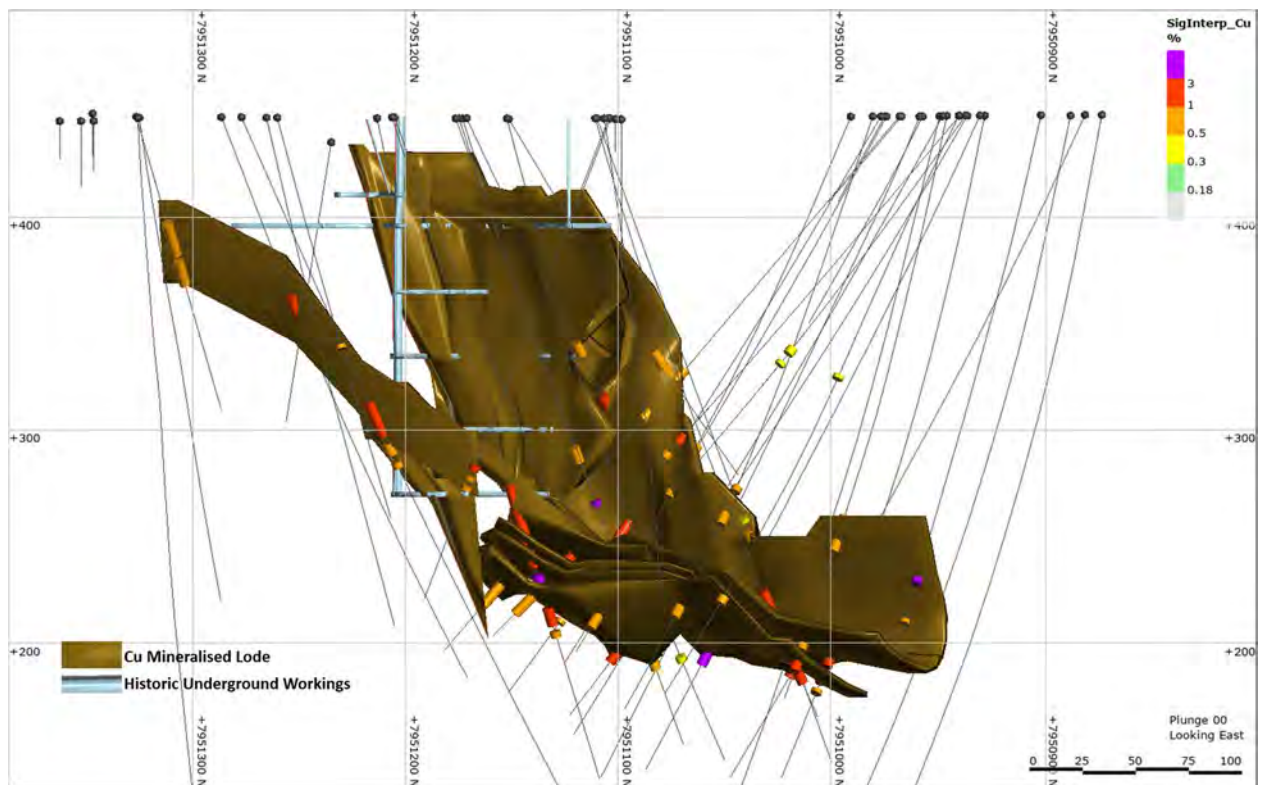
collected from each drill hole. A model of the conductive plate identified by the EM survey, specific to each hole, was constructed and then merged with all the other hole-specific plate models. This provided the broadly synformal shape. Three holes, numbered END 022, 023 and 026, were then drilled to test the interpretation and broadly confirmed it. The synformal structure is also reflected by the morphology of the alteration zone and by surface geological mapping of the outcrop of the alteration and mineralisation in the Einasleigh River north of the old workings (i.e. up plunge).

The mineralised zones which form the western limb of the synform dipping moderately (20° to 60°) to the east and the eastern limb varies from steep westerly dipping to overturned steep easterly dipping. The best copper grades appear to occur close to the keel of the structure and in the lower parts of the eastern limb. Contacts between barren host rock and significant mineralisation (say >1% Cu) are generally very sharp on the eastern limb and more diffuse on the western limb. The historic Einasleigh Copper Mine plans show that mineralised bodies 'pinched and swelled' over distances of a few metres and occasionally split into separate lodes.

The Einasleigh Copper Mine was geologically mapped by CME. Two mineralised zones were developed in the Einasleigh Copper Mine. The Main Orebody (or 'Big Orebody') strikes at 210° and varies from less than 1 m to more than 25 m in width. In the upper levels this body dips at about 60° to the southeast but below Level 4 it dips at 80° to the northwest. The Main Orebody is correlated with the eastern limb of the mineralised zone tested by Copper Strike. A second mineralised zone, the New Orebody, occurs about 75 m to the northwest of the Main Orebody. Its extent and orientation are not well defined, but it appears to have approximately the same strike as the Main Orebody and a dip of perhaps 60° to the southeast. This zone may correlate with the western limb of the mineralised zone tested by Copper Strike.

Three named faults that appear to offset the mineralised zones are shown on the historic level plans. The northernmost fault is the Breccia Fault which was exposed in the main cross cut on the upper levels of the mine. This structure dips at about 75° to 80° towards the southeast or south-southeast. It truncates the southern end of the New Orebody and the northern end of the Main Orebody but its throw is unknown. The Footwall Fault occurs a few metres to the south of, and is subparallel to, the Breccia Fault. It is likely that the two faults merge, somewhere to the northeast of the mine. The Footwall Fault appears to displace the Main Orebody by about 35 m on Level 2 and a sinistral movement is inferred. A third fault, the Compound Fault was only mapped on two levels and whilst there appears to be some local displacement of the Main Orebody adjacent to this fault, its wider significance is unknown.

The mineralised domain model for the Einasleigh Copper Mine is depicted in Figure 5-3.



**Figure 5-3: Einasleigh Copper Mine – Mineralised Domain Model**

### 5.2.3 Einasleigh Copper Mine – Historical Exploration

Copper Strike acquired an exploration license over the area in 2004 and began a program of diamond drilling late in 2004, searching for a down-plunge extension of the mineralisation. Drill hole locations are depicted in Figure 5-4.

The drilling program identified a new massive sulphide body that has not been exploited by mining.

This program completed 41 drill holes using a UDR 650 drill rig and 28 drill holes that successfully intercepted mineralisation have been summarised in Table 5-1. Drill holes missing from the numeric sequence in the table were abandoned before intersecting the target zones. In most drill holes the upper 36 m was drilled using reverse circulation. The holes were then cased-off with steel casing and continued with diamond drilling using a conventional NQ2 system with a standard tube. In all drill holes, except ECD001, drill core was orientated at nominal 30 m intervals using a tapered spear with a chinagraph point.

Drill core samples, with exceptions listed below, were collected over 1 m intervals beginning and ending on metre markings. Exceptions were ECD001 where samples were collected over 2 m intervals, END001 where one sample was over 0.5 m and END003 where three samples were <1 m and one sample was > 1 m.

All significant mineralised intercepts were sampled over 1 m intervals. The selection of intervals for sampling was determined by the presence of chalcopyrite, regardless of estimated percentage, and/or alteration minerals. The core was sawn in half, bagged and submitted to ALS Chemex's laboratory in Townsville for preparation using the following procedures and techniques:

- Coarse crushing of drill samples to 70% nominal -6 mm (ALS Chemex code CRU-21).





- Riffle split to a maximum 3 kg and pulverise split to 85% passing 75 microns or better (ALS Chemex code PUL-23).
- 200 g – 300 g of material scooped from the pulverised sample to become a master pulp. From that, 25 g to 30 g of material was scooped for Au assaying in Townsville by fire assay with an AAS finish (ALS Chemex code Au-AA25).
- In addition, 5 g to 10 g of material was scooped from the pulverised sample and sent to ALS Chemex's Brisbane laboratory for ICP analysis. 'Near total' digestion of sample by HFHNO<sub>3</sub>-HClO<sub>4</sub> and HCl leach and analysis by ICPAES. Elements analysed were Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, Rb, S, Sb, Sr, Ti, V, W and Zn (ALS Chemex code ME-ICP61s).
- All samples reporting ≥10,000 ppm Cu by ICPAES were then subject to ore grade analysis by Aqua Regia digest with an AAS finish (ALS Chemex code Cu- OG46). In these cases, the results of the ore grade analysis were used in the resource estimate.

In August 2005, the result of this drilling and sampling regime resulted in Copper Strike contracting Golder Associates Pty. Ltd. (Golder) to compile a first-pass geological model and Mineral Resource estimate for the new deposit.



**Table 5-1: Copper Strike 2004-2006 Drill Hole Data with Results**

2004-2006 Einasleigh Copper Drill Hole Data														
Hole ID	Hole Type	MGA_East	MGA_North	RL	Depth	Year	Dip	Azimuth	From	To	Int (m)	Cu %	Ag (g/t)	Au (g/t)
ECD01	RCDDH	193813.28	7950940.535	447.54	324	2004	-55	316.5	144	146	2	0.45	1.7	0.13
ECD01									268	272	4	0.51	3.45	0.16
END001	DDH	193815.488	7950937.259	447.592	243	2004	-50	330.5	144	148	4	0.47	1.25	0.02
END001									153	155	2	0.47	2.85	0.01
END002	DDH	193817.963	7950936.546	447.529	339	2004	-60	348.5	250	259	9	2.65	13.09	0.1
END002									264	274	10	3.07	12.16	0.14
END002									278	286	8	1.96	6.85	0.07
END002									302	308	6	1.15	3.88	0.01
END003	DDH	193816.725	7950940.164	447.567	330	2005	-50	348.5	199	204	5	1.25	5.89	0.18
END003									210	213	3	0.63	2.97	0.11
END003									276	280	4	2.15	7.85	0.21
END003									289	292.85	3.85	1.45	5.21	0.12
END003									298	315	17	0.56	1.18	0.1
END004	DDH	193818.839	7950930.63	447.611	345.3	2005	-65	348.5	230	232	2	0.47	1.85	0.03
END004									251	268	17	3.95	13.98	0.18
END004									278	290	12	3.1	10.83	0.1
END005	DDH	193830.492	7950881.283	447.923	354.4	2005	-65	344.5	289	294	5	0.53	15.66	0.06
END005									297	300	3	2.45	11.3	0.26
END006	DDH	193855.086	7950948.15	447.399	342.4	2005	-60	341.5	231	288	57	5.89	23.38	0.35
END008	DDH	193911.266	7950928.397	447.56	366	2005	-60	290.5	282	303	21	2.13	9.92	0.15
END008									308	312	4	1.02	5.25	0.09
END008									316	318	2	0.7	2.85	0.05
END010	DDH	193892.363	7950977.094	447.203	336	2005	-55	328.5	227	230	3	1.04	6.57	0.05
END010									234	245	11	2.02	9.45	0.15
END010									257	266	9	1.34	6.26	0.06
END010									292	294	2	0.83	3.25	0.01
END012	DDH	193917.801	7950974.507	447.183	320.4	2005	-55	321.5	239	241	2	0.66	2.8	0.02
END012									244	259	15	11.76	54.93	0.62
END012									268	280	12	2.87	12.63	0.11
END012									283	290	7	0.52	2.39	0.03
END014	DDH	193750.562	7951175.356	446.287	255	2005	-62	127	177	185	8	0.64	3.79	0.03
END014									206	222	16	4.39	21.26	0.25
END014									226	230	4	0.43	2.36	0.01
END015	DDH	193702.839	7951152.859	446.28	345	2005	-65	123	242	276	34	3.16	11.32	0.12
END015									287	290	3	0.49	2.33	0.02
END016	DDH	193672.404	7951111.346	446.246	327	2005	-62	123	257	286	29	1.2	5.76	0.07
END016									292	308	16	2.21	7.71	0.18
END017	DDH	193673.991	7951110.509	446.297	357	2005	-56	123	223	225	2	0.49	2.05	0.01
END017									230	235	5	0.62	2.69	0.03
END018	DDH	193709.269	7951206.817	446.744	342	2005	-64	130.5	191	221	30	1.64	8.07	0.05
END018									224	233	9	1.67	6.02	0.06
END018									237	241	4	3.59	11.65	0.14
END018									254	263	9	1.07	2.73	0.02
END018									266	269	3	0.91	2.93	0.01
END020	DDH	193748.959	7951176.951	446.217	321	2005	-66	144	232	235	3	6.93	36.03	0.34
END020									241	261	20	4.77	19.26	0.24
END020									265	283	18	0.55	3.33	0.01



2003-2006 Einasleigh Copper Drill Hole Data														
Hole ID	Hole Type	MGA_East	MGA_North	RL	Depth	Year	Dip	Azimuth	From	To	Int (m)	Cu %	Ag (g/t)	Au (g/t)
END021	DDH	193717.436	7951287.038	446.828	309	2005	-60	132.5	97	110	13	1.58	16.5	0.11
END021									116	118	2	0.82	4.4	0.01
END022	DDH	193868.578	7950946.205	447.475	325.2	2005	-58.8	290.5	222	225	3	0.75	3.67	0.08
END022									236	242	6	0.7	4.73	0.05
END022									284	298	14	0.79	3.53	0.02
END022									305	310	5	1.53	6.7	0.05
END023	DDH	193895.212	7950981.002	447.194	345	2005	-55.5	299	213	216	3	0.55	2.53	0.01
END023									220	223	3	0.79	3.7	0.02
END023									226	235	9	0.8	3.81	0.05
END023									264	270	6	1.81	10.48	0.2
END023									273	290	17	0.82	2.35	0.02
END024	DDH	193749.307	7951171.853	446.351	255.2	2005	-55	132.5	129	136	7	0.7	4.36	0.08
END024									159	176	17	2.59	10.76	0.17
END024									180	185	5	1.53	6.14	0.1
END024									188	193	5	6.09	27.5	0.35
END025	DDH	193710.228	7951205.755	446.726	294	2005	-57	123	236	267	31	8.92	54.36	0.37
END026	DDH	193862.266	7950901.967	447.796	300	2005	-60	292.5	240	242	2	0.71	5.95	0.02
END026									255	258	3	3.25	13.87	0.23
END026									278	280	2	0.63	2.55	0.01
END027	DDH	193747.287	7951151.984	445.927	216	2005	-52	140	139	163	24	0.54	2.21	0.03
END028	DDH	193693.863	7951277.616	446.813	369	2006	-60	140	154	172	18	1.26	5.71	0.05
END028									176	182	6	0.89	11.4	0.02
END028									186	189	3	0.71	5.53	0.02
END031	DDH	193699.562	7951104.285	446.264	247	2006	-67	30	178	181	3	1.54	14.97	0.02
END031									184	186	2	0.52	5.75	0.01
END031									189	191	2	0.53	4.5	0.01
END032	DDH	193898.497	7950991.265	447.064	316.37	2006	-56	308	191	195	4	0.83	3	0.05
END032									211	222	11	0.99	4.8	0.03
END032									255	260	5	0.65	2.96	0.04
END032									264	273	9	1	4.91	0.05
END032									279	282	3	0.95	4	0.01
END032									285	287	2	0.43	2.15	0.01
END032									294	302	8	0.96	5.25	0.01
END034	DDH	193828.736	7950968.424	447.272	332	2006	-50	352.5	157	164	7	0.57	3.16	0.02
END034									181	188	7	0.99	8.52	0.1
END034									265	278	13	2.94	10.91	0.12
END034									282	288	6	1.83	7.47	0.1
END034									291	304	13	0.85	2.84	0.07
END036	RCDDH	193685.892	7951260.806	446.63	201	2006	-70	222.5	114	116	2	0.6	3.4	0.02



**Figure 5-4: Einasleigh Copper Mine 2004-2005 Drill Hole Locations**

#### 5.2.4 Einasleigh Copper Mine Mineral Resource

The most recent Mineral Resource for Einasleigh Copper Mine was reported in the 2006 Copper Strike Annual Report in accordance with the JORC Code 2004. The Mineral Resource estimate has not been updated to comply with the JORC Code 2012 on the basis that the information used for the estimate has not materially changed since it was last reported.

The Mineral Resource estimate is summarised in Table 5-2.

The Mineral Resource was estimated using a total of 26 drill holes that were pre-collared down to an average depth of 36 m with reverse circulation and then completed to final depth with NQ2 sized diamond core.

The drill holes were geologically logged for key geology and mineralisation domains and were then half core sampled, typically in 1 m lengths, and samples were sent to the ALS Chemex laboratory in Townsville for assaying. The assaying method used for samples within the Townsville laboratory was 50 g fire assay with an Atomic Absorption Spectrum (AAS) finish, a split of each sample was also sent to the ALS Chemex laboratory in Brisbane for multi-element analysis using the ICPAES method.

Golder consultants estimated the Mineral Resources using ordinary kriging and no cutting of high-grade assay outliers was assessed as necessary. The Mineral Resource was reported at a cut-off grade of 1.0% Cu.



The sampling and assaying methods and the grade estimation method used were appropriate for the Einasleigh style of mineralisation.

**Table 5-2: Einasleigh Copper Mine Mineral Resource Estimate September 2006**

DEPOSIT	CATEGORY	TONNES (Mt)	Cu (%)	Au (g/t)	Ag (g/t)
<b>JORC CODE 2004</b>					
Einasleigh Copper Mine <sup>1</sup>	Measured	-	-	-	-
	Indicated	0.49	4.0	0.22	18
	Inferred	0.34	1.7	0.09	8
	<b>Total</b>	<b>0.83</b>	<b>3.0</b>	<b>0.17</b>	<b>14</b>

<sup>1</sup>Mineral Resources are reported above a 1.0% Cu cut-off grade

## 5.2.5 Einasleigh Copper Mine – Mineral Resource/Exploration Upside

The Einasleigh Copper Mine shows some exploration upside along strike of the currently defined mineralisation where a fold hinge is interpreted to exist. Further drilling would be required to confirm this interpretation. The drilling planned within the proposed exploration budget is designed to test these target areas and is assessed as suitable.

## 5.3 Chloe and Jackson Deposit

### 5.3.1 Introduction

The Chloe and Jackson Deposit was previously known as Mount Misery and Railway Pb-Zn-Ag Horizons and the deposits are less than one kilometre apart, located 20 kilometres south-west of Einasleigh. The two deposits are part of the Chloe to Dreadnought Trend, containing a Pb-Zn-Ag mineral system, present as a series of deposits that have geological similarities to zinc-rich skarn deposits in terms of host rocks, alteration, mineralogy and chemistry.

Gossans of the Mount Misery and Railway Pb-Zn-Ag Horizons were discovered in the early 1970s by Otter Exploration NL (Otter) after following up on stream sediment anomalies.

Otter entered into a Joint Venture with CRA in the mid-1970s, with Otter owning the tenement and CRA conducting the exploration activities. Exploration under the Joint Venture was conducted over the prospect area through to the early 1980s included geological mapping, excavation of costeans, soil sampling, ground magnetics and drilling over the outcropping gossans.

A total of ten diamond drill holes were drilled below the gossans, with the best intersection being from hole MD8 with 15.6 m at 5.9% Zn, 2% Pb, 41 g/t Ag, 0.3% Cu from 63.1 m. Only four holes intersected significant mineralisation. A mining lease was granted to Otter in the early 1980s covering the main prospects, and in 1983, CRA pulled out of the Joint Venture to focus on projects elsewhere.

There was no further exploration over the prospect until 2003 when Teck took ownership. Teck completed mapping, soil sampling, a ground magnetic survey, fixed loop surveys and a single diamond drill hole. Extensive drilling over the prospect was conducted after the project was transferred out of Teck to float Copper Strike who completed 152 drill holes between 2006 and 2010.

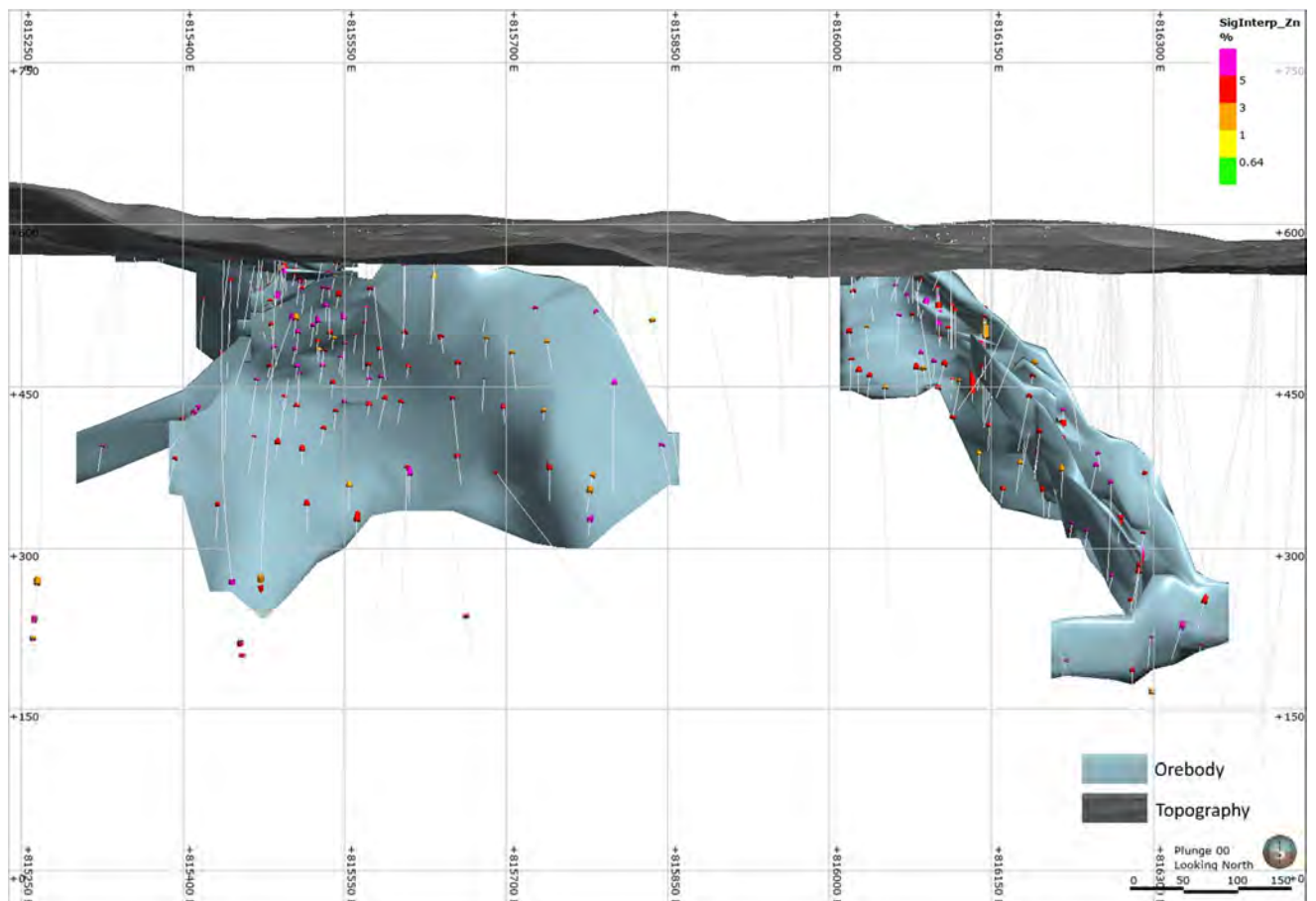
### 5.3.2 Recent Exploration

In 2017, 20 holes were completed by CSD at the Jackson Deposit and five holes at the Young Deposit. At Jackson, the holes provided support for reporting Mineral Resources in accordance with the JORC Code 2012. At Young, the holes were designed to follow up historical intersections including 14 m at 4.68% Zn. The drill results suggest that the mineralisation is a sheet-like structure that steepens at depth.

### 5.3.3 Geology

The Chloe – Jackson – Dreadnought trend is structurally complex with multiple generations of folds mapped and a number of orientations of fault structures. The mineralisation lenses are generally thin and, in some areas, multiple lenses are evident. The Stella prospect is now believed to be part of the Jackson Deposit.

Chloe and Jackson have similar alteration and mineralisation assemblages and overprinting relationships. There are at least four main groups of mineral assemblages: an outer, usually barren quartz-epidote-zoisite assemblage; a garnet-dominated assemblage usually with pale sphalerite, a pyrrhotite-dominated assemblage usually in the core of the thickest mineralisation, and a magnetite-dominated assemblage which appears to be a retrograde and oxidized version of the pyrrhotite mineralisation. The Chloe and Jackson Deposit structure is depicted in Table 5-5.



**Figure 5-5: Chloe and Jackson – Modelled Mineralisation Domains**

### 5.3.4 Chloe and Jackson Deposit Mineral Resource

In June 2018, the Chloe and Jackson Deposit Mineral Resource estimates were reported in accordance with the JORC Code 2012.

A total of 249 drill holes comprising a combination of reverse circulation and NQ2 sized diamond core were used in the estimation.

The drill holes were geologically logged for key geology and mineralisation domains and were then half core sampled, typically in 1 m lengths, and samples were sent to the ALS laboratories in Brisbane for assaying. The assaying method used for samples was ME-ICP61 to provide a suite of multi-element analyses. Gold was assayed for via a 30 g fire assay with a flame AAS finish.

A range of top cuts was applied based on the assessment of grade populations within the datasets evident in plotted histograms and log probability plots. Density was estimated using a regression formula based on a dataset of 3,120 discrete density samples.

Mining Associates Pty Ltd (Mining Associates) consultants estimated the Mineral Resources using ordinary kriging. The Mineral Resource was reported at a cut-off grade of 1.0% Zn.

The sampling and assaying methods and the grade estimation method used were appropriate for the Chloe and Jackson style of mineralisation and were reported appropriately in accordance with the JORC Code 2012.

**Table 5-3: Chloe and Jackson Deposit JORC Mineral Resource – As reported in June 2018**

DEPOSIT	CATEGORY	TONNES (Mt)	Zn (%)	Pb (g/t)	Cu (%)	Ag (g/t)
<b>JORC CODE 2012</b>						
Chloe and Jackson <sup>1</sup>	Measured	-	-	-	-	-
	Indicated	4.02	4.07	1.61	0.18	38.5
	Inferred	3.99	3.80	1.43	0.18	32.7
	<b>Total</b>	<b>8.01</b>	<b>3.93</b>	<b>1.52</b>	<b>0.18</b>	<b>35.6</b>

<sup>1</sup>Mineral Resources are reported above a 1.0% Zn cut-off grade

### 5.3.5 Chloe and Jackson – Mineral Resource/Exploration Upside

The Chloe and Jackson Deposit has exploration potential both down dip in each deposit and also along strike between the two mineralised domains. The drilling planned as part of the proposed exploration budget is assessed as suitable to test these targets.

## 5.4 Railway Flat Deposit

### 5.4.1 Introduction

Located within the Einasleigh region, the Railway Flat Deposit is one of the advanced projects of the region. It is a zinc/lead sulphide deposit that has had a substantial amount of exploration including drilling, completed over a period of 30 years. There are no reports of historical mining.



Railway Flat was discovered in the 1970s. In 1977, Railway Flat was targeted for more detailed exploration, due to its relative proximity to the Einasleigh Copper Mine and Kaiser Bill. It was also considered to be under-explored due to extensive soil cover. A total of 16.5k m of gridding along a 10.5 km base line was completed over the prospect area and an auger drilling program was completed on a 500 m x 25 m grid. This initial drilling outlined an anomalous zone of lead and zinc over a 2 km strike length. Several costeans and percussion drill holes were also completed with encouraging results.

Exploration continued over the following years to the early 1980s, including further gridding, auger drilling, percussion and diamond drilling, a ground magnetic survey, a Pulse EM survey and Down-Hole Transient Electro-Magnetic (DHTEM) methods. A total of 32 percussion holes and five diamond holes defined an Inferred Mineral Resource. CRA withdrew from the Joint Venture in 1983 and Otter pegged mining leases over the most prospective areas of the belt which included MDL92 over Railway Flat.

#### **5.4.2 Historical Exploration**

In the mid-1990s, BHP Exploration and Otter conducted minor exploration including soil sampling, ground magnetics and drilling.

Having taken control over the deposit area, Copper Strike completed two drilling campaigns during 2007 and 2008 for a total 37 drill holes, increasing the Inferred Mineral Resource, reported in accordance with the JORC Code 2004, to 0.94 Mt at 3.4% Zn, 0.9% Pb, 0.2% Cu and 17 g/t Ag.

#### **5.4.3 Geology and Mineralisation**

The Railway Flat area, some 3km west of Einasleigh, was identified by CRA as a shallowly covered to sub-cropping lead-zinc anomalous zone extending along strike for 2 km. The mineralisation is hosted by meta-sedimentary biotite gneisses, close to the contact with underlying magnetic calc-silicates which are interpreted as the lowest unit of the Palaeoproterozoic Etheridge Group in the Einasleigh area. Pegmatites and amphibolites also occur within the biotite gneiss package. These rocks strike approximately NE and dip moderately to the SE.

Alteration is associated with mineralisation but is of limited extent. The alteration consists of semi-massive fine-grained garnet along with epidote-garnet-quartz, and silicification is associated with stringer mineralisation.

Base metal mineralisation consists of two sub-parallel sulphide lodes, the Hanging Wall Lode ("HW") and the Footwall Lode ("FW"), with their stratigraphic separation varying between 10 m – 20 m. In places, the lenses coalesce to produce thick intersections of better grade material. The lodes strike NW-SE and dip about 45° to the SW. The HW Lode is a slightly thicker unit and appears to be more continuous and has a greater areal extent. The FW Lode appears to become narrower in the down dip direction and has a more obvious plunge of 45° to grid west.

The lodes can be reasonably continuous, and even where there are no percent grade intercepts, their position is marked by anomalous Pb-Zn. The FW Lode tends to disappear sporadically for some, as yet unknown, structural reason. It may be that there is a considerable boudinage affect associated with structural deformation.

The style of mineralisation is believed to be stratabound but includes at least two styles, namely veins/stringers and pyrrhotitic "durchbewegung" breccias i.e. sheared sulphides with plucked

clasts of wall-rock. This style is, therefore, largely structurally controlled but quite variable in base metal mineralisation (Figures 3 to 6). The stringer zones occur in lenses of low-grade stringer-style mineralisation of pyrrhotite, sphalerite and minor galena typically in a silicified matrix. Base metal sulphides include sphalerite, galena with trace chalcopyrite in semi massive pyrrhotite lodes. There are minor amounts of pyrite. The semi-massive and massive sulphides, dominated by pyrrhotite, tend to obliterate the host rock texture.

Based on comparison with other deposits within CSD's Einasleigh Project area, the mineralisation supports a model of early (approximately syn-sedimentary or diagenetic) emplacement of Pb-Zn sulphides into the sequence. There has been significant modification during subsequent metamorphic event/s. At one time, the mineral and host rock styles were thought to indicate similarities with the Broken Hill-type of mineralisation, however, this theory is no longer supported.

#### **5.4.4 Railway Flat JORC Code 2004 Resource Estimation**

The most recent Mineral Resource for Railway Flat was reported in accordance with the JORC Code 2004. The Mineral Resource estimate has not been updated to comply with the JORC Code 2012 on the basis that the information used for the estimate has not materially changed since it was last reported.

The Mineral Resource estimate is summarised in Table 5-4.

The Mineral Resources were estimated by Hellman and Schofield Pty Ltd in 2008.

The Mineral Resource was estimated using a total of 53 drill holes that were a combination of reverse circulation drilling and NQ2 sized diamond core.

The drill holes were geologically logged for key geological and mineralisation domains and either splits from 1 m sample lengths for the reverse circulation samples or half core sampled, typically in 1 m lengths, and samples were sent to the ALS Chemex laboratory in Townsville for assaying. The assaying method used for samples within the Townsville laboratory was 50 g fire assay with an Atomic Absorption Spectrum (AAS) finish, a split of each sample was also sent to the ALS Chemex laboratory in Brisbane for multi-element analysis using the ICPAES method.

Hellman and Schofield consultants estimated the Mineral Resources using ordinary kriging and no cutting of high-grade assay outliers was assessed as necessary. Density was estimated by inverse distance squared using a dataset of 720 discrete density samples. The Mineral Resource was reported using a cut-off grade of 2.0% Zn.

The sampling and assaying methods and the grade estimation method used were appropriate for the Einasleigh style of mineralisation.



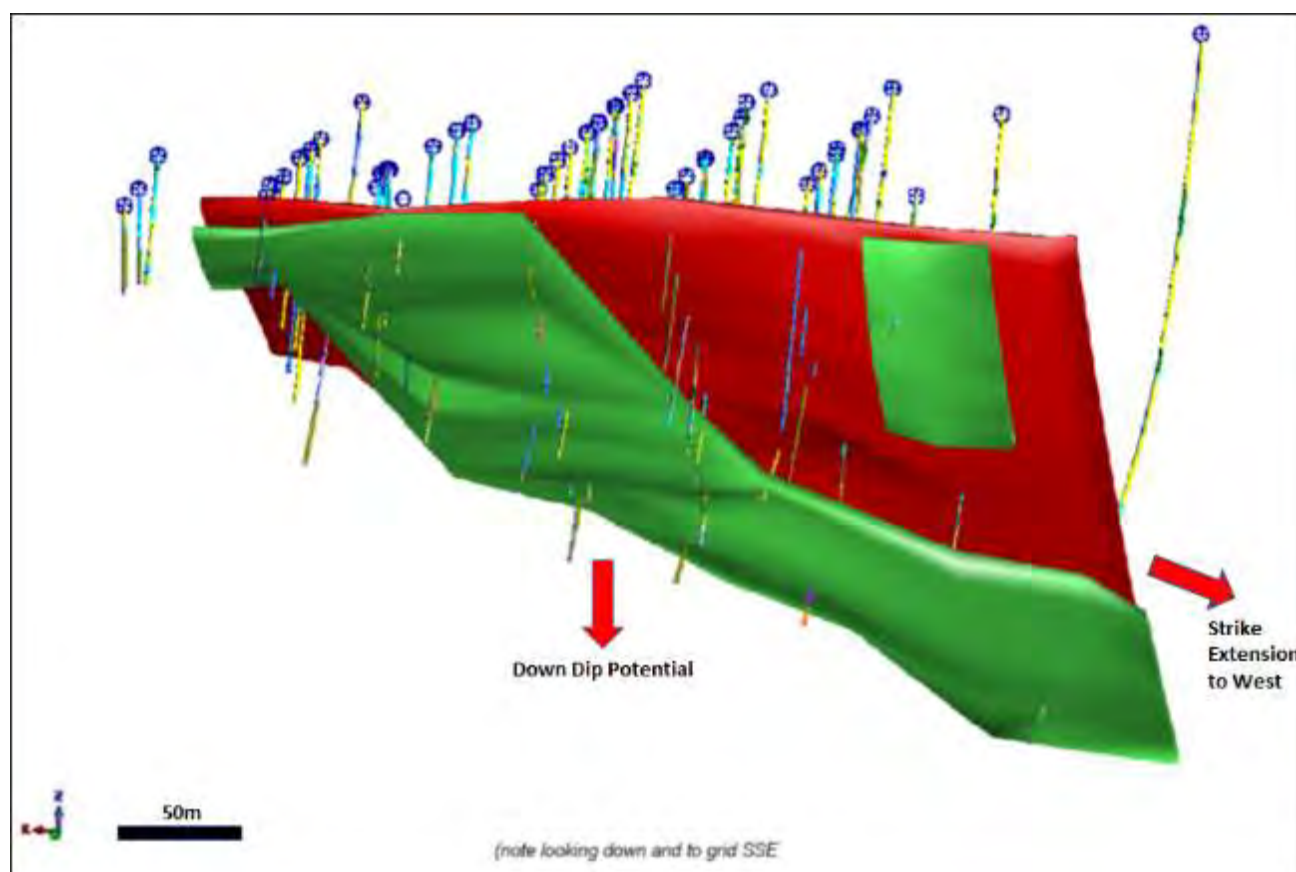
**Table 5-4: Railway Flat Deposit Mineral Resource Estimate as at October 2008**

DEPOSIT	CATEGORY	TONNES (Mt)	Zn (%)	Pb (g/t)	Cu (%)	Ag (g/t)
<b>JORC CODE 2004</b>						
Railway Flat <sup>1</sup>	Measured	-	-	-	-	-
	Indicated	-	-	-	-	-
	Inferred	0.80	4.31	1.38	0.20	23.0
	<b>Total</b>	<b>0.80</b>	<b>4.31</b>	<b>1.38</b>	<b>0.20</b>	<b>23.0</b>

<sup>1</sup>Mineral Resources are reported above a 2.0% Zn cut-off grade

#### 5.4.5 Railway Flat – Resource/Exploration Upside

The Railway Flat Deposit is open at depth and to the west of the currently defined hanging wall and footwall mineralization domains, see Figure 5-6.



**Figure 5-6: Railway Flat Deposit – Upside Potential**

## 5.5 Kaiser Bill Deposit

### 5.5.1 Introduction

The Kaiser Bill Deposit is an undeveloped Iron Oxide Copper Gold (**IOCG**) deposit located about 8 km west of Einasleigh Township in north Queensland. The Kaiser Bill Deposit is within CSD's Einasleigh Project area which also contains the historic Einasleigh Copper Mine and the Chloe and Jackson lead-zinc-copper-silver deposits. The base metal deposits in the Einasleigh area occur within the Paleoproterozoic Georgetown Inlier.

### 5.5.2 Historical Exploration

By 2016, the Kaiser Bill Deposit had been tested by 157 drill holes totalling 23,498 m in length. Specific work included:

- Drilling of eleven holes in 2009 to more closely define and upgrade the Mineral Resource.
- Drilling of four holes to define extensions to the deeper, western part of the deposit.
- Revision of the Mineral Resource estimate (Golder Report, dated July 2010).
- Geotechnical drilling of seven holes.
- Downhole acoustic televiewer scanning surveys to assist in geotechnical assessment.
- Geotechnical assessment and report by Coffey Mining.
- Ongoing assessment and review of the siting of proposed infrastructure on the Kaiser Bill MLA.

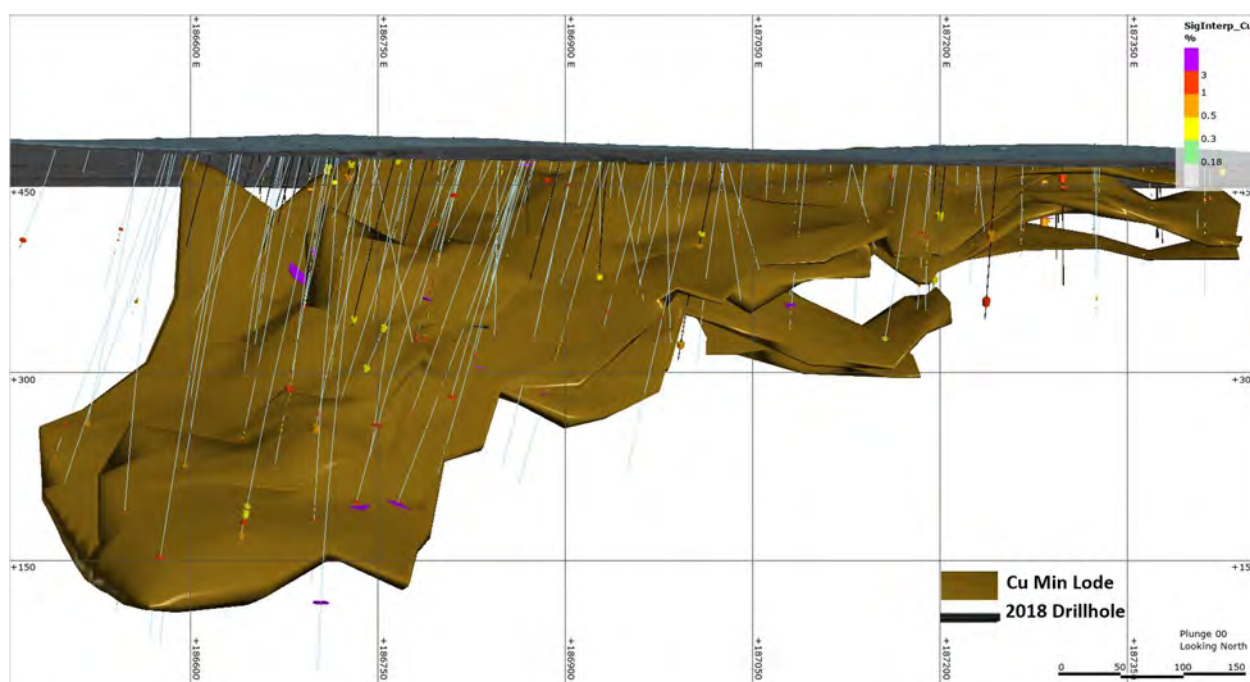
After further drilling in 2015 and later, Indicated and Inferred Mineral Resources at Kaiser Bill were reported in 2017 by Mining Plus Pty Ltd, in accordance with JORC Code 2012, at 0.5% Cu cut-off as 15.5 Mt at 0.93% Cu with minor silver. The Mineral Resource was updated to account for drilling completed in 2017 and 2018 and was reported by Mining Associates, in accordance with JORC Code 2012, at 0.5% Cu cut-off as 16.91 Mt at 0.83% Cu above 150 mRL.

### 5.5.3 Geology

The Kaiser Bill Deposit is hosted within a sequence of quartz-feldspar-biotite metasedimentary gneiss overlain by a massive felsic leucogneiss with the copper mineralisation occurring as chalcopyrite within quartz-pyrite-pyrrhotite-magnetite disseminations, stringers and breccia-fill. It has a thick massive central zone, with a southerly dip and well-developed west-southwest plunge. The mineralisation envelope diverges from the leucogneiss-biotite gneiss contact.

The mineralisation occurs as chalcopyrite, associated with quartz-pyrite-pyrrhotite-magnetite as disseminations, stringers and breccia hosted by quartz-feldspar-biotite gneiss. Alteration forms a relatively broad zone up to 120m wide with magnetite and weak quartz-chlorite and lesser epidote with very minor actinolite. The main ore zone occurs within quartz-feldspar-biotite gneiss close to the contact with a massive, felsic gneiss that forms the hanging-wall.

Mineralisation occurs within a broad alteration zone that has been intersected in drilling over a distance of at least 1.4 km. The mineralisation has dimensions of up to 80 m in thickness, extending at least 400 m down dip and over a length of 1 km (Figure 5-7). The thickest core of the mineralisation plunges at between 10° and 30° WSW and is open down plunge. More recent CSD drilling in 2017 confirmed that the mineralisation remains open down plunge/dip.



**Figure 5-7: Kaiser Bill Project – Deposit Long Section with Pit Optimisation Shell**

#### 5.5.4 Kaiser Bill Deposit Mineral Resource

The Kaiser Bill Deposit Mineral Resource estimate was reported in 2018 in accordance with the JORC Code 2012.

The Mineral Resource estimate for the Kaiser Bill Deposit is summarised in Table 5-5.

The Mineral Resources were estimated by Mining Associates in 2018.

A total of 169 drill holes, a combination of reverse circulation drilling and NQ2 sized diamond core, were used for the estimate.

The drill holes were geologically logged for key geology and mineralisation domains and either splits from 1 m sample lengths for the reverse circulation samples or half core sampled, typically in 1 m lengths. Samples were sent to the ALS laboratory in Townsville for assaying. A small percentage of samples (4%) were assayed in the SGS laboratory in Townsville.

Mining Associates consultants estimated the Mineral Resources using ordinary kriging and a range of top cuts was applied to the assay data. Top cuts ranged from 2.46% to 3.37% for copper and 43 g/t to 43.2 g/t for silver. Density was estimated by using a regression formula as a strong correlation exists between density and Fe% grade within the deposit. A dataset totalling 2,230 density measurements was used to create the regression formula.

The sampling and assaying methods and the grade estimation method used were appropriate for the Kaiser Bill style of mineralisation.



**Table 5-5: Kaiser Bill Deposit Mineral Resource Estimate – As at October 2018**

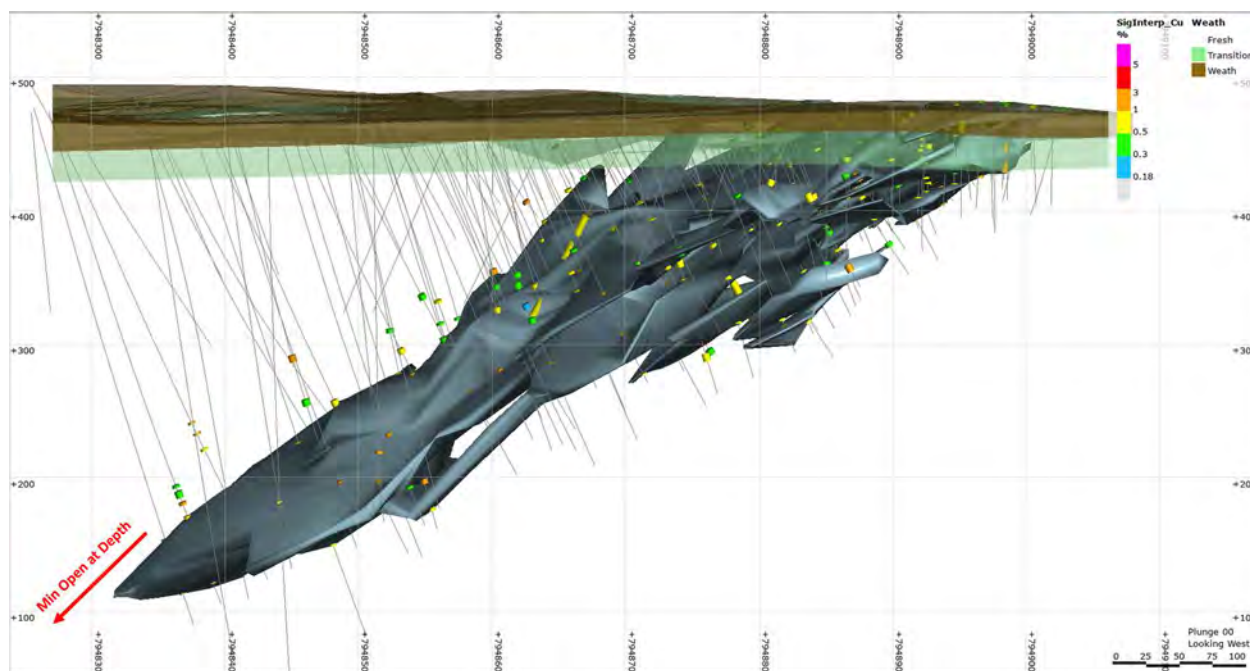
DEPOSIT	CATEGORY	TONNES (Mt)	Cu (%)	Ag (g/t)
<b>JORC CODE 2012</b>				
Kaiser Bill <sup>1</sup>	Measured	-	-	-
	Indicated	12.86	0.82	5.66
	Inferred	4.04	0.86	9.44
	<b>Total</b>	<b>16.91</b>	<b>0.83</b>	<b>5.83</b>

<sup>1</sup>Mineral Resources are reported above a 0.5% Cu cut-off grade

### 5.5.5 Kaiser Bill Resource/Exploration Upside

The Kaiser Bill Deposit remains open at depth down plunge and represents the potential extension of the main mineralised domain, see Figure 5-8.

Drilling completed within the deposit has shown potential for higher grade copper mineralisation to occur at depth within the down plunge orientation of the deposit. Potential also exists to define smaller additional lenses of copper mineralisation adjacent to the defined main zone.



**Figure 5-8: Kaiser Bill Deposit – Down Plunge Upside Potential**

### **5.5.6 Kaiser Bill Project Feasibility Study**

The Kaiser Bill Project is the most advanced deposit within the Einasleigh Project area and is where proposed future infrastructure and processing facilities would be located. Progressing the Kaiser Bill feasibility study is an important part of the Company's forward planning strategy. The feasibility study will include mining feasibility of the Kaiser Bill Project with a 1.6Mt processing plant proposed to be located on the Kaiser Bill mining lease and also potentially mining the Chloe and Jackson deposit and transporting ore from Chloe and Jackson to be processed at a 1.6Mt processing plant proposed to be located on the Kaiser Bill mining lease.

It is currently anticipated that the feasibility study will be completed in the next twelve months.

## **5.6 Einasleigh Regional Exploration Projects**

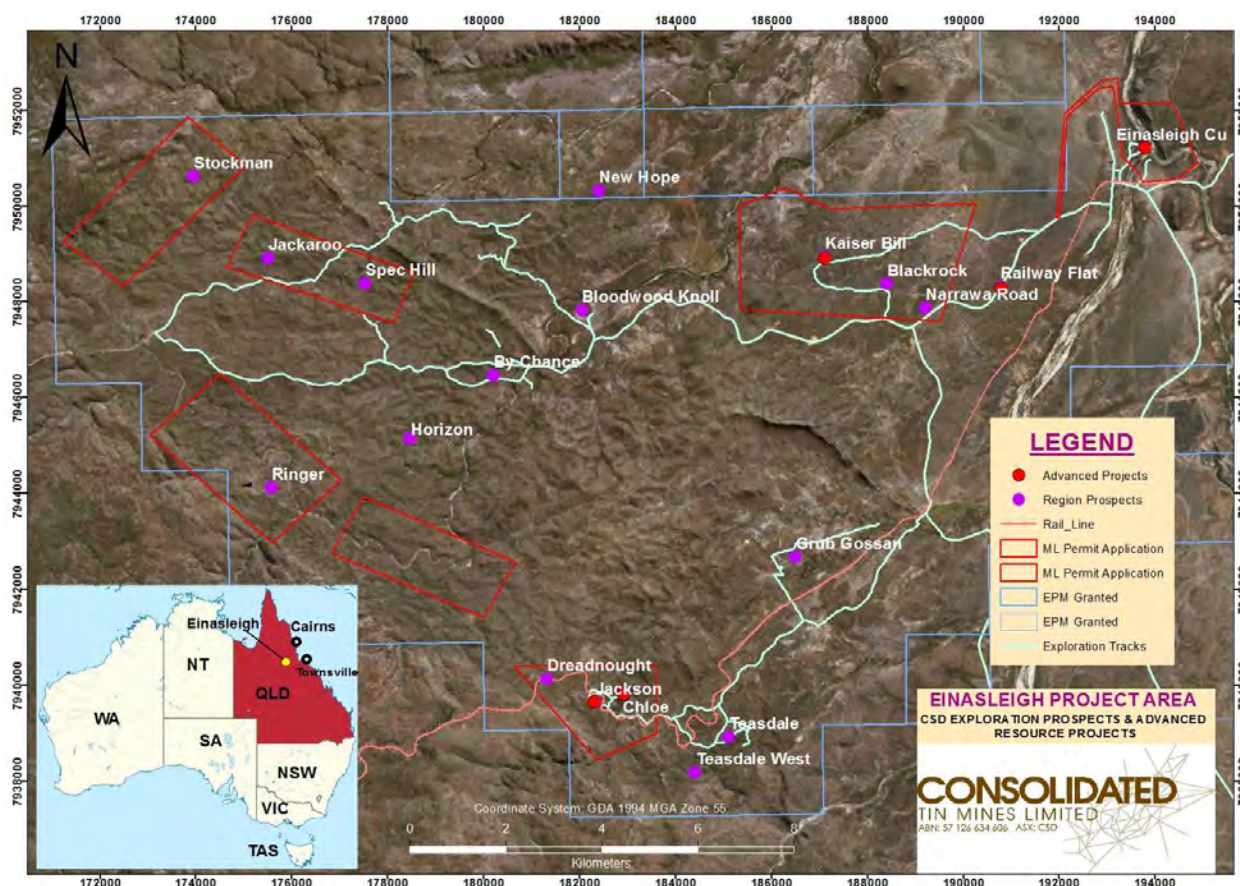
### **5.6.1 Conceptual Exploration Target Summary**

Outside of the Kaiser Bill, Chloe-Jackson, Railway Flat and the Einasleigh Copper Mine, there exist numerous exploration targets that are hosted within similar geological and mineralisation settings. Anomalies have been defined via surface gossan exposures, soil sampling, geophysical surveys and shallow reconnaissance drilling.

The exploration potential of the Einasleigh area is assessed as high given that the historically defined deposits do not have large surface expressions. For example, the Kaiser Bill Deposit shows very small gossanous outcrops over a deposit that extends approximately 1 km along strike and the Railway Flat Deposit does not outcrop at all. Potential therefore exists for "blind" deposits to exist within the Einasleigh Regional Exploration Project area.

CSD has assessed exploration targets via their surface geochemical signatures and geological setting and ranked them to guide future exploration activities within the project area. The method of ranking of the exploration targets is reasonable.

These ranked exploration targets are shown in Figure 5-9.



**Figure 5-9: Einasleigh Regional Exploration Projects**

### 5.6.2 Einasleigh Regional Exploration Projects Proposed Exploration Budget

The CSD exploration budget for the next twelve months includes a total of AUD\$1,500,000 to continue feasibility work on the Kaiser Bill Deposit, Maitland and the Mount Garnet Tin Project and testing of regional exploration targets. The breakdown of proposed exploration expenditure is summarised in Section 11 of this report. The proposed programs consist of reverse circulation and diamond drilling, electromagnetic surveys, induced polarisation surveys and additional surface soil geochemistry to complement the existing dataset.

The proposed Einasleigh Regional Exploration Projects exploration budget is assessed as reasonable in relation to the targets selected for testing and the continued work of sterilisation drilling and geotechnical drilling to support the mining studies for the Kaiser Bill Deposit.

## 6 SURVEYOR MINE PROJECT

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### 6.1 Dry River South Mine

#### 6.1.1 Introduction

The Surveyor Project deposits are located near the banks of the Dry River in Queensland. The nearest town is Mount Garnet, about 150 km away with a population of around 420. The nearest sealed road to the mine is the Kennedy Developmental Road.

The Surveyor Mine Project is base metal deposits of copper, gold, lead, silver and zinc.

Located on EPM 9323, the Surveyor Mine Project consists of an operating underground mine at the Dry River South Deposit (**DRS** or the **Dry River South Mine**), multiple pre-development targets, and more than 30 exploration targets. Underground mining at DRS has been focussed on remnant pillar extraction in the upper areas of the historical mine.

Exploration has continued and mineralised targets will be developed in order of priority. The Surveyor Mine Project has twenty prospects with one underground deposit currently being mined, DRS, see Figure 6-1.

#### 6.1.2 Historic and Recent Exploration

Base metal mineralisation within the Surveyor Mine Project area was first identified with the discovery of the Surveyor gossan by Geopeko in 1975 where, as a result, the original Surveyor mining lease (ML 1393) was pegged in 1978.

Carpentaria Exploration was granted an exploration tenement around the Surveyor mining lease and, in late-1978, discovered the Balcooma zinc-rich and copper-rich massive sulphide deposits 2 km north-east of Surveyor.

In 1985, Carpentaria tested an electromagnetic (EM) conductor about 1 km south of the Surveyor Mine Project and intersected zinc-rich polymetallic massive sulphides in hole DRS15, the discovery hole, which was the fifteenth hole drilled in the DRS area.

The DRS Deposit was mined by Kagara between 2004 and 2008. The mine was closed in 2008 when preference was given to the Balcooma underground copper project. A total of 0.85 Mt at 9.0% Zn, 3.1 % Pb and 1.0% Cu was produced during this time from the DRS Deposit and 3.5 Mt at 3.0% Cu was produced from the Balcooma underground mine.

A significant quantity of high-grade remnant material remains in the DRS deposit adjacent to the historically mined stopes and potential also exists within the DRS deeps area that has the potential to support future mining activities.

CSD commenced dewatering and rehabilitation of the existing DRS deposit decline in early 2017 with refurbishment completed in 2018. Mining activities commenced immediately in the upper production zone with the mining of the remnant pillars.

Ore from the DRS is hauled 150 km to Mount Garnet by road-train for processing at Mount Garnet Processing Plant.





**Figure 6-1: Balcooma, Surveyor and Dry River South Deposit Locations within the Surveyor Project Showing Mining Lease Boundaries**

### 6.1.3 Regional Geology

The Surveyor Mine Project area lies within the Balcooma Metavolcanic Group (BMG) of the Greenvale Province comprising marine or possibly subaerial rhyolitic metavolcanics, metasediments and minor mafic volcanoclastics and lava. The Balcooma Metavolcanic Group was metamorphosed to lower to middle amphibolite facies and preserves a steep schistosity that may be a second-generation fabric. The metavolcanics were intruded by small microgranite and granite plutons, and porphyry dykes and sills before being deformed. The Balcooma Metavolcanics host the significant volcanic-hosted massive sulphide (VHMS) resources of the Surveyor Mine Project.

The Surveyor, Balcooma and Dry River South deposits are within a NNE trending 8 km x 40 km belt of strongly deformed and metamorphosed Cambrian-Ordovician volcanics and sediments of the Balcooma Metamorphics. To the east, the Balcooma metamorphics are intruded by the Silurian Dido granodiorite (Figure 6-2).

The local stratigraphy comprises from the oldest to the youngest:

- Highway Metavolcanics - interbedded metatuffs and metavolcanics;
- Lochlea Volcanics - dacitic volcanoclastics and volcanics;
- Lochlea Metarhyolite;
- Clayhole Schist - metagreywacke with minor interbedded metapelites and metavolcanics, which in part interfingers with the overlying; and
- Dry River Volcanics - massive quartz-feldspar porphyry, volcanoclastics and metasediments.

These are intruded by the Cambro-Ordovician Ringwood Park Microgranite.



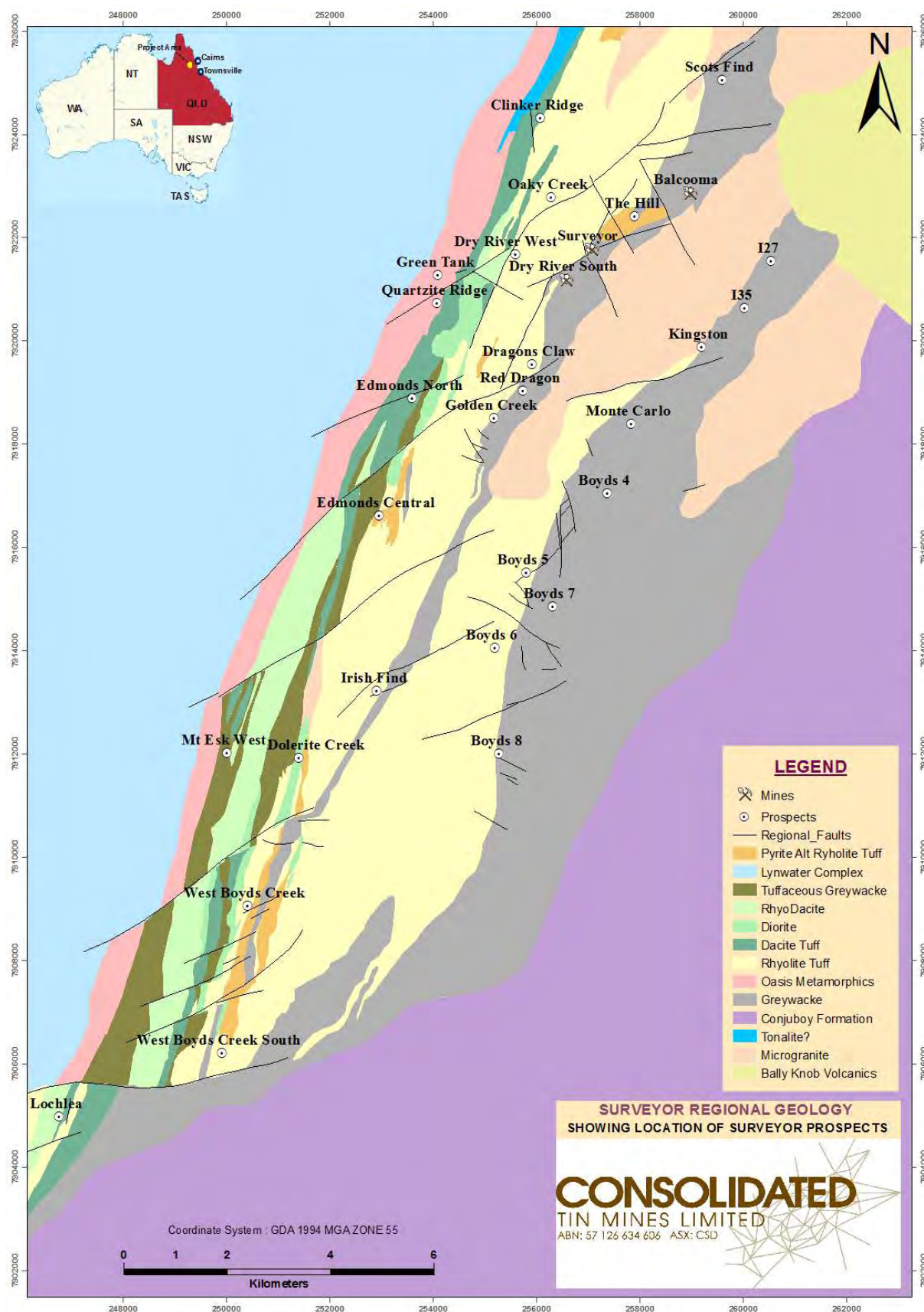


Figure 6-2: Surveyor Mine Project – Regional Geology Map

## **6.1.4 Local Geology**

### **6.1.4.1 Balcooma Deposit**

The Balcooma Deposit is hosted by a meta-pelite lens within the Clayhole Creek Beds, which has been divided into a lower and upper greywacke, separated by the metapelite which comprises two varieties of staurolite bearing schist with a number of intercalated volcanoclastic lenses. Five separate massive sulphide lenses were outlined. Two of these contained the main Cu resource, while two others were more Zn-Pb rich and the fifth has been largely eroded and weathered to eventually be represented as a high lead enriched gossan. These five lenses were interpreted to represent three stratigraphic levels. Note that these lenses were mostly already mined by Kagara before 2012.

All deposits plunged gently to the south, with ore-grade mineralisation extending for 1.1 km down-plunge. The deepest of the polymetallic lenses extended to about 350 m below surface.

The massive sulphide lenses were vertically stacked about 100 m apart in cross section and, with depth, each lies to the north of the overlying lens. With increasing depth, the lenses were called Upper, No.1 and No.2 zinc lenses. The main copper-rich massive and stockwork sulphide lens, referred to as Main Copper, was centred roughly between and about 100 m east of the Upper and No 1 lens and was the largest of the Balcooma group of deposits and the largest deposit found to date in the BMG belt. A small copper lens immediately to the north of Main Copper, called Balcooma North, (not yet mined) is connected to Main Copper by low-grade mineralisation and may represent a structurally displaced portion of the Main Copper orebody. The copper mineralisation is interpreted as a footwall feeder zone to the polymetallic mineralisation.

The Balcooma polymetallic deposits extended for about 100 m to 150 m down-dip, ranged from 300 m down plunge (No.2 Lens) to 500 m down-plunge (Upper Lens) and were generally 5 m to 10 m thick. The Main Copper lens had a down-dip extent of approximately 100 m, and extended down-plunge for one kilometre and was up to 50 metres thick. Both the Upper Lens and Main Copper lens outcropped, and their original sizes were indeterminable. Due to the repeating nature of the Balcooma Deposit there remains potential to discover additional lenses.

### **6.1.4.2 Dry River South Deposit**

The Dry River South zinc, lead-rich polymetallic orebody is a sheet of massive pyritic sulphides that dips at a shallow angle to the ESE and plunges gently to the SSW. Massive pyritic sulphides lie along, and just below, the upper contact between highly altered felsic volcanics and relatively unaltered hanging-wall metasediments and extend for up to 250 m down-dip and approximately 800 m down-plunge. The orebody reaches a maximum thickness of about 15 m in structurally thickened domains. The orebody is delimited to the west by late faulting and an extensive body of quartz feldspar porphyry. Down-dip and down-plunge limits are defined by a decrease in sulphides. To the north, the DRS orebody is cut by a complex array of late faults including the NE-trending Andesite Fault. This is interpreted to represent the first stage of structural separation of the DRS orebody from the Surveyor orebody, which lies about 600 m to the north. Access is via a portal and decline from the Surveyor deposit open pit.



### 6.1.5 Dry River South Resources

The current report of Mineral Resources for the Dry River South deposit was made in accordance with the JORC Code 2012 as of 30 August 2019.

The Mineral Resources were estimated by Mining Associates as of 30 June 2019. The total Mineral Resources are summarised in Table 6-1 below.

**Table 6-1: Dry River South – Indicated and Inferred Resources (As at 30 June 2019)**

			Tonnes	Zn %	Pb%	Cu%	Ag g/t	Au g/t	Zn (t)	Pb (t)	Cu (t)	Ag (koz)	Au (koz)
Indicated	LG	Remnant	10,000	3.94	1.66	0.87	52.6	0.62	400	200	100	166	2.0
		Extension	9,000	3.97	1.38	1.81	62.8	1.01	400	100	200	185	3.0
		Sub Total LG	19,000	3.95	1.53	1.33	57.5	0.81	800	300	300	351	5.0
	HG	Remnant	2521,000	11.62	4.69	0.77	89.4	0.62	29,300	11,800	1,900	7,234	50.4
		Extension	77,000	8.85	3.3	0.75	68.1	0.65	6,800	2,500	600	1,686	16.0
		Sub Total HG	329,000	10.97	4.37	0.77	84.4	0.63	36,100	14,400	2,500	8,920	66.4
	Total Indicated		348,000	10.59	4.22	0.80	82.9	0.64	34,100	13,600	2,380	8,452	63.0
Inferred	LG	Remnant	33,000	4.24	2.06	0.08	29.0	0.46	1,400	700	-	311	4.9
		Extension	39,000	3.12	1.07	1.79	69.0	0.88	1,200	400	700	873	11.1
		Sub Total LG	73,000	3.64	1.52	1.01	50.7	0.69	2,600	1,100	700	1,184	16.0
	HG	Remnant	53,000	8.05	3.24	1.12	84.1	0.63	4,300	1,700	600	1,431	10.7
		Extension	159,000	8.59	3.08	0.43	62.7	0.49	13,600	4,900	700	3,201	24.9
		Sub Total HG	212,000	8.45	3.12	0.60	68.0	0.52	17,900	6,600	1,300	4,632	35.5
	Total Inferred		284,400	7.22	2.71	0.70	63.6	0.56	14,000	5,200	1,100	3,751	30.5

### 6.1.6 Dry River South deposit Current Mining Activity

Rehabilitation of the existing Dry River South deposit decline and upper level access is ongoing. The rehabilitation includes the installation of cable bolts and fibrecrete using the existing mining fleet. Mining of ore from the remnants within the 200 Panel is progressing with over 50,000 t of ore extracted in the last quarter of FY2019 using Simba long hole drill rigs and ore extraction using Caterpillar R2900 loaders.

Ore mined in the last six months of FY2019 is summarised in Table 10-1. Information has been extracted from CSD Quarterly Activities reports.

Mining of the Dry River South deposit underground employs Longhole Open Stopping as the mining method in the upper remnant zones with Modified Avoca Stopping to be used to extract the Dry River South deeps orebody. Development and rehabilitation are achieved using CSD owned Atlas Copco M2D twin boom Jumbos. Longhole production drilling is achieved by using CSD owned Sandvik DL432i Production Drill, with delivery of this rig imminent. Teleremote loading in stope is done by CSD CAT R1700 and R2900 loaders and ore is trucked to surface using CSD CAT AD55 articulated dump trucks. Fibrecrete is used throughout the mine, with contractor run batching plant, sprayer and ancillary equipment on site. Ore from the Dry River South Mine is hauled 150 km to Mount Garnet by road-train for processing at the Mount Garnet Processing Plant.

## 7 SURVEYOR REGIONAL EXPLORATION PROJECT

### 7.1.1 Dry River South – Exploration Target/Exploration Upside

Several targets have been identified near the Dry River South deposit. These targets represent either extensions to the currently defined mineralised domains or sub-parallel lenses or splays to the main mineralised domain.

The upper targets within the Dry River South deposit have been subject to drilling during 2018. Four targets are shown in Figure 7-1 labelled A, B, C and D. Targets A and B were drilled during 2018 and were added to the 30 June 2019 inferred resources, key intercepts are summarised in the table within Figure 7-2.

Significant results such as 5.7 m at 4.94% Zn, 1.72% Pb, 0.69% Cu, 36.83 ppm Ag and 0.38 ppm Au were intersected and may represent material that could be accessed from the current underground operations. Further drilling will be required to define the extent and grade of the mineralised domains intersected within this drilling program.

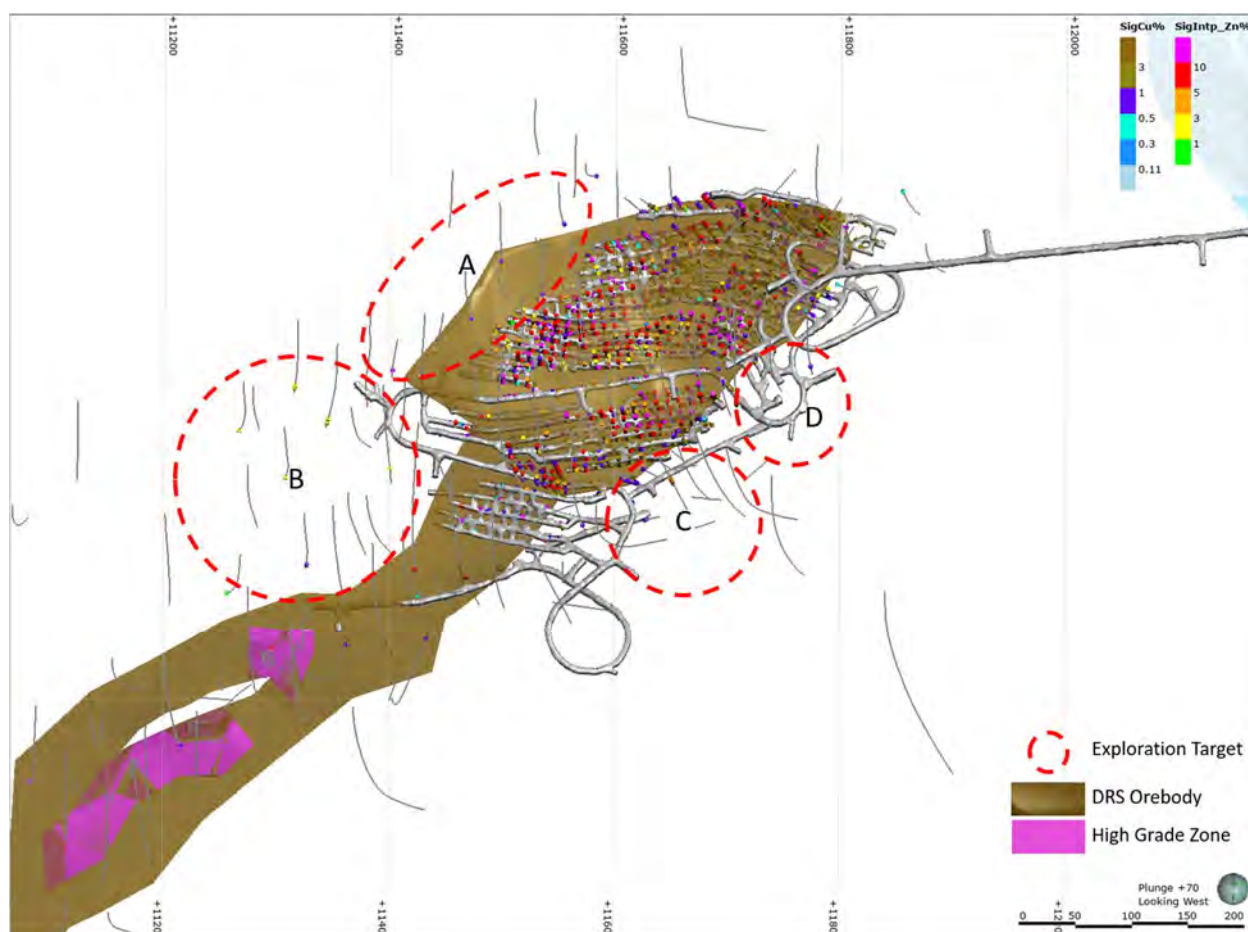
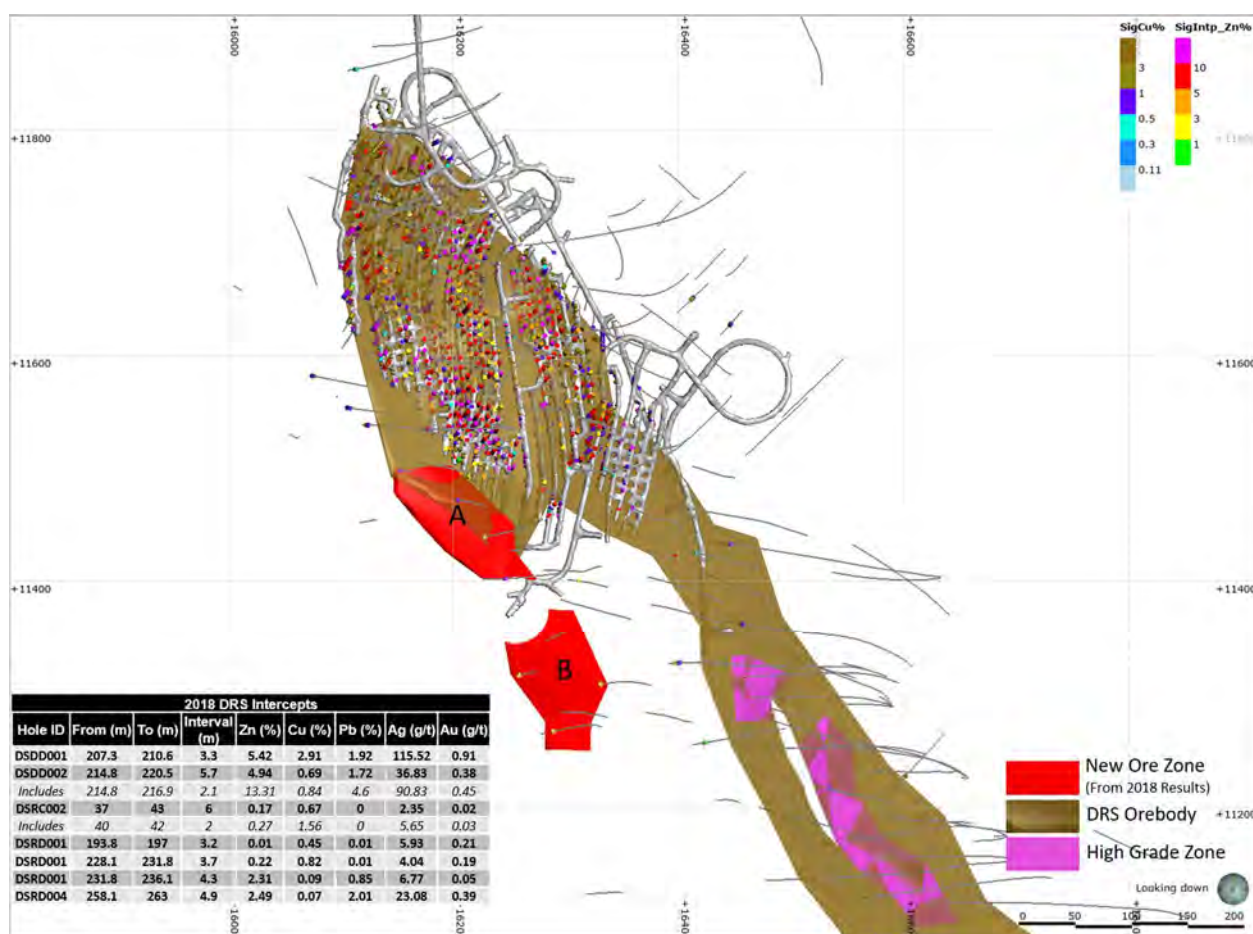


Figure 7-1: Dry River South – Exploration Target/Exploration Upside Targets



**Figure 7-2: Dry River South Deposit Exploration – 2018 Drilling Results**

### 7.1.2 Dry River South Proposed Exploration Budget

Additional drilling is planned to continue testing of the upper Dry River South targets that exist in close proximity to the current underground development. Targets to the west of the main DRS mineralised domain such as shown in Table 7-1 are to be drilled during the 2019 exploration program.

**Table 7-1: Dry River South Proposed Exploration Budget for 2019**

Dry River South Exploration Budget 2019				
	Total	Metres RC	Metres DD	U/G DD
DRS West Extension - UG	\$50,000			321
DRS West Extension - Surface	\$135,000	640	470	

Mining One considers the proposed exploration programs to be reasonable with the potential to deliver additional near mine ROM mineralisation that is accessible from the extension of the existing underground development.



### **7.1.3 Balcooma Exploration Target**

The last report of Mineral Resources and Ore Reserves for Balcooma, was made in accordance with the JORC Code 2004 in the 2011 Kagara Annual Report.

In the March Quarter 2012, mining of approximately 62,000 tonnes of ore at 1.7% Cu was reported. At the time, Kagara reported that the production was below grade expectation as a result of mining sequence changes associated with changes to the operating strategy of the mine. There has been no reported adjustment of the Ore Reserve to allow for depletion by this mining.

In the absence of a current Ore Reserve or Mineral Resource report, Mining One have not reported a Resource or Reserve estimate for the Balcooma deposit. The project is not JORC Code 2012 compliant and has materially changed from historical estimates due to additional drilling and lack of assignment for final mining depletion when the underground ceased operations in early 2012. Further work is required to update the Exploration Target to be able to report a Mineral Resource estimate in accordance with the JORC Code 2012.

### **7.1.4 Balcooma – Exploration Target/Exploration Upside**

Several near mine targets have been identified adjacent to the historically mined Balcooma deposit. The primary target for drilling programs completed in 2018 is known as the Lens 2 Upper target. A total of 21 reverse circulation holes were drilled during 2018.

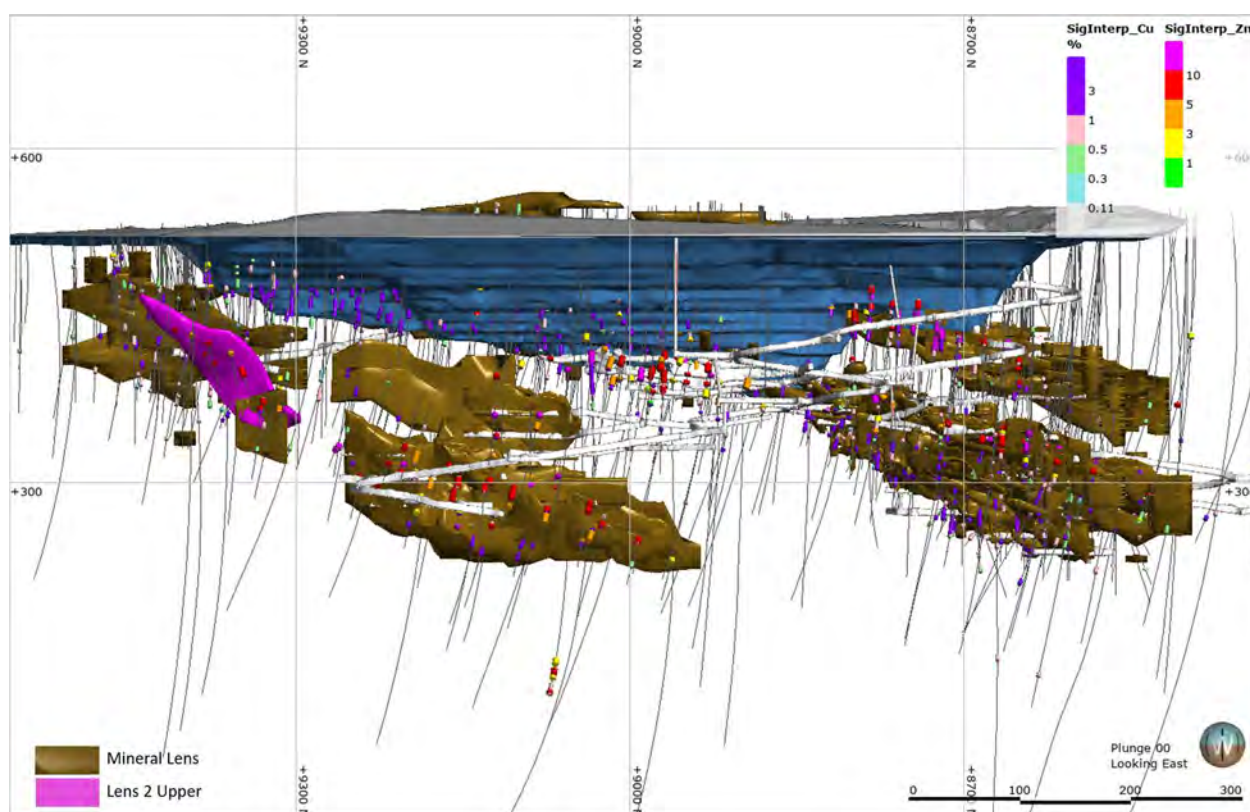
The drilling was designed to target the Lens 2 Upper zone that exists approximately 50 m above the historically mined Lens 2. The Lens 2 Upper has a sigmoidal shape that dips east, plunges moderately to the south and has been subject to shearing and deformation.

Key drilling results that intersected the Lens 2 Upper domain include;

- BARD 011 – 25.1 m at 6.09% Zn from 96.2 m (including 11.7 m at 10.9% Zn)
- BARD 013 – 21.7 m at 7.43% Zn from 118 m (including 4.8 m @ 14.86% Zn)
- BARD 020 – 31 m at 2.28% Cu from 149.7 m (including 2.7 m @ 7.97% Cu)

The location of the Lens 2 Upper target is shown in Figure 7-3 (coloured magenta).





**Figure 7-3: Balcooma Deposit Mineralisation Model Showing Lens 2 Area (Magenta) – Looking East**

### 7.1.5 Balcooma Proposed Exploration Budget

Surface drilling is planned for the Lens 2 Upper target within the Balcooma Deposit. Drilling results from the 2018 drilling programs have shown broad potentially economic intercepts within the Lens 2 Upper domain.

The Balcooma exploration budget is summarised in Figure 7-3.

**Table 7-2: Balcooma Deposit Exploration Budget 2019**

Balcooma Exploration Budget 2019				
	Total	Metres RC	Metres DD	U/G DD
Lens 2 Upper	\$185,000	440	760	

The drilling planned for the Lens 2 Upper target is assessed as valid given the previous drilling results and the potential to increase the size of the domain.

## 7.2 Surveyor Regional Exploration Project - Prospects

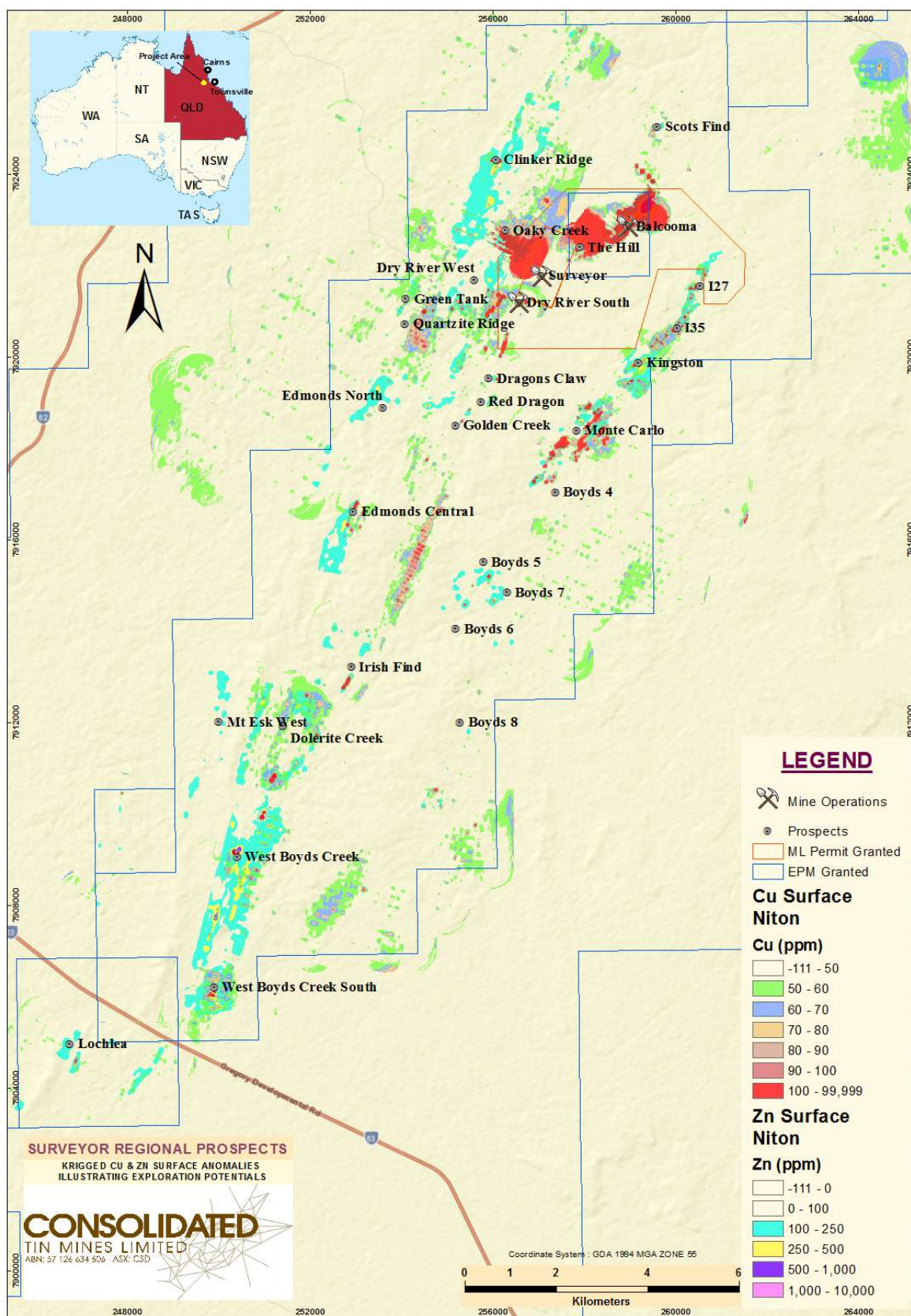
### 7.2.1 Surveyor Regional Exploration Project Exploration Summary

Numerous exploration targets exist within the Surveyor Regional Exploration Project area. Anomalies have been identified based on soil geochemistry, geophysical surveys and shallow

drilling, see Figure 7-4. Greater than 400 drill holes have been completed across the Surveyor regional prospects with significant results from these summarized in Table 7-3. Seventeen priority regional targets have therefore currently been identified.

**Table 7-3: Surveyor Regional Exploration Project – Regional Exploration Prospects**

PROSPECT	BEST DRILLING INTERCEPTS	COMMENTS
West Boyds Creek	7 m @ 4.99% Cu	Requires further testing and re-evaluation
Boyds 5&6	20.4 m @ 0.9% Cu & 2.3% Zn	Requires further testing and re-evaluation
The Hill	2.4 m @ 2.7 % Cu	Structural review required for potential Balcooma offset and extension of Surveyor
Lochlea	-	Requires drilling
Clinker Ridge	1 m @ 2.5% Zn & 1.1% Pb	Elevated Zn-Pb-Ba possibly on edge of mineralised system with deeper target
Monte Carlo	2 m @ 2.7% Zn & 2.1% Pb	Requires further review
Red Dragon	-	One hole drilled with no significant intercept
Dragons Claw	1 m @ 1.2% Cu	DRS style mineralisation potential, further review required
I27	0.8 m @ 2.9% Zn	Tested but requires further work
Kingston	3 m @ 1.6% Zn & 0.9% Pb	Tested but requires further work
Dry River West	3 m @ 0.8% Zn	Requires review
Golden Creek	1 m @ 0.5% Cu	Requires review
Boyds 4	2 m @ 5.4% Cu	Requires further testing and re-evaluation
Scotts Find	3 m @ 1.44% Zn	Untested magnetic anomalies, review and re-evaluation required
Boyds 8	-	One drill hole with no significant intercept, review required
Quartz Ridge	1 m @ 1.74 ppm Au	Requires review
Green Tank	-	No drilling completed



**Figure 7-4: Surveyor Regional Exploration Prospects – Cu & Zn in Surface Soil Anomalies**



## **8 MAITLAND PROJECT**

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### **8.1 Introduction**

Located on MLA 100022 the Maitland Project is covered by EPM 12510 and 12513. The Maitland Copper-Molybdenum prospect forms part of the Maitland Project, 200 km west of Townsville in North Queensland and 200km south of Mount Garnet. It is situated about 30 kilometres southeast of the abandoned Kidston gold mine and 30 kilometres southwest of CSD's Surveyor Project

### **8.2 Historical Information**

Between 2005 and 2008, Glengarry Resources Limited (Glengarry) explored the area by specifically targeting anomalous copper-in-soils geochemical anomalies that had been identified by Laskan Minerals in 1969, along the interpreted trend of the Maitland Shear Zone where it crosses into EPM12510.

Kagara acquired the Maitland Project in September 2008.

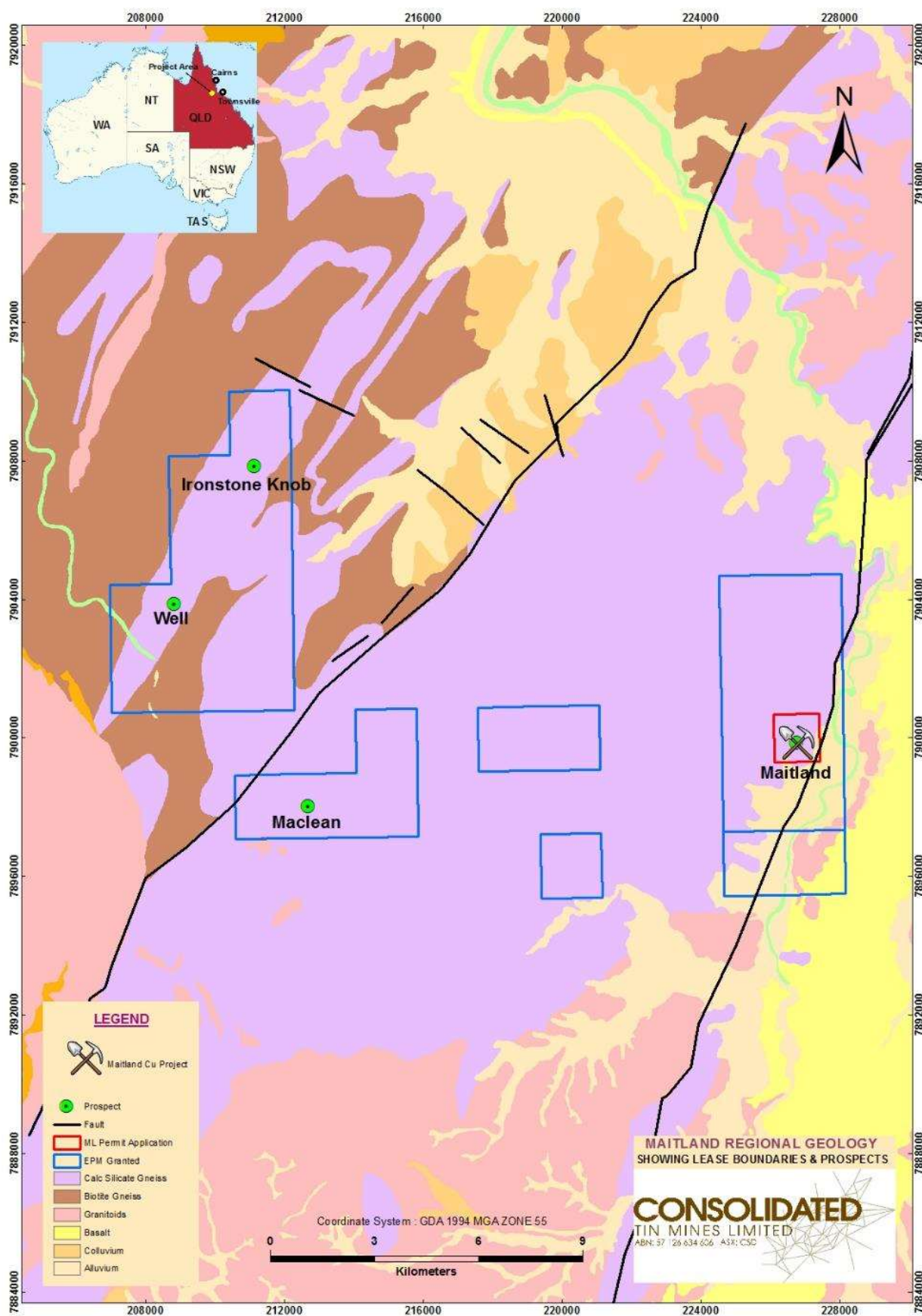
### **8.3 Geology**

The regional geology of the Maitland Project is depicted in Figure 8-1.

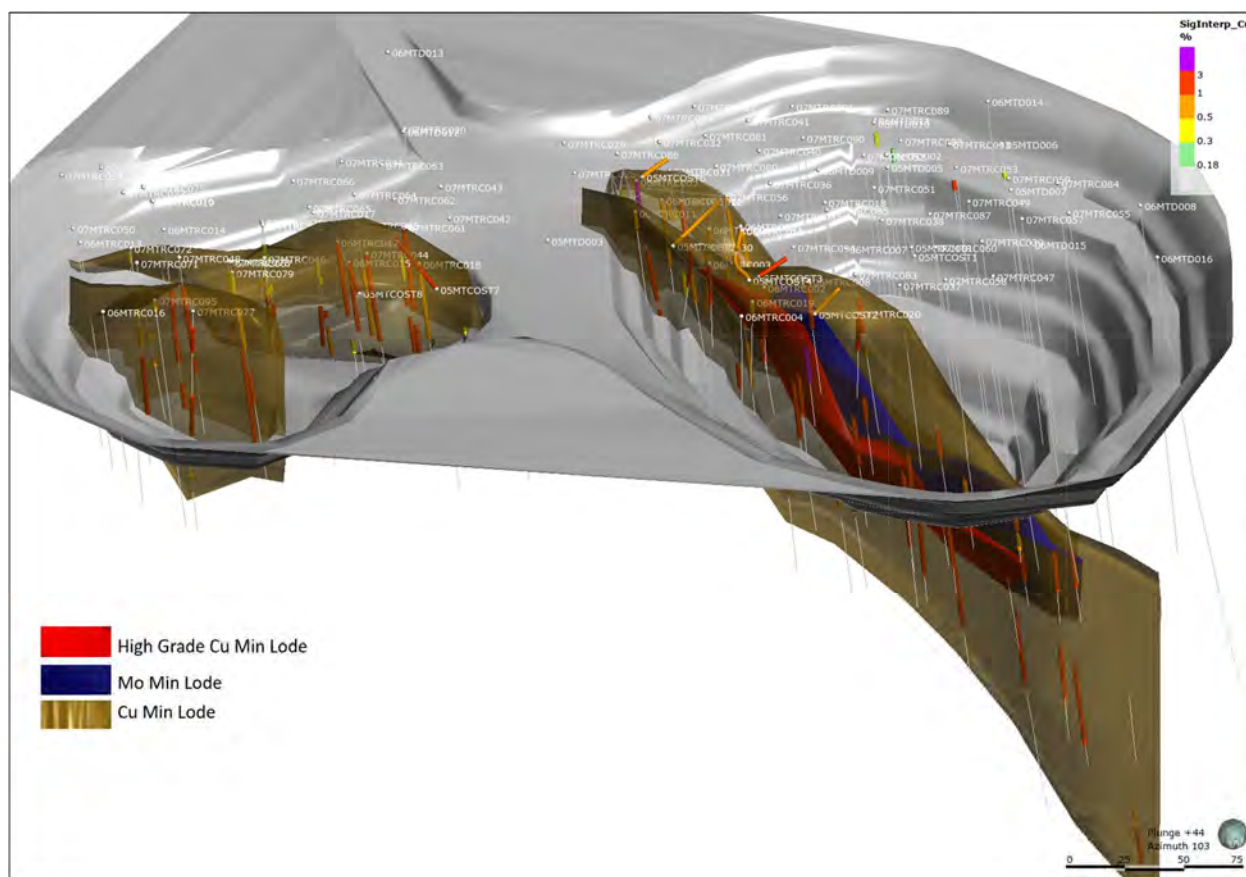
Mineralisation is hosted in two distinct shoots (northern and southern) for which there are footwall and hanging wall domains. For each shoot there are distinguishable grade domains.

Mineralisation occurs as a shear-controlled, quartz body with disseminated chalcopyrite and molybdenite hosted in calc-silicate gneiss with the ore body cut by a number of amphibolite sills, see Figure 8-2. In detail, the mineralisation is associated with two 45°-60°, south-southwest plunging, lozenge shaped orebodies. The shape of the orebodies is controlled by the intersection of subvertical shears with the shallow south plunging stratigraphy. The mineralisation appears epigenetic, structurally controlled and possibly coeval with north south trending shears.

Drilling at the Maitland Project is limited to a depth of 200 m through the ore position, except for one hole which intersected 14 m at 1.48% Cu from 309 m. This intersection lies just below the interpreted down-plunge position of the Southern Lens. The deposit remains open down plunge on the Southern Lens, and along strike (and possibly down plunge) to the south on the Northern Lens. Previous drilling has outlined a higher-grade core (+2.5% Cu) to the Southern Lens, demonstrating the presence of potential extensions of higher-grade mineralisation.



**Figure 8-1: Maitland Project – Regional Geology Map**



**Figure 8-2: Maitland Project – Mineralisation Domains**

### 8.3.1 Maitland JORC Code 2004 Resource Estimation

The last report of Mineral Resources for the Maitland Project was made in the 2010 Kagara Annual Report. The Mineral Resource was reported in accordance with the JORC Code 2004. The Mineral Resource estimate has not been updated to comply with the JORC Code 2012 on the basis that the information used for the estimate has not materially changed since it was last reported.

The estimate is summarised in Table 8-1.

The Mineral Resource was estimated using a total of 266 drill holes that comprise a combination of reverse circulation and NQ2 sized diamond core. No information is available on the sampling or assaying methods used.

Cube Consulting estimated the Mineral Resource in 2008 using the ordinary kriging method and applied a 10% Cu top-cut to restrict high grades.

The grade estimation method used was appropriate for the Maitland style of mineralisation.

No Ore Reserve has been estimated for Maitland, however metallurgical test work and a high-level scoping study were undertaken by Glengarry Resources in 2007 and 2008 respectively.

**Table 8-1: Maitland Project Mineral Resource Estimate as at March 2008**

DEPOSIT	CATEGORY	TONNES (Mt)	Cu (%)	Mo (%)
<b>JORC CODE 2004</b>				
Maitland <sup>1</sup>	Measured	-	-	
	Indicated	1.45	1.5	0.02
	Inferred	0.04	1.1	0.01
	<b>Total</b>	<b>1.49</b>	<b>1.5</b>	<b>0.02</b>

<sup>1</sup>Mineral Resources are reported above a 0.5% Cu cut-off grade

### 8.3.2 Maitland Project - Resource/Exploration Upside

Exploration upside at the Maitland Project consists of down dip extensions to the known mineralisation in addition to repeats along the host structural corridor.

### 8.3.3 Maitland Project – Feasibility Study

Funds have been allocated to the Maitland Project for verification drilling and feasibility studies. The Maitland Project will require diamond drilling to produce core for geotechnical analysis and mine design purposes, further fresh diamond core will be required for metallurgy studies, also this core will be split and assayed to verify existing hole data. The feasibility study will be collated in house using external consultants where additional expertise is required and as independent third-party review. The Maitland Project has potential to add additional ore supply to the Mount Garnet Processing Plant. Progressing the feasibility study is an essential part of ascertaining viability.



## **9 MOUNT GARNET TIN PROJECT**

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### **9.1 Introduction**

The Mount Garnet Tin Project is located approximately 180 kilometres south-west of Cairns and is serviced by sealed roads and access is by National Highway One (Kennedy Highway) that runs through the project area. The nearby town of Mount Garnet has all infrastructure expected in a small town such as a primary school, police, fuel, general stores and accommodation. A regional hospital is located in Atherton with Cairns Base Hospital within a one-hour flight. Power is provided from the Queensland power grid.

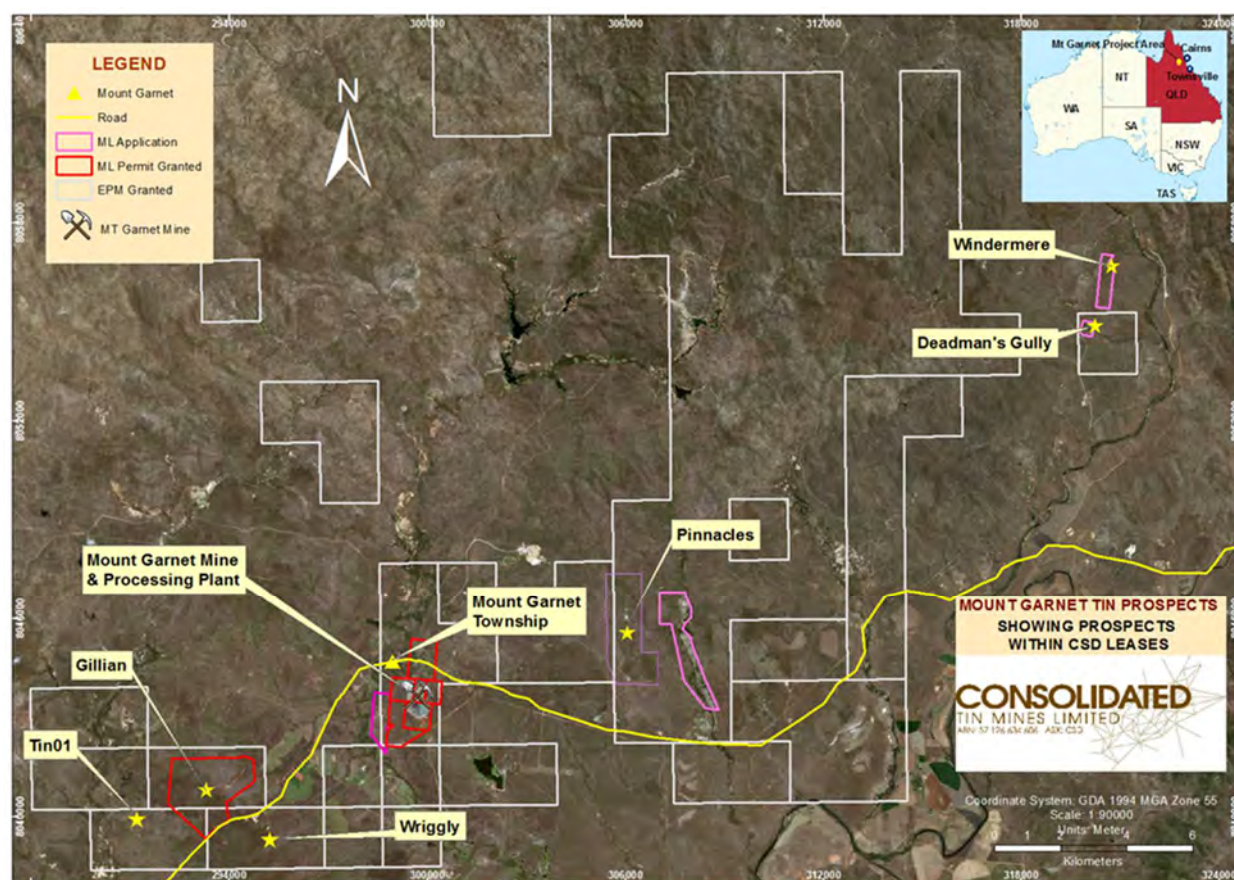
Port facilities at Mourilyan and Townsville are located 145 km and 450 km respectively from the Mount Garnet Processing Plant via an all-weather highway.

The Herberton-Mount Garnet tin field has been a significant tin producer with an estimated production of 85,000 tonnes of tin metal in concentrate up until 1985. Consolidated holds a large number of tenements within the historic Herberton tin field in North Queensland covering numerous tin deposits and prospective tin bearing ground. CSD holds four deposits with defined tin resources – Gillian, Pinnacles, Windermere and Deadman's Gully - see Figure 9-1.

In addition to tin, CSD's deposits at Mount Garnet also contain significant concentrations of iron and one deposit, Pinnacles, also contains significant concentrations of fluorine. CSD includes iron in its Mineral Resource statements for its Mount Garnet Tin Project and fluorine for its Pinnacle Deposit.

The Pinnacles Deposit was investigated by Comalco in the 1970s as a potential source of fluorine in the form of the mineral fluorite. Fluorine is used as a flux in aluminium smelting.





**Figure 9-1: Mount Garnet Tin Project – Location Plan**

## 9.2 Mount Garnet Tin Mining and Exploration History

The Mount Garnet Tin Project deposits occur in the southern part of the Herberton tin field where tin mining dates back to the 1880s. Production from the Herberton tin field has come from alluvial and hard rock mines with two thirds of production from hard rock.

The hard rock deposits were principally quartz lodes but tin also occurs in greisens and skarns. At the Mount Garnet Tin Project, tin occurs in magnetite skarns, some of which also contain fluorite.

CSD has been exploring and evaluating the tin deposits at Mount Garnet since the Company was formed in 2007.

Prior to CSD's involvement, the area was explored by many others including Renison Limited, Commonwealth Aluminium Corporation Limited (Comalco), Otter Exploration NL (Otter), and Western Mining. Notable discoveries during this time were the Gillian tin skarn discovered by Renison Limited, the Pinnacles tin-fluorite skarn discovered by Comalco, the Windermere tin skarn by Otter, and the Sailor Valley anomaly identified by Western Mining.

The Pinnacles Deposit was investigated by Comalco in the 1970s as a potential source of fluorite which is used as a flux in aluminium smelting.

An estimate of CSD's Mineral Resources at the Mount Garnet Tin Project was made by Optiro Pty Ltd (Optiro) and announced in June 2013.

CSD reported the results of a Pre-Feasibility Study for the Mount Garnet Tin Project in September 2013.

An updated estimate of CSD's Mineral Resources for tin in the Gillian Deposit at Mount Garnet was made by Optiro in 2014 and announced in June 2014.

CSD reported the practical completion of a Definitive Feasibility Study for the Gillian Deposit at Mount Garnet in December 2015.

## 9.3 Mount Garnet Tin Project Geology

### 9.3.1 Mount Garnet Regional Geology

The Mount Garnet Tin Project deposits are hosted in granite-intruded sediments with associated contact metamorphism and metasomatism, see Figure 9-2.

The mineralisation including cassiterite, magnetite and fluorite, is contained within tabular skarn lenses that formed within carbonate-rich sediments.

The Silurian Chillagoe Formation, characterised by limestone - marble, chert, basic volcanics and siliciclastics, lies along the western margin of the Hodgkinson Province. Limestones of this formation are favourable hosts for skarn-associated tin mineralisation at Mount Garnet.

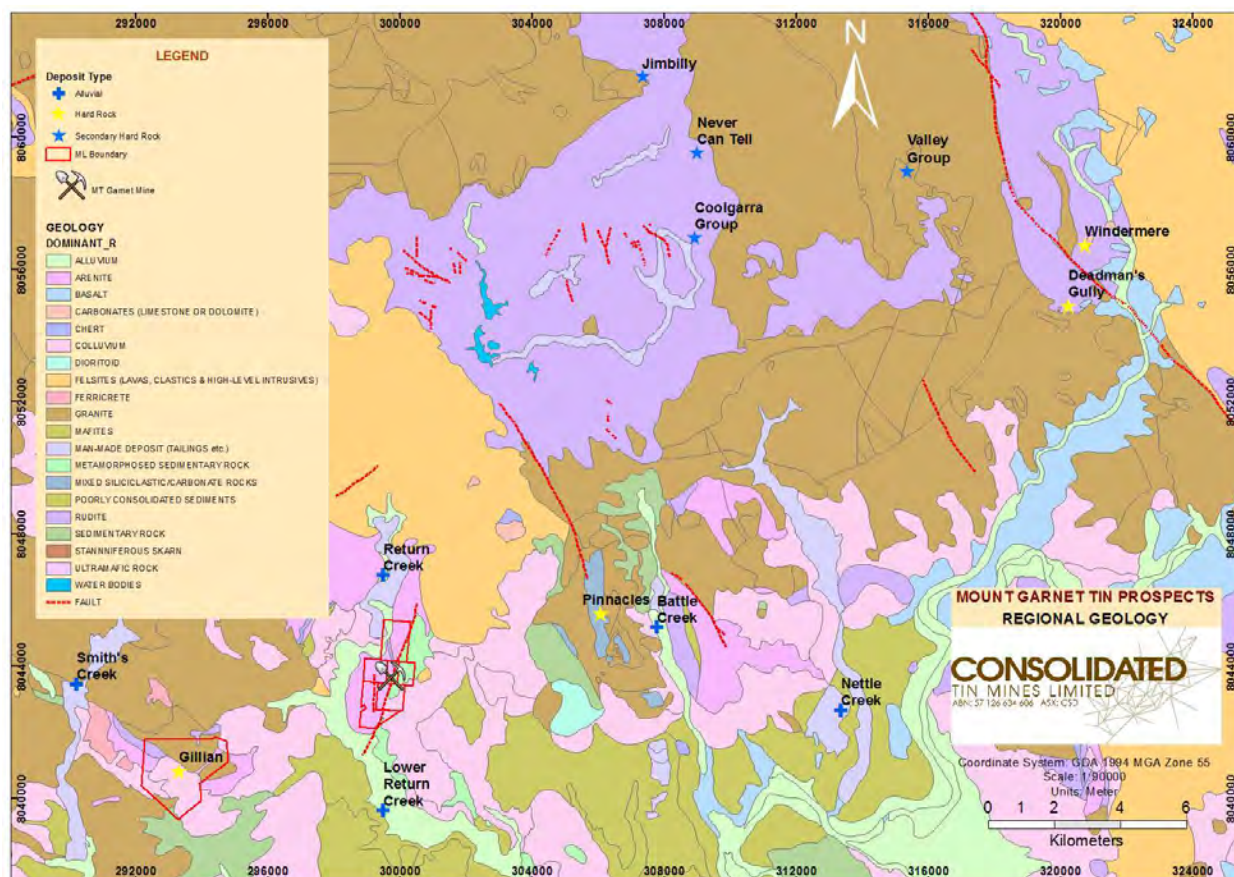


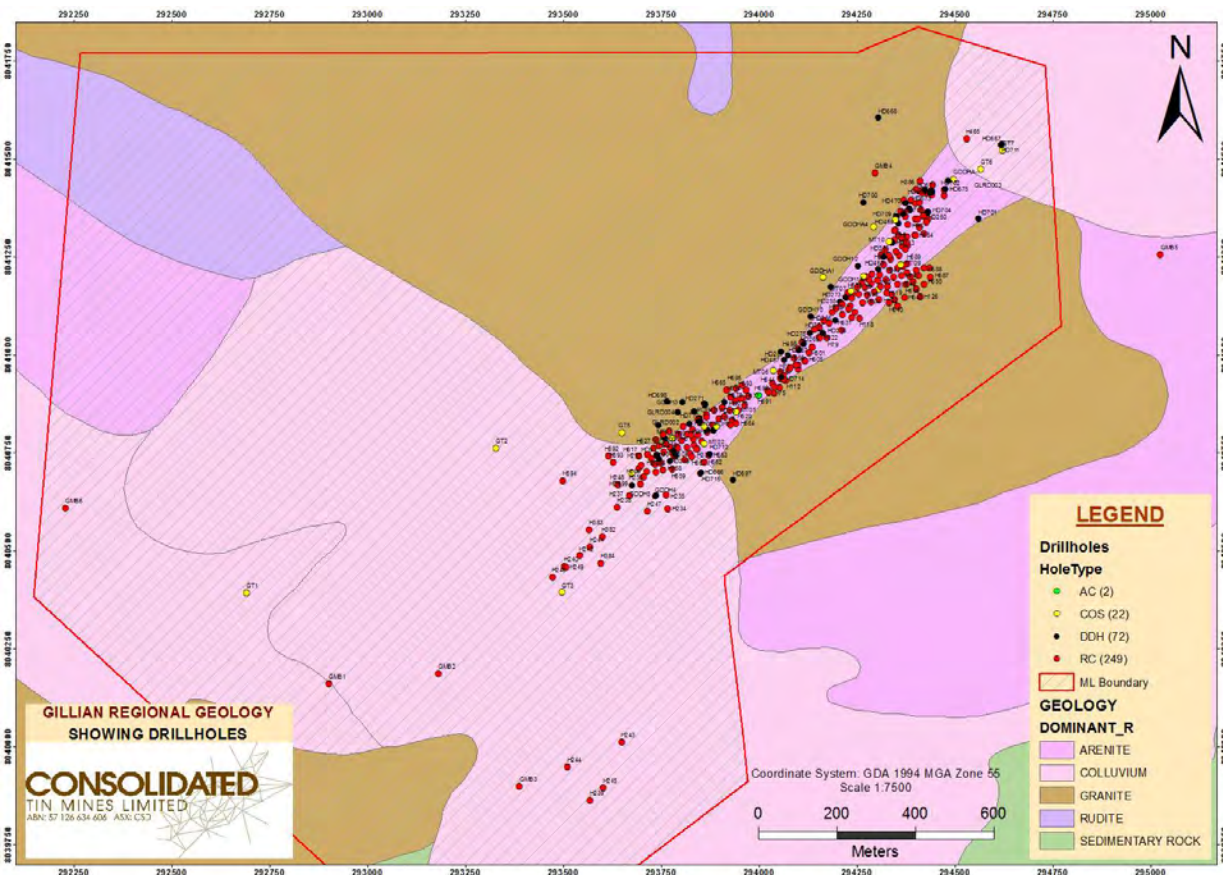
Figure 9-2: Mount Garnet Tin Project – Regional Geology Map



### 9.3.2 Gillian Geology

The Gillian Deposit occurs as skarn lenses developed in altered limestone beds of the Chillagoe Formation which has been intruded by granites. The lenses are tin-iron skarns consisting of massive magnetite and goethite with fine grained cassiterite, the most common tin bearing mineral.

The deposit strikes north-south and has the dimensions 850 m north-south, 880 m east-west and 250 m vertically. In the western part of the deposit, mineralisation occurs as a number of steeply dipping tabular lenses, while mineralisation in the eastern part occurs, primarily, as a single lens, see Figure 9-3.



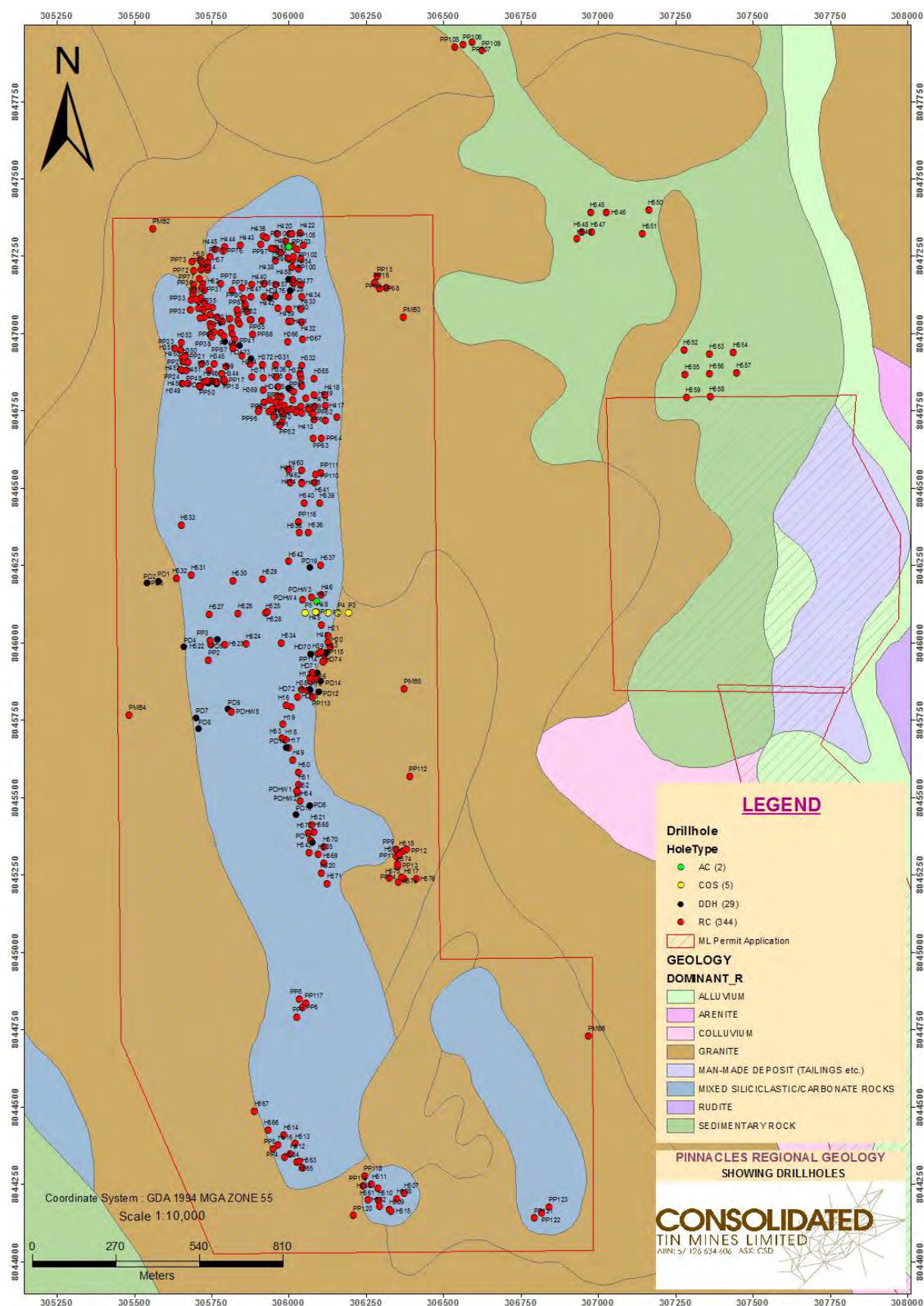
**Figure 9-3: Gillian Deposit – Regional Geology and Drill Coverage**

### 9.3.3 Pinnacles Geology

The Pinnacles Deposit occurs as a series of irregular skarn lenses developed in altered limestone beds of the Chillagoe Formation which has been intruded by granites. The deposit is a tin-fluorine-iron skarn consisting of thinly banded magnetite-fluorite, known as wriggilite, with fine grained cassiterite, the most common tin bearing mineral.

The deposit strikes north-south and has the dimensions 700m north-south, 500m east-west and 250m vertically. In the western part of the deposit, mineralisation occurs as a number of steeply dipping tabular lenses, while mineralisation in the eastern part occurs, primarily, as a single lens, see Figure 9-4.

The flat lying skarn occurs close to the surface and dips towards the centre of the deposit where it is up to 25m thick.



**Figure 9-4: Pinnacles Deposit – Regional Geology and Drill Coverage**

#### **9.3.4 Windermere and Deadman's Gully Geology**

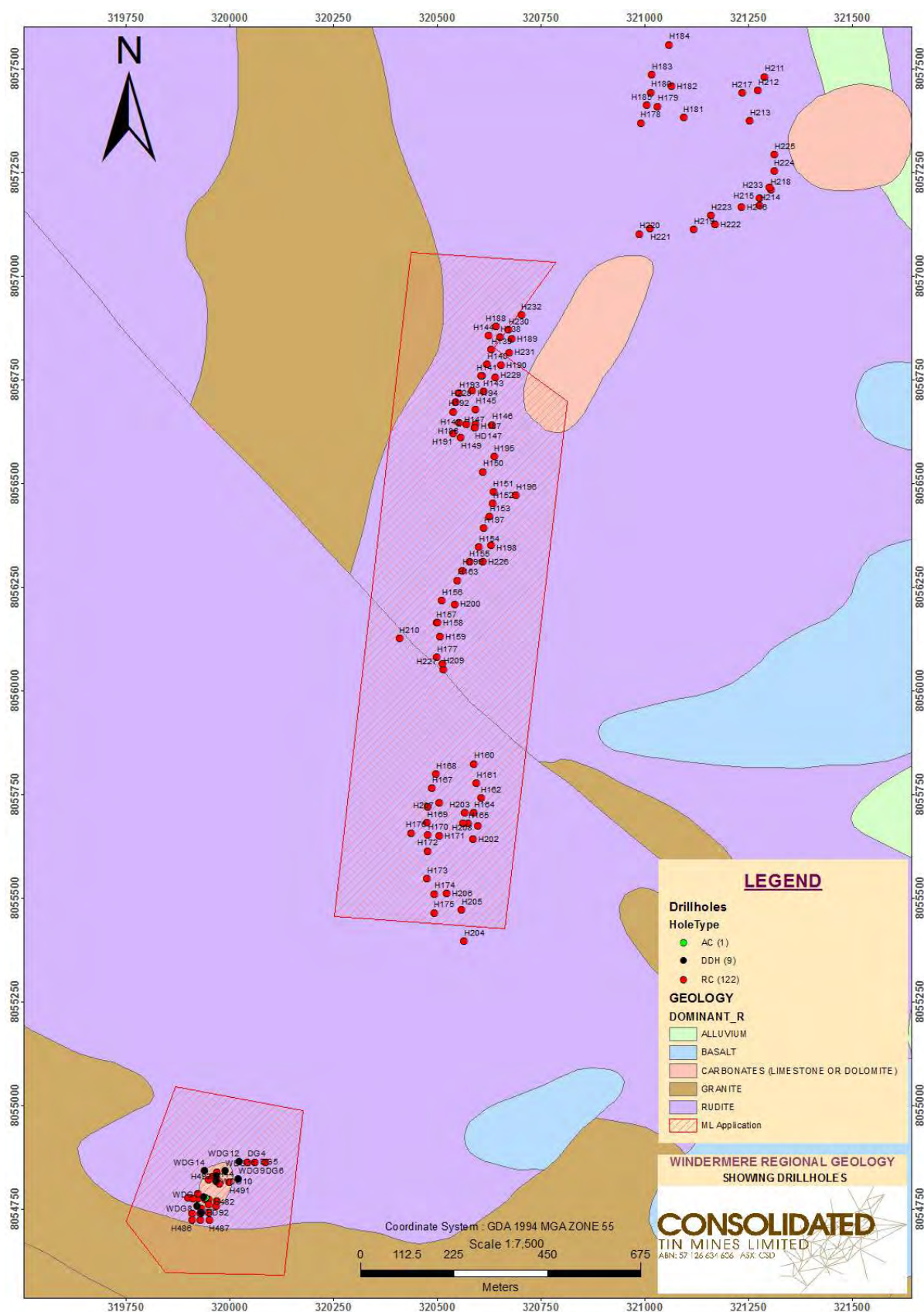
The Windermere Deposit occurs as an irregular skarns pods developed in altered limestone beds of the Chillagoe Formation which has been intruded by granites. The deposit is a tin-iron skarn consisting of massive magnetite with fine grained cassiterite, the most common tin bearing mineral.

The Windermere Deposit consists of a series of several, more or less vertically dipping, skarn pods striking more or less north-south. The deposit is known over a strike length of two kilometres. Drilling of the deposit has revealed that the mineralisation exists as 'pods' of various sizes. The larger intercepts seem not to extend along strike or down dip. The deposit does not seem to contain a clear contact zone of skarn formation resulting in the 'pods' referred to above. This makes it difficult to define a clear target across the 2 km strike length. A theory that the granite contact is deep (<150 m) and that the mineralising fluids have permeated through the host rocks to form the skarn pods has not been proven to date.

The geology of the Deadman's Gully Deposit, which lies on the same trend as the Windermere Deposit about 750 m to the south, is similar to that of Windermere. Deadman's Gully is smaller, being known over a strike length of about 100 m.

The local geology is depicted in Figure 9-5.





**Figure 9-5: Windermere and Deadman's Gully Deposits – Regional Geology and Drill Coverage**

## 9.4 Mount Garnet Tin Project Mineral Resources

### 9.4.1 Gillian Deposit Mineral Resource

The Gillian Deposit Mineral Resource estimate was reported in 2014 in accordance with the JORC Code 2012. The Mineral Resource estimate for the Gillian Deposit is summarised in Table 7-1.

The Mineral Resource as estimated by Optiro in 2014.

A total of 280 drill holes, 233 reverse circulation drilling and 47 diamond core were used for the estimate.

The drill holes were geologically logged for key geology and mineralisation domains and either splits from 1 m sample lengths for the reverse circulation samples or half core sampled, typically in 1 m lengths. Samples were analysed for tin and iron using a fused bead XRF method.

Optiro consultants estimated the Mineral Resource using ordinary kriging to estimate Sn and Fe grades. Top-cutting of Sn sample outliers was applied where required. Density was estimated from Sn and Fe grades using regression formulas. A dataset of 1,936 density measurements was used to create the regression formulas.

The sampling and assaying methods and the grade estimation method used were appropriate for the Gillian style of mineralisation.

**Table 9-1: Gillian Deposit Mineral Resources as at 25 June 2014.**

DEPOSIT	CATEGORY	TONNES (Mt)	Sn (%)	Fe (%)
<b>JORC CODE 2012</b>				
Gillian <sup>1</sup>	Measured	1,200,000	0.86	34.2
	Indicated	1,160,000	0.74	32.5
	Inferred	180,000	0.53	25.2
	<b>Total</b>	<b>2,530,000</b>	<b>0.78</b>	<b>32.8</b>

<sup>1</sup>Mineral Resources are reported above a 0.2% Sn cut-off grade

### 9.4.2 Pinnacles Deposit Mineral Resource

The Pinnacles Deposit Mineral Resource estimate was reported in 2013 in accordance with the JORC Code 2012. The Mineral Resource estimate for the Pinnacles Deposit is summarised in Table 9-2.

The Mineral Resource as estimated by Optiro in 2013.

A total of 240 drill holes, 228 reverse circulation drilling and 12 diamond core, were used for the estimate.

The drill holes were geologically logged for key geology and mineralisation domains and either splits from 1 m sample lengths for the reverse circulation samples or half core sampled, typically in 1 m lengths. Samples were analysed for tin and iron using a fused bead XRF determination, or sodium peroxide fusion with ICP-MS determination. Samples were analysed for fluorine using fused bead with XRF determination, or carbonate fusion with ISE determination.

Optiro consultants estimated the Mineral Resources using ordinary kriging to estimate Sn, Fe and F grades. Top-cutting of sample outliers was applied where required.

Density was estimated from Fe grade using regression formula.

The sampling and assaying methods and the grade estimation method used were appropriate for the Pinnacles style of mineralisation.

**Table 9-2: Pinnacles Deposit Mineral Resource Estimate as at June 2013**

DEPOSIT	CATEGORY	TONNES (Mt)	Sn (%)	Fe (%)	F (%)
<b>JORC CODE 2012</b>					
Pinnacles <sup>1</sup>	Measured	-	-		
	Indicated	4,270,000	0.33	19.40	7.12
	Inferred	1,120,000	0.32	22.76	4.46
	<b>Total</b>	<b>5,390,000</b>	<b>0.33</b>	<b>20.10</b>	<b>6.57</b>

<sup>1</sup> Mineral Resources are reported above a 0.2% Sn cut-off grade

### 9.4.3 Windermere and Deadman's Gully Mineral Resources

The Windermere and Deadman's Gully Mineral Resource estimate was reported in 2013 in accordance with the JORC Code 2012. The Mineral Resource estimate for the deposits is summarised in Table 9-3.

The Mineral Resource was estimated by Optiro in 2013.

For Windermere, a total of 97 drill holes, 96 reverse circulation drilling and one diamond core, were used for the estimate.

For Deadman's Gully, a total of 21 drill holes, 20 reverse circulation drilling and one diamond core, were used for the estimate.

The drill holes were geologically logged for key geology and mineralisation domains and either splits from 1 m sample lengths for the reverse circulation samples or half core sampled, typically in 1 m lengths. Samples were analysed for tin and iron using a fused bead XRF determination, or sodium peroxide fusion with ICP-MS determination.

Optiro consultants estimated the Mineral Resources using ordinary kriging to estimate Sn and Fe grades. Top-cutting of sample outliers was applied where required.

The sampling and assaying methods and the grade estimation method used were appropriate for the Windermere-Deadman's Gully style of mineralisation.

**Table 9-3: Winderemere and Deadmans Gully Mineral Resource estimate as at June 2013**

DEPOSIT	CATEGORY	TONNES (t)	Sn (%)	Fe (%)
<b>JORC CODE 2012</b>				
Winderemere <sup>1</sup>	Measured	-	-	-
	Indicated	829,000	0.26	25.79
	Inferred	1,211,000	0.27	23.68
	<b>Total</b>	<b>2,040,000</b>	<b>0.27</b>	<b>24.54</b>
Deadman's Gully <sup>1</sup>	Measured	-	-	-
	Indicated	444,000	0.34	26.70
	Inferred	-	-	-
	<b>Total</b>	<b>444,000</b>	<b>0.34</b>	<b>26.70</b>

<sup>1</sup> Mineral Resources are reported above a 0.2% Sn cut-off grade

#### 9.4.4 Mount Garnet Tin Project Feasibility Study

Funds have been allocated to the Mount Garnet Tin Project for further drilling and a feasibility study. Additional drilling is required on Tin01 and Wiggly deposits (shown in Figure 9-1). The Mount Garnet Tin Project potential viability is dependent of developing additional 'Gillian' type mineralisation to allow an extended mine life. The drilling will mostly be by reverse circulation to produce rock chip for assay and also diamond drilling to produce fresh diamond core that will be required for metallurgy studies. Metallurgy studies will be required on the new areas and further metallurgy will be required on Gillian ore, including bulk sample test work. The feasibility study will be collated in house using external consultants where additional expertise is required and as independent third-party review. Progressing the Gillian Deposit feasibility study is an essential part of ascertaining viability of the Mount Garnet Tin Project.



## 10 MOUNT GARNET PROCESSING PLANT

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### 10.1 Brief History

The Mount Garnet Processing Plant was commissioned early 2003 by Kagara. In 2012, CSD purchased the Mount Garnet Processing Plant and associated central tenements from administrative directors appointed for Kagara.

CSD commenced base metal mining in December 2013 with ore haulage to Mount Garnet from the Surveyor Project. The Mount Garnet Processing Plant produced polymetallic (Zn, Pb, Cu) concentrate from March 2014 through to July 2016 before the site entered temporary care and maintenance.

Mining and processing resumed in January 2017.

The Mount Garnet Processing Plant has previously been capable of processing one million tonnes of ore per annum. It is currently operating at a target of 70 tonnes per hour in the polymetallic circuit.

The process plant is located adjacent to the Mount Garnet township with all modern infrastructure and operates on power from the grid.

### 10.2 Operation

A front-end loader (**FEL**) feeds ore from the ROM pad into a jaw crusher at a rate of approximately 200 t/h where it is crushed to less than 100 mm and then stockpiled on the Fine Ore Stockpile (FOS) via conveyor system. This material is then fed to the milling circuit via three feeders and a conveyor for further size reduction. The milling circuit consists of an open circuit semi-autogenous grinding (SAG) mill and a closed circuit ball mill, with a final product of approximately P80 of 100 µm that is fed to the flotation circuit at approximately 35% solids and a capacity of up to 70 t/h (dependant on feed quality).

The flotation circuit consists of multiple banks of flotation cells arranged in rougher/scavenger and cleaner configuration, with sequential copper, lead and zinc circuits, with the tailings from the copper scavenger being the feed to the lead flotation circuit and the tailings from the lead scavenger acting as the feed to the zinc flotation circuit. All three circuits have the pH controlled with lime, though different chemicals are added to each circuit to enhance the selectivity of the metal being floated in that particular circuit.

The Online Stream Analyser (**OSA**) system helps operators achieve the target grades for each concentrate, (being 25% Cu concentrate, 66% Pb concentrate and 48% Zn concentrate), by measuring the grade of many streams via X-Ray Fluorescence (**XRF**) which is then reported to the operations team and the data used to make adjustments to the various circuit parameters. The target recoveries are approximately 60% for Cu, 68% for Pb and 90% for Zn, though these are dependent on feed grade and mineralisation type of material fed to the plant.

Process water top up is supplied from a bore field located to the south of the tailings dam and about 1km from the Mount Garnet Processing Plant which is a reliable water supply all year round. The Company has a licence to draw water from Return Creek, with a pipeline installed as back-up water supply. This back-up supply has not been used for many years as the bore field can supply more water than is required.



All three circuits produce separate concentrates which are transferred to separate thickeners and storage tanks where the concentrate is filtered through a Larox filter press and stored in a concentrate shed for transport to customers offsite via trucks.

The final tailings stream is directed to the Tailings Storage Facility (**TSF**) and the water recovered for re-use in the Mount Garnet Processing Plant.

The Mount Garnet Processing Plant is currently operating at a target of 70 tonnes per hour in the polymetallic circuit.

The Mount Garnet Processing Plant produces approximately 150 tonne a day of zinc, lead and copper concentrates with silver and gold co-product.

The Mount Garnet Processing Plant underwent several campaigns throughout the June 2019 quarter. The Mount Garnet Processing Plant is progressing towards a steady state of production with a significant increase in ore processed compared to the March 2019 quarter. Base metal production from the Mount Garnet Processing Plant for FY2019 is summarised in Table 10-1.

**Table 10-1: Mount Garnet FY2019 Base Metal Production**

Description	Units	July-18 - Dec-18 1/2 Year	Mar-19 Qtr	Jun-19 Qtr	Total Year
<b>Ore Mined</b>					
Dry River South	t	N/A	40,000	50,000	
Mt Garnet Deeps	t	N/A	10,000	16,000	
<b>Mt Garnet Processing Plant</b>					
Ore Processed	t	79,439	41,578	68,052	189,069
Mill feed grade Zn	%	6.15%	6.05%	4.40%	5.50%
Mill feed grade Pb	%	1.90%	1.75%	1.33%	1.66%
Mill feed grade Cu	%	0.80%	0.96%	1.18%	0.97%
Zn Recovery	%	87.46%	88.05%	84.15%	86.40%
Pb Recovery	%	51.04%	45.57%	44.55%	47.50%
Cu Recovery	%	48.96%	49.80%	62.17%	53.90%
Zn metal in conc.	t	4,080	2,214	2,432	8,726
Pb metal in conc.	t	707	337	389	1,433
Cu metal in conc.	t	269	199	483	951

Source: CSD Quarterly Activities Reports

## 11 ALLOCATION OF FUNDS - EXPLORATION

### 11.1 Allocation of Funds Overview - Exploration

The Company's existing cash reserves together with the funds to be raised under the Prospectus have been allocated to four main areas, namely: exploration, Processing Plant upgrades, tailings dam upgrades and power supply upgrades. Working capital for the two currently operating underground mines is also included.

### 11.2 Allocation of Exploration Funds

The allocation of AUD\$875,000 for exploration activities represents approximately 6% of the Company's existing cash reserves. A summary of the projects where these funds are allocated is shown in Table 11-1.

**Table 11-1: CSD Exploration Budget 2019**

CSD Exploration Budget 2019				
	Total	Metres RC	Metres DD	U/G DD
<b>Mount Garnet</b>				
Mount Garnet Deeps	\$90,000			600
Mount Garnet Deeps Central	\$90,000			600
Mount Garnet Dam	\$70,000	600		
Jessie's Dream	\$75,000	600		
<b>Surveyor</b>				
DRS West Extension - UG	\$50,000			321
DRS West Extension - Surface	\$135,000	640	470	
Lens 2 Upper	\$185,000	440	760	
<b>Maitland</b>				
Twin, OS, Geotech.	\$180,000		1000	
		<b>Total RC m</b>	<b>Total DD m</b>	<b>Total U/G DD</b>
		1,680	2,230	921
<b>Total Exploration Expenditure</b>	<b>\$875,000</b>			
CSD Feasibility Study Budget 2019				
<b>Kaiser Bill</b>	\$ 500,000			
<b>Maitland</b>	\$ 500,000			
<b>Mount Garnet Tin</b>	\$500,000			



CSD Exploration Budget 2019				
<b>Total Feasibility Study Expenditure</b>	<b>\$1,500,000</b>			
<b>Total Exploration and Feasibility Study Expenditure</b>	<b>\$2,375,000</b>			

Mining One has reviewed the proposed exploration programs within the budget allocation and assess them as being reasonable and designed to test priority near mine and regional exploration targets. The programs will have the potential to provide mineralisation within the Einasleigh area and also near mine ROM material at both the Surveyor and Mount Garnet base metals projects.

## **12 ALLOCATION OF FUNDS – PROCESSING, EQUIPMENT AND INFRASTRUCTURE**

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### **12.1 Allocation of Funds Overview – Processing, Equipment and Infrastructure**

In addition to exploration and feasibility studies, a large portion of the existing cash reserves are also to be allocated to three main areas, namely:

- Mount Garnet Processing Plant tailings dam expansion - \$500,000
- Mount Garnet Processing Plant upgrade - \$500,000
- Mount Garnet power infrastructure upgrade \$500,000

An increase in the capacity at the Mount Garnet Processing Plant will require a tailings dam upgrade to add sufficient storage capacity to accommodate additional mine life at the Mount Garnet Processing Plant. The existing tailings dam will be closed and rehabilitated following the construction of a new tailings storage facility (TSF2). Accordingly, funds have been allocated for this purpose. It is currently anticipated that the 'starter wall' on TSF2 will be constructed by the end of 2019. The closure of TSF is expected to be completed by mid-2020.

An upgrade to the mining plant and equipment is ongoing and is proposed to be funded from the Company's existing cash reserves. This includes the recent purchase of a new underground production drill, recent refurbishing of Company owned underground loaders and trucks and the general upgrade of the Company owned mining fleet to increase capacity and reliability. The Company owned mining fleet is intended to be progressively replaced with new equipment that will require less maintenance and have higher utilisation and availability. This is anticipated to be implemented progressively from production revenue up to the end of first calendar quarter 2020.

Funds have also been allocated to increasing the mains power supply availability. Currently, the Mount Garnet Deeps Mine utilises mains grid power, as does the Mount Garnet Processing Plant. Increasing the mains power supply involves installation of surge capacitors to remove potential power surges. Increased power demand availability will enable an increase of the Processing Plant crush and grind capacity. The proposal is to add additional flotation cells and filtration capacity followed by refurbishment, refit and modernisation of the existing plant to allow the overall Processing Plant capacity to be increased to 700,000 tonnes per annum (currently 500,000 tonnes per annum). This is currently anticipated to be completed by the end of 2019.

The Company notes that it expects to receive additional funding from revenue and as this funding becomes available, further work will be undertaken on exploration, feasibility studies and the upgrade of mining facilities (including the expansion of the tailings dam, Mount Garnet Processing Plant upgrades and power infrastructure upgrades at Mount Garnet).

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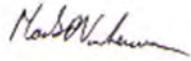

## DOCUMENT INFORMATION

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# Appendix A

## KAISER BILL JORC CODE, 2012 EDITION – TABLE 1

Notes on data relating to the Mineral Resource Estimate for Kaiser Bill.

Data provided by Consolidated Tin Mines Limited, Mining Associates Pty Ltd and verified by Mining One.

## Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> </ul>	<ul style="list-style-type: none"> <li>The following report details the historical data, checks, validation and methodology used to generate the updated Mineral Resource Estimates (MRE) for the Kaiser Bill deposit</li> <li>Data for the Kaiser Bill deposit has been collected over a number of exploration campaigns by different companies. The majority of the data used for the MRE however has been collected by Copper Strike and Consolidated Tin Mines.</li> <li>A total of 169 drill holes utilising Reverse Circulation (RC) and Diamond (DD) drilling methods have been completed for a total of 27,224 m at the Kaiser Bill deposit.</li> <li>Of this drilling 12 holes for 3,780 m were completed by Consolidated Tin.</li> <li>Holes have been drilled predominantly towards the north-west with dips of predominantly 50-70 degrees to optimally intersect the moderately south-east dipping mineralised zones</li> <li>The diamond drill core has been cut longitudinally in half if an NQ hole, or quarter core if of HQ size. Sampling was undertaken at predominantly 1m intervals with a range of 0.5 m length to 1.4 m length to accommodate changes in geology and mineralisation. Metallurgical samples were taken from half the HQ core samples.</li> <li>RC chip samples were sampled at 1 m intervals and a 1/8th split using a riffle splitter was taken as a sample for analysis.</li> <li>Sample intervals are taken only over mineralized intervals with 3-5m of unmineralised material also sampled above</li> </ul>

		<p>and below the interval. Mineralisation is visually identified by the presence of economic minerals.</p> <ul style="list-style-type: none"> <li>• The drill hole locations have been surveyed up by an external contract surveyor using a DGPS (Differential Global Positioning System).</li> <li>• Downhole surveys were undertaken using a single shot Eastman camera approximately every 30 to 50 m.</li> <li>• Sub-samples of ~3kg were sent to the laboratory for assaying. A total of 9,249 samples for the Kaiser Bill deposit have been sent for analysis. The samples sent to ALS followed standard ALS crushing and pulverization procedures followed by a 4-acid digest to effect as near to total solubility of the sample as possible.</li> <li>• Of the 9,249 samples assayed, 3,948 identified as being mineralised are utilised in the resource.</li> <li>• ALS, SGS laboratories, CSE, SPM and CSD inserted QC samples into the routine sample stream to monitor sample quality as per industry best practice</li> <li>• The majority of the sampling, surveying, geological logging, sample preparation and analysis undertaken during the CSE exploration period was carried out under the guidance of a detailed Exploration Standards and Procedures Manual (2008) which follows industry standard practices for data collection and validation. The procedures used prior to this exploration are unknown but account for &lt;3% of the data and are therefore not considered material to this report. Exploration undertaken post-CSE followed the established CSE procedures.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></li> </ul>	<ul style="list-style-type: none"> <li>• RC drilling utilized 6m rods whilst DD drilling used 3m drill rods. Diamond drilling has employed predominantly 47.6mm diameter NQ2 „standard tube“ core drilling methods. RC drilling has been completed using a 5.25 or 5.5 inch diameter face sampling hammer bit.</li> <li>• Diamond drill core was orientated at regular intervals to facilitate structural logging. Core lengths and orientations are checked by trained company personnel (geologist or field technicians)</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative</i></li> </ul>	<ul style="list-style-type: none"> <li>• Bulk RC sampled intervals are weighed to provide an indication of recovery. Of the &gt;4,200 weights taken &gt;80% fall within the expected ranges for a 1 m interval. Due to the nature of the mineralisation it would be expected that</li> </ul>

<p><i>nature of the samples.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<p>higher grade intervals have higher weights. This is not clearly reflected in the data.</p> <ul style="list-style-type: none"> <li>• Two methods of determining core recovery have been undertaken during the various drilling programs at Kaiser Bill. The first method compares the drilled interval (drill run) against the length of the core returned. The second method compares a one metre interval against the core returned. The second process is thought to provide greater precision in identifying zones of poor recovery. Of the &gt;7,690 recovery measurements taken 98% represent &gt;93.3% recovery. No relationship between recovery and grade is observed</li> <li>• The use of high quality methods such as RC and diamond drilling as well as the measuring and monitoring of recovery has been employed to maximise recovery.</li> </ul>
<p><b>Sub-sampling techniques and sample preparation</b></p> <ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Both RC and diamond core samples have been utilised in the Kaiser Bill Resource</li> <li>• RC sampling was predominantly undertaken using a multi-tiered riffle splitter attached to the base of the drill rig cyclone and providing a 1/8th split ranging from 3-5kg.</li> <li>• Diamond holes were sampled taking a representative ½ core split of the NQ2 diamond drill core or 1/4 core split of the HQ2 diamond drill core. Drill core was cut longitudinally in half using diamond saws just to the side of a centre reference line. Sampling is nominally on 1m intervals but is varied to account for lithological and mineralisation contacts with minimum lengths of 0.5m and maximum lengths of 1.4m allowable. Metallurgical samples were taken from ½ HQ2 core on selected intervals.</li> <li>• Field duplicate samples were only applied to the RC sampling and were selected by the geologist, from anywhere within a sampled mineralised interval. These samples, totalling 69, were collected by resplitting the original bulk sample bag. The performance of the 69 RC duplicate samples has been checked for the elements estimated within the resource and are within acceptable limits (&lt;+/-3.5%) relative to the mineralisation and duplicate method.</li> <li>• Sample sizes are considered to be appropriate for the mineralisation present at.</li> </ul>

**Quality of assay data and laboratory tests**

- *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*
- *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*
- *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*
- The bulk of the samples were submitted to ALS Chemex in Townsville and followed standard ALS crushing (CRU21) and pulverization (PUL23) procedures then underwent digestion via a 4-acid digest (ME-ICP61s) to effect as near to total solubility of the sample as possible.
- All samples were assayed for:
  - Au Fire assay AA25;
  - 39 elements; Ag Al As Ba Be Bi Ca Cd Co Cr Cu Fe K La Mg Mn Mo Na Ni P Pb Rb S Sb Sr Ti V W Zn;
- For > 1% Cu, Pb, Zn and >100ppm Ag, re-assay using OG46 was undertaken.
- The remaining samples (4%) were submitted to SGS Laboratories in Townsville and followed standard SGS crushing and pulverization procedures. These samples also underwent digestion via a 4-acid digest to effect as near to total solubility of the sample as possible. Over range elements are re-assayed using an ore grade analytical method
- Sampling techniques, other than drill hole samples already discussed, have not been utilised as part of the resource update
- Field QAQC procedures included the insertion of field duplicates (only RC samples), commercial pulp blanks and standards. Insertion rates of QC samples was at a rate of 1 every 15 samples.
- Performance of standards for monitoring the accuracy, precision and reproducibility of the assay results received from ALS and SGS have been reviewed. The standards generally performed well with results falling within prescribed two standard deviation limits.
- The performance of the pulp blanks have been within acceptable limits with no significant evidence of cross contamination identified.
- Both ALS and SGS laboratories undertake industry standard QC checks to monitor performance.
- No QC data is available for the remaining samples which makes up <1% of the data and is not considered material



<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul> <ul style="list-style-type: none"> <li>• Samples were selected by experienced geologists based on the presence of visible mineralisation. Significant intersections which are bounded by barren material confirm the visual selection. <ul style="list-style-type: none"> <li>○ To date no twin holes have been drilled at the Kaiser Bill deposits however 4 large diameter holes have been drilled within 10m of RC holes and returned similar results</li> </ul> </li> <li>• Historical logging data was recorded on paper and then entered into an Excel spread sheet or logged directly into excel. As part of the current resource update all original Excel logging spreadsheets and original laboratory assay files have been sourced and imported into the CSD Datashed database.</li> <li>• Assay values designated less than detection are assigned a value 0.5 x LTD limit value. Where the assay value is returned as insufficient or no sample then the assay value is set to null.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul> <ul style="list-style-type: none"> <li>• The drill hole collar locations were surveyed by Ausnorth Consultants based in Cairns using a differential Real Time Kinetic (RTK) GPS to an accuracy of 0.01m. <ul style="list-style-type: none"> <li>○ Drill holes are drilled predominantly to the north north-west with dips ranging from 60-90 degrees. Azimuths were initially set up using a compass and the inclination was set up using a clinometer on the drill rig mast.</li> </ul> </li> <li>• All drill hole collars have been surveyed in MGA GDA 94 Zone 55</li> <li>• In 2007 a detailed aerial mapping project was undertaken to develop accurate topographical control over the Kaiser Bill resource area. High resolution aerial digital images were taken at 1:11000 scale and cross referenced to ground control points to enable the modelling of surface points to within 250mm of their true elevation.</li> <li>• All planned collar locations are marked in the field using a handheld GPS with an accuracy of +/-2m and RL"s are allocated to the drill hole collars by using the detailed DTMs. On completion of drilling holes have been picked up using DGPS.</li> <li>• Downhole surveys have been undertaken predominantly with a single shot Eastman camera.</li> </ul>

<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The drill hole spacing in the deposit ranges from 50 m by 50 m in the better drilled parts of the deposit to 100 m by 100m in the along strike and down dip extensions of the deposit in the areas covered by the MRE</li> <li>• The data density is sufficient to demonstrate grade continuity to support a Mineral Resource estimate (MRE) under the 2012 JORC code</li> <li>• Intersections reported in this report are interval weighted average composites of smaller sample intervals as is common practice.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The nature and controls on mineralization at the Kaiser Bill deposit is considered to be well understood in the area of the MRE. Holes are predominantly drilled towards the north north-east at an average dip of 70 degrees to optimally intersect the moderate south-east dipping mineralised zones.</li> <li>• Based on the current understanding sampling is considered to be unbiased with respect to drill hole orientation versus strike and dip of mineralisation.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Chain of custody processes for the historical drilling is unknown</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No other audits or reviews are known</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The MRE has been undertaken on drilling carried out on MLA30211 held by Consolidated Tin Mines Pty Ltd (CSD) and falls within EPM13072. CSD has purchased all Snow Peak Mining (SPM) tenures under an Asset Sale Agreement. However the transfer of the tenures is yet to take effect, therefore they are still officially registered as being held by SPM.</li> <li>The Mining lease is subject to an Indigenous Land Use Agreement and the tenement land is subject to the Ewamian People #3 determination area.</li> <li>The tenements are in good standing and no known impediments exist.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The district has an extensive exploration history and the following summary is focused on that work directly related to the Kaiser Bill areas.</li> <li>Much of the focus for exploration was on the Einasleigh mine or in the surrounding area. In 2003 work completed on the tenements by Teck Cominco Australia focused on various prospects including Kaiser Bill, Einasleigh Copper Mine and Teasdale Cu-Au-Ag prospects and the Railway (formally Mount Misery). Now Chloe-Jackson) and Bloodwood Knoll Pb-Zn-Ag prospects.</li> <li>Ground magnetic and EM surveys (either moving or fixed-loop) were undertaken at Kaiser Bill, Einasleigh Copper Mine, Teasdale, Railway and Bloodwood Knoll. This work was supplemented by detailed structural mapping and soil geochemistry at all prospects except the Einasleigh Copper Mine.</li> <li>Between 2006 and June 2008 Copper Strike (CSE) undertook extensive drilling on the Kaiser Bill Deposits. This data formed the basis for a MRE and contributed to the Einasleigh Copper Project Feasibility Study in June 2009</li> <li>In 2015 Consolidated Tin Mines entered into a Farm-in agreement with Hong Kong based mining company</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>Wanguo International Mining Group (Wanguo). Under the terms of this agreement drilling was undertaken on both the Kaiser Bill deposits for a total of 7 holes.</p> <ul style="list-style-type: none"> <li>In July 2017 an updated MRE was undertaken to incorporate holes drilled during the Wanguo farm-in as well as to update the MRE to JORC 2012 compliance.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>The base metal deposits in the Einasleigh district (including the Kaiser Bill) occur within the Proterozoic Georgetown Inlier. The Kaiser Bill deposit is considered to be an Iron Oxide Copper Gold deposit.</li> <li>Copper mineralisation at Kaiser Bill occurs as chalcopyrite associated with quartz-pyrrhotite-pyrite-magnetite within zones of disseminations, stringers and breccias hosted within a sequence of quartz-feldspar-biotite gneiss (metasediments) which is overlain by a massive felsic leucogneiss (granitic gneiss). The mineralised zones outcrop as massive irregularly shaped gossans extending westwards for some 500m to 186900E, over widths of between 50 and 70m. The gossanous zone continues further to the west-south-west as scattered, discontinuous and narrow bodies over widths of between 20 and 30m.</li> <li>Numerous medium to coarse grained amphibolite units, of 1 to 15 m in thickness, occur throughout the sequence. They are sub-parallel to foliation, commonly display chilled margins and probably represent mafic sills and dykes intruded into the sequence during diagenesis or early stages of metamorphism. The entire sequence is intruded by irregular pegmatite dykes and sills. Several intermediate to mafic dykes, presumed to be related to the Permo-Carboniferous thermal event and loosely termed dolerite in the logging, intrude the sequence and cut the mineralisation. Mineralisation has been grouped into the following categories: <ul style="list-style-type: none"> <li>Massive to semi-massive sulphides (&gt;25%): commonly brecciated with clasts of white (vein?) quartz and altered country rock infill by magnetite pyroxene (altering to amphibole and chlorite), pyrrhotite,</li> </ul> </li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>chalcopyrite (pyrite) with trace molybdenite; these zones range from 20 cm up to several metres in width and contain the higher copper grades (5 to 14% Cu) with a high proportion of Fe (&gt;15%) as pyrrhotite or magnetite; however many samples contain low chalcopyrite with grades reporting &lt;1% Cu. These sulphide rich lenses display sharp contacts which are generally sub-parallel to foliation.</p> <ul style="list-style-type: none"> <li>• Stringer and disseminated sulphides (5 to 25%): altered gneiss with moderate development of disseminated magnetite and stringer and disseminated pyrrhotite, chalcopyrite, pyrite; these form wider zones over several to tens of metres and contain low to moderate grades of up to 5% Cu.</li> <li>• Sulphide silica chlorite altered gneiss with disseminated magnetite pyrite, pyrrhotite and chalcopyrite (&lt;5% sulphides) over broad widths of tens of metres with copper grades generally &lt;1% and occasionally up to 2% Cu.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> </li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to diagrams, tables and appendices within this report.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such</li> </ul>	<ul style="list-style-type: none"> <li>• Grades are reported as down-hole length weighted averages with no top cut applied on the reporting of grades.</li> <li>• Only those intervals deemed to be significant are given in this report.</li> <li>• No metal equivalent calculations have been reported</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>aggregations should be shown in detail.</p> <ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>The results are reported as downhole lengths only</li> <li>Drill holes are drilled perpendicular to the general north-east strike of mineralization. Mineralisation at Kaiser Bill is interpreted to be a broad alteration zone with zones of higher grades (&gt;0.5% Cu) within. The mineralisation dips moderately (40-50 degrees) to the south-east</li> <li>True widths have not been calculated for the intercepts however the volume and grade are reflected in the MRE</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to diagrams, tables and appendices in this report</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>This information is not appropriate to reporting of a Mineral Resource Estimate</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Historical geophysical survey data has been undertaken over the deposit areas and formed the basis for their initial discovery.</li> <li>Initial historical test work was undertaken during the CSE Feasibility November 2008 and indicated that the waste rock has low acid forming potential</li> <li>RQD and structural logging has been undertaken to assist with future geotechnical criteria</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing exploration work will include further drilling to confirm and extend existing targets where appropriate. The high grade portion of the deposit plunges to the south west and remains open at depth.</li> </ul>



## Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>A complete drilling database has been supplied by Consolidated Tin Mines in the form of Microsoft Access files extracted from a Datashed Database. The database is managed by a database administrator employed by Consolidated Tin.</li> <li>MA has undertaken a high level review of all files for syntax, duplicate values, from and to depth errors and EOH collar depths.</li> <li>Once loaded into 3D software, MA has completed a review of all survey data by visually validating all hole traces for consistency.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>The Competent Person visited the Kaiser Bill deposit in April 2018.</li> <li>While on site the CP reviewed the drilling and data management protocols, density determination methods, geology procedures including diamond drilling and sampling procedures.</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	<ul style="list-style-type: none"> <li>The geological information is built out of 169 drill holes within the Kaiser Bill deposit.</li> <li>The data used in the geological model is a combination of diamond core and RC drilling, along with mapped surface exposures of the host lithologies and structures.</li> <li>The base of weathering (including partial oxidation) was provided by CSD and used to code the model – a portion of the mineralisation exists inside the oxidized rocks.</li> <li>The Kaiser Bill deposit is hosted within a sequence of quartz-feldspar-biotite metasedimentary gneiss overlain by a massive felsic leucogneiss with the copper mineralisation occurring as chalcopyrite within quartz-pyrite-pyrrhotite-magnetite disseminations, stringers and breccia-fill. The contact between the two gneissic units is undulating and dips between 30° to 60° to the SSE and is interpreted to define the northern limb of a gently WSW plunging synform.</li> </ul>

	<ul style="list-style-type: none"> <li>• Mineralisation occurs within a broad silica-chlorite alteration zone comprising disseminated sulphides and magnetite. Numerous intrusive lithologies have been recognised within the deposit, including a foliation parallel sequence of amphibolite dykes and sills, later irregularly oriented pegmatites and intermediate to mafic dykes. The last two sets of intrusive lithologies cross-cut and stope out the copper mineralisation.</li> <li>• For the Kaiser Bill Deposit, copper represents the primary element for the modelling and estimation process. Element correlation analysis has confirmed that the correlation of silver and gold with copper is adequate to enable estimation inside these primary mineralisation domains. Iron and sulphur display a close correlation with each other enabling the iron mineralisation to be modelled separately with both these elements estimated inside these iron domains. Lead and zinc have been analysed and estimated inside the copper domains, although the grades of these elements are well below economic levels.</li> <li>• The interpretation of the copper mineralisation has been undertaken on oblique sections perpendicular to strike, whereby sections are digitised on screen and wireframed to create a 3D solid representing the mineralisation. Analysis of the length weighted grade distribution within the interpreted mineralised indicated no additional copper populations should be defined. Potential exists to define a high grade shoot plunging SW should additional data continue to support the theory. An additional grade domain of 8% iron was also created, copper mineralisation was often contained within the Fe grade shell, Fe is more extensive.</li> <li>• The grade shells for both copper and iron have been reviewed by Consolidated Tin to ensure that they are consistent with their geological understanding of the deposit.</li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li>• <i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></li> <li>• The Kaiser Bill Deposit mineralisation strikes to the NE-SW and extends almost 1 km in this direction, with a vertical extent in excess of 350 m. The across strike extents of the mineralisation across a broad alteration zone from footwall to hangingwall is approximately 120m.</li> </ul>

**Estimation and modelling techniques**

- *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*
  - *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*
  - *The assumptions made regarding recovery of by-products.*
  - *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).*
  - *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*
  - *Any assumptions behind modelling of selective mining units.*
  - *Any assumptions about correlation between variables.*
  - *Description of how the geological interpretation was used to control the resource estimates.*
  - *Discussion of basis for using or not using grade cutting or capping.*
  - *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*
- The individual mineralisation lenses generally range in thickness from 5 m to up to 30 m true thickness. Mineralisation dips moderately to the SE and plunges shallowly to the southwest.
  - Mineral Resource estimation has been completed within Surpac 6.8.1.
  - Ordinary Kriging has been used as the interpolation technique to estimate the Mineral Resource with this method considered appropriate given the nature of mineralisation and mineralisation configuration. All elements were estimated using ordinary kriging.
  - The three dimensional mineralisation wireframes are used to flag the down hole intervals with unique Cu and Fe domain codes.
  - These domain codes have then been used to extract a raw assay file from MS Access for grade population analysis, as well as analysis of the most appropriate composite length to be used for the estimation.
  - Analysis of the raw samples within the Cu and Fe mineralisation domains indicates that the majority of sample lengths are at or below 1 m.
  - Two metre composites were selected as appropriate, CV's were reduced and means relatively unchanged.
  - High grade outliers (Cu, Ag, Au, Fe and S) within the two metre composite data were capped. Domains were individually asses for outliers using histograms, log probability plots and changes in average metal content; grade caps were applied as appropriate. Generally the domains defined a well distributed population with low CV's and only minimal grade-capping was required. A top-cut has been applied to the un-mineralised samples to negate the influence of random higher grade samples over-inflating the un-mineralised blocks.
  - Grade continuity analysis within Cu domains that define the mineralisation has been undertaken in Snowden Supervisor software for Cu, Ag and Au. Similarly the Fe domains have been used to undertake continuity analysis for Fe and S.
  - A 3D model with a parent block size of 25 m (X) by 25 m (Y) by 10 m (Z) was created. The drill hole spacing in the deposit ranges from 50 m by 50 m in the better drilled parts of the deposit to 100 m by 100 m in the

along strike and down dip extensions of the deposit – therefore the block size selected is considered appropriate for the drill spacing. In order for effective boundary definition, a sub-block size of 3.125 m (X) by 3.125 m (Y) by 1.25 m (Z) has been used with these sub-cells estimated at the parent block scale.

- No assumption has been made regarding selective mining units.
- The interpolations have been constrained within the mineralisation wireframes and undertaken in two passes with the mineralisation wireframes utilised as hard-boundaries during the estimation.
- The Cu mineralisation domains have been used to constrain the estimation of Cu, Ag and Au with Fe and S estimated inside the Fe mineralisation domains.
- The 1st pass utilized a search ellipse set at 80m approximating the distance at which the first variogram structure is defined. The same search parameters are used for each element to minimise order relation issues between blocks. Search orientations are dynamic and local variations re stored in the block model. A minimum of 5 and a maximum of 12 composites have been used during the interpolation with a maximum of three composites from each drill hole.
- The 2nd pass used a search ellipse of 160 m with the orientation defined by local undulations stored in the block model. A minimum of 3 and a maximum of 8 composites have been used during the interpolation with a maximum of three composites for each drill-hole.
- Grade (Cu Fe and S) has been estimated into the un-mineralised blocks using two interpolation passes
- The resource has been validated visually in section and level plan along with a statistical comparison of the block model grades against the composite grades to ensure that the block model is a realistic representation of the input grades. No issues material to the reported Mineral Resource have been identified in the validation process.
- No mining has taken place of the Kaiser Bill Deposit, hence no reconciliation data is available for validation.

<b>Moisture</b>	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>Tonnages are estimated on a dry basis.</li> </ul>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>Due to the proximity to surface and size of the mineralisation, a cut-off grade suitable for open pit mining has been used for reporting of the Mineral Resource Estimate. The mineralisation above the 150 m RL has been deemed to be potentially accessible by open cut mining methods and has been reported at a 0.5% Cu cut-off grade,</li> <li>The grades of Cu, Ag and Au have been reported for those blocks satisfying the Cu depth and cut-off grade requirements, with no copper equivalence used.</li> <li>Only the transitional and fresh mineralised material has been included in the Mineral Resource Inventory, as there is uncertainty as to the processing recoveries of the oxidised portion of the mineralisation.</li> <li>The Kaiser Bill Mineral Resource has been reported by cut-off grade and Mineral Resource Category.</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>The mineralisation above the 150 mRL has been deemed to be potentially accessible by open cut mining methods.</li> <li>No other mining assumptions have been used in the estimation of the Mineral Resource.</li> </ul>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>The Mineral Resource Estimate has been reported for the fresh mineralisation only, as there is no defined processing route for the oxidized material.</li> <li>No other metallurgical factors or assumptions have been incorporated into the Mineral Resource Estimate for Kaiser Bill.</li> </ul>

<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>No environmental factors or assumptions have been incorporated into the reporting of the Mineral Resource Estimate for Kaiser Bill.</li> <li>Fe and S have been estimated into waste blocks to facilitate waste management plans should reserves be defined.</li> </ul>
<b>Bulk density</b>	<ul style="list-style-type: none"> <li>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</li> <li>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.</li> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>A total of 3,127 bulk density measurements have been supplied by Consolidated Tin for analysis. All bulk density measurements were collected using procedures based on Archimedes Principal.</li> <li>The relative abundance and composition of the sulphide mineralisation throughout the un-oxidised part the deposit will impact on the bulk density of that material. Analysis has been undertaken to determine a correlation between the bulk density and Fe grade. This produced a correlation coefficient of over 83%. This has been deemed acceptable for deriving a regression between the two.</li> <li>The mean density within the interpreted mineralisation is 3.02 t/m<sup>3</sup>.</li> <li>Bulk density data are considered appropriate for use in Mineral Resource and Ore Reserve estimation.</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<ul style="list-style-type: none"> <li>Classification of the Kaiser Bill Deposit Mineral Resource estimate is in keeping with the "Australasian Code for Reporting of Mineral Resources and Ore Reserves All classifications and terminologies have been adhered to. All guidelines and recommendations have been followed, in keeping with the spirit of the code.</li> <li>The resource classification has been applied to the MRE based on the drilling data spacing, grade and geological continuity, and data integrity.</li> <li>Areas of the deposit that do not meet the criteria remain Unclassified. (e.g.: oxidised mineralisation and mineralisation below 150 mRL)</li> </ul>



		<ul style="list-style-type: none"> <li>The selected parameters described in the report were used as a guide to identify continuous zones of mineralisation meeting the defined requirements for resource classification. Isolated blocks meeting the criteria of a higher resource category are incorporated in the lower resource category.</li> <li>Results reflect the Competent Persons' view of the deposit</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	<ul style="list-style-type: none"> <li>No other independent audits or reviews have been undertaken on the Mineral Resource estimate.</li> </ul>
<b>Discussion of relative accuracy/confidence</b>	<ul style="list-style-type: none"> <li>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</li> <li>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</li> <li>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</li> </ul>	<ul style="list-style-type: none"> <li>The relative accuracy and confidence of the estimate is reflected in the resource classifications applied to the MRE.</li> <li>The ordinary kriging result, due to the inherent smoothing, should only be regarded as a global estimate, and is suitable as a life of mine planning tool. Should local estimates be required for detailed mine scheduling, techniques such as uniform conditioning or conditional simulation should be considered. Additional infill drilling, re-logging and re-interpretation of the geology, and ultimately grade control drilling is required to increase the local scale confidence in the Mineral Resource Estimate</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>Original drill hole data including collars, surveys, lithologies, samples and laboratory assay files have been sourced and imported into CSD's Datashed database. Assay data is imported directly from original lab files into Datashed with no prior manipulation of results. Datashed has robust validation and constraints incorporated into it to ensure validated data is readily available for fit for purpose use. The database is managed by a database administrator employed by Consolidated Tin.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>• Mining Associates has undertaken a high level review of all files for syntax, duplicate values, from and to depth errors and EOH collar depths.</li> <li>• Once loaded into 3D software, MA has completed a review of all collar and survey data by visually validating all hole traces for consistency.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>• <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></li> <li>• <i>If no site visits have been undertaken indicate why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Competent Person completed a site visit to the Kaiser Bill deposits in April 2018.</li> <li>• While on site the CP reviewed the drilling and data management protocols, density determination methods, mine geology procedures, ore reconciliation and diamond drilling and sampling.</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>• <i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i></li> <li>• <i>Nature of the data used and of any assumptions made.</i></li> <li>• <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i></li> <li>• <i>The use of geology in guiding and controlling Mineral Resource estimation.</i></li> <li>• <i>The factors affecting continuity both of grade and geology.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The geological information is built out of 169 drill holes within the Kaiser Bill prospect.</li> <li>• The base of weathering (including partial oxidation) provided by CSD and used to create a bounding surface for the deposit – little to no mineralisation is located above the oxidation surfaces.</li> <li>• The data used in the geological model is a combination of diamond core and RC drilling, along with mapped surface exposures of the host lithologies and structures.</li> <li>• Consolidated Tin has confirmed that Cu is to be the primary element of interest during the modelling and estimation process.</li> <li>• The mineralisation is interpreted to be closely associated with strong alteration zones, although the logging of these zones does not appear to have been completed in a consistent enough manner to enable confidence when creating an alteration model. It is recommended that key holes be re-logged to ensure consistency in the alteration coding with the mineralisation interpretation revised based on the logged alteration.</li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li>• <i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></li> </ul>	

Criteria	JORC Code explanation	Commentary
<b>Estimation and modelling techniques</b>	<ul style="list-style-type: none"> <li><i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></li> <li><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li><i>The assumptions made regarding recovery of by-products.</i></li> <li><i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i></li> <li><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> <li><i>Any assumptions behind modelling of selective mining units.</i></li> <li><i>Any assumptions about correlation between variables.</i></li> <li><i>Description of how the geological interpretation was used to control the resource estimates.</i></li> <li><i>Discussion of basis for using or not using grade cutting or capping.</i></li> <li><i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i></li> </ul>	<ul style="list-style-type: none"> <li>Mineral Resource estimation has been completed within Geovia Surpac V6.8.1 Resource Modelling software.</li> <li>Ordinary Kriging has been used as the interpolation technique to estimate the Mineral Resource with this method considered appropriate given the nature of mineralisation and mineralisation configuration.</li> <li>The three dimensional mineralisation wireframes were used to flag the mineralised samples. Intervals were checked for inconsistencies, split samples, edge dilution and mineralisation outside the interpretation. These flags (domain codes) have then been used to extract a raw assay file from access for grade population analysis within Surpac, as well as analysis of the most appropriate composite length to be used for the estimation.</li> <li>Geostatistical and continuity analysis have been undertaken utilising Snowden's Supervisor™ software.</li> <li>A block size of 12.5 m (X) by 5 m (Y) by 10 m (Z) was selected to approximate half the current data spacing and orientation of the deposit. The model is not rotated. The drill hole spacing in the majority of the deposit varies from 20 – 50 m in the X direction and 10 – 20 m in RL – therefore the block size selected is considered appropriate for the drill spacing. In order for effective boundary definition, a sub-block size of 3.125 m (X) by 1.25 m (Y) by 2.5 m (Z) has been used with these sub-cells estimated at the parent block scale.</li> <li>No assumption has been made regarding selective mining units. However the sub-blocks are of a suitable selective mining unit size for an open pit operation.</li> <li>The interpolations have been constrained within the mineralisation wireframes and undertaken in two passes with the mineralisation wireframes utilised as hard-boundaries during the estimation.</li> <li>Grade is interpolated into the un-mineralised blocks using two interpolation passes.</li> <li>The resource has been validated visually in section and level plan along with a statistical comparison of the block model grades against the composite grades to</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>ensure that the block model is a realistic representation of the input grades. No issues material to the reported Mineral Resource have been identified in the validation process.</p> <ul style="list-style-type: none"> <li>As no mining has taken place at the Kaiser Bill deposit, no reconciliation data is available for validation.</li> </ul>
<b>Moisture</b>	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>Tonnages are estimated on a dry basis.</li> </ul>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>Due to the depth extent of the mineralisation, two cut-off grades have been used for reporting of the Mineral Resource Estimate.</li> <li>The Mineral Resources have been reported by cut-off grade and Mineral Resource Category.</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>No other mining assumptions have been used in the estimation of the Mineral Resource.</li> </ul>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>No metallurgical factors have been used in the estimation of the Mineral Resource.</li> </ul>
<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential</li> </ul>	<ul style="list-style-type: none"> <li>No environmental factors or assumptions have been incorporated into the reporting of the Mineral Resource Estimate for the Kaiser Bill deposits.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i></p>	
<b>Bulk density</b>	<ul style="list-style-type: none"> <li>• <i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i></li> <li>• <i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.</i></li> <li>• <i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></li> </ul>	<ul style="list-style-type: none"> <li>• A total of 3,127 bulk density measurements have been supplied by Consolidated Tin.</li> <li>• Procedures for current and past density data collation have been cited by MA, all density measurements are a variation on Archimedes principal. CSD are currently taking to account void, moisture and porosity.</li> <li>• A factor has not been applied to account for void spaces or moisture differences in the block model. Bulk density values incorporated into the Mineral Resource model are dry bulk densities.</li> <li>• Bulk density data are considered appropriate for use in Mineral Resource and Ore Reserve estimation.</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>• <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i></li> <li>• <i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i></li> <li>• <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Classification of the Kaiser Bill deposits resource estimate is in keeping with the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". All classifications and terminologies have been adhered to. All directions and recommendations have been followed, in keeping with the spirit of the code.</li> <li>• The resource classification applied is based on the drilling data spacing, grade and geological continuity, and data integrity. The resource has been classified on the following basis;</li> <li>• No areas of the Mineral Resource satisfied the requirement to be classified as Measured Mineral Resources,</li> <li>• Portions of the model defined by drilling spaced on a 20 m by 20 m pattern and where the confidence in the estimation is considered high (as defined by blocks with an average distance to informing samples of less than 50 m, a kriging efficiency above 0.4, a slope of regression above 0.6) have been classified as Indicated Mineral Resources,</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>• Portions of the model with a drill density greater than 40 m by 40 m, where variographic parameters have been borrowed from other domains, average distance to informing samples is greater than 50 m and less than 120 m, and where the confidence in the estimation is lower have been defined as Inferred Mineral Resources,</li> <li>• Areas of the deposit that do not meet these criteria remain unclassified.</li> <li>• These parameters have been used as a guide to develop classification wireframes digitised on section and checked on level plans. The Resource classification has been assigned inside these solids for the mineralised blocks in order to remove any irregularities in classification of the deposits.</li> <li>• Results reflect the Competent Persons' view of the deposits.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of Mineral Resource estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No other independent audits or reviews have been undertaken on the Mineral Resource estimate.</li> </ul>
<b>Discussion of relative accuracy/confidence</b>	<ul style="list-style-type: none"> <li>• <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></li> <li>• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li>• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Mineral Resources as reported are considered global estimates, with additional infill drilling, re-logging and re-interpretation of the geology, alteration and mineralisation required to increase the local scale confidence in the Mineral Resource Estimate.</li> <li>• The ordinary kriging result, due to the level of smoothing, should only be regarded as a global estimate, and is suitable as a life of mine planning tool. Should local estimates be required for detailed mine scheduling, techniques such as uniform conditioning or conditional simulation should be considered. Ultimately grade control drilling is required.</li> </ul>



Appendix B  
CHLOE-JACKSON JORC CODE, 2012  
EDITION – TABLE 1

Notes on data relating to the Mineral Resource Estimate for Chloe and Jackson.

Data provided by Consolidated Tin Mines Limited, Mining Associates Pty Ltd and verified by Mining One.

## Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> </ul>	<ul style="list-style-type: none"> <li>The following report details the historical data, checks, validation and methodology used to generate the updated Mineral Resource Estimates (MRE) for the Chloe and Jackson Deposits</li> <li>Data for the Chloe and Jackson deposits have been collected over a number of exploration campaigns by different companies. The majority of the data used for the MRE however has been collected by Copper Strike and Consolidated Tin Mines.</li> <li>A total of 249 drill holes utilising Reverse Circulation (RC) and Diamond (DD) drilling methods have been completed for a total of 33,054m at Chloe and Jackson Deposits.</li> <li>A total of 119 drill holes utilising Reverse Circulation (RC) and Diamond (DD) drilling methods have been completed for a total of 23,164 m at the Chloe Deposit. Of this drilling 6,044 m was completed by Consolidated Tin.</li> <li>A total of 130 drill holes utilising Reverse Circulation (RC) and Diamond (DD) drilling methods have been completed for a total of 20,711 m at the Jackson Deposit. Of this drilling 694 m was completed by Consolidated Tin.</li> <li>Holes have been drilled predominantly towards grid south with dips of approximately 60 degrees to optimally intersect the moderate to steeply north dipping east-west striking mineralised zones</li> <li>The diamond drill core has been cut longitudinally in half if an NQ hole, or quarter core if of HQ size. Sampling was undertaken at predominantly 1m intervals with a range of 0.5m length to 1.4m length to accommodate changes in geology and mineralisation.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>Metallurgical samples were taken from half the HQ core samples.</p> <ul style="list-style-type: none"> <li>• RC chip samples were sampled at 1m intervals and a 1/8th split using a riffle splitter was taken as a sample for analysis.</li> <li>• Sample intervals are taken only over mineralized intervals with 3-5m of unmineralised material also sampled above and below the interval. Mineralisation is visually identified by the presence of economic minerals. The drill hole locations have been surveyed up by an external contract surveyor using a DGPS (Differential Global Positioning System).</li> <li>• Downhole surveys were undertaken using a single shot Eastman camera approximately every 30m.</li> <li>• Sub-samples of ~3kg were sent to the laboratory for assaying. A total of 4,970 samples for the Chloe and Jackson deposits collectively have been sent for analysis. Of these, 4,799 samples (97%) have had analysis performed by ALS Townsville. The remaining samples were analysed at SGS Townsville (2.7%) with 36 samples (&lt;1%) having unknown laboratory status. The samples sent to ALS followed standard ALS crushing and pulverization procedures followed by a 4-acid digest to effect as near to total solubility of the sample as possible</li> <li>• ALS, SGS laboratories, CSE, SPM and CSD inserted QC samples into the routine sample stream to monitor sample quality as per industry best practice</li> <li>• The majority of the sampling, surveying, geological logging, sample preparation and analysis undertaken during the CSE exploration period was carried out under the guidance of a detailed Exploration Standards and Procedures Manual (2008) which follows industry standard practices for data collection and validation. The procedures used prior to this exploration are unknown but account for &lt;1% of the data and are therefore not considered material to this report. Exploration undertaken post-CSE followed the established CSE procedures.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></li> </ul>	<ul style="list-style-type: none"> <li>• RC drilling utilized 6m rods whilst DD drilling used 3m drill rods. Diamond drilling has employed predominantly 47.6mm diameter NQ2 „standard tube“ core drilling methods. RC drilling has been completed using a 5.25 or 5.5 inch diameter face sampling hammer bit.</li> <li>• Diamond drill core was orientated at regular intervals to facilitate structural logging. Core lengths and orientations are checked by trained company personnel (geologist or field technicians)</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Bulk RC sampled intervals are weighed to provide an indication of recovery. Of the &gt;4,200 weights taken &gt;80% fall within the expected ranges for a 1 m interval. Due to the nature of the mineralisation it would be expected that higher grade intervals have higher weights. This is not clearly reflected in the data.</li> <li>• Two methods of determining core recovery have been undertaken during the various drilling programs at Kaiser Bill. The first method compares the drilled interval (drill run) against the length of the core returned. The second method compares a one metre interval against the core returned. The second process is thought to provide greater precision in identifying zones of poor recovery. Of the &gt;7,690 recovery measurements taken 98% represent &gt;93.3% recovery. No relationship between recovery and grade is observed</li> <li>• The use of high quality methods such as RC and diamond drilling as well as the measuring and monitoring of recovery has been employed to maximise recovery.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All drill holes have been logged in full and record standard qualitative data such as lithology, alteration, mineralisation, weathering and oxidation. Diamond core was quantitatively logged for geotechnical parameters such as recovery and RQD. Structural data such as faults, fractures and veins are also recorded.</li> <li>• All RC precollar intervals were wet-sieved and stored in chip trays</li> <li>• All logging was transferred into Excel spreadsheet templates at the time of drilling. These spreadsheets have</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>been imported into a Datashed Database system where validation on logging has been performed</p> <ul style="list-style-type: none"> <li>All diamond core and chip trays (from RC drilling) were photographed in a wet and dry state.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>Both RC and diamond core samples have been utilised in the Chloe and Jackson Resource</li> <li>RC sampling was predominantly undertaken using a multi-tiered riffle splitter attached to the base of the drill rig cyclone and providing a 1/8th split ranging from 3-5kg.</li> <li>Diamond holes were sampled taking a representative ½ core split of the NQ2 diamond drill core or 1/4 core split of the HQ2 diamond drill core. Drill core was cut longitudinally in half using diamond saws just to the side of a centre reference line. Sampling is nominally on 1m intervals but is varied to account for lithological and mineralisation contacts with minimum lengths of 0.5m and maximum lengths of 1.4m allowable. Metallurgical samples were taken from ½ HQ2 core on selected intervals.</li> <li>Field duplicate samples were only applied to the RC sampling and were selected by the geologist, from anywhere within a sampled mineralised interval. These samples, totalling 69, were collected by resplitting the original bulk sample bag. The performance of the 69 RC duplicate samples has been checked for the elements estimated within the resource and are within acceptable limits (&lt;+/-3.5%) relative to the mineralisation and duplicate method.</li> <li>Sample sizes are considered to be appropriate for the mineralisation present at Chloe and Jackson.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of</i></li> </ul>	<ul style="list-style-type: none"> <li>The bulk of the samples (97%) were submitted to ALS Chemex in Townsville and followed standard ALS crushing (CRU21) and pulverization (PUL23) procedures then underwent digestion via a 4-acid digest (MEICP61s) to effect as near to total solubility of the sample as possible.</li> <li>All samples were assayed for: <ul style="list-style-type: none"> <li>Au Fire assay AA25;</li> </ul> </li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>accuracy (i.e. lack of bias) and precision have been established.</i>	<ul style="list-style-type: none"> <li>○ 39 elements; Ag Al As Ba Be Bi Ca Cd Co Cr Cu Fe K La Mg Mn Mo Na Ni P Pb Rb S Sb Sr Ti V W Zn;</li> <li>• For &gt; 1% Cu, Pb, Zn and &gt;100ppm Ag, reassay using OG46 was undertaken.</li> <li>• The remaining samples (3%) were submitted to SGS Laboratories in Townsville and followed standard SGS crushing and pulverization procedures. These samples also underwent digestion via a 4-acid digest to effect as near to total solubility of the sample as possible. Over range elements are reassayed using an ore grade analytical method</li> <li>• Sampling techniques, other than drill hole samples already discussed, have not been utilised as part of the resource update</li> <li>• Field QAQC procedures included the insertion of field duplicates (only RC samples), commercial pulp blanks and standards. Insertion rates of QC samples was at a rate of 1 every 15 samples.</li> <li>• Performance of standards for monitoring the accuracy, precision and reproducibility of the assay results received from ALS and SGS have been reviewed. The standards generally performed well with results falling within prescribed two standard deviation limits.</li> <li>• The performance of the pulp blanks have been within acceptable limits with no significant evidence of cross contamination identified</li> <li>• Both ALS and SGS laboratories undertake industry standard QC checks to monitor performance.</li> <li>• No QC data is available for the remaining samples which makes up &lt;1% of the data and is not considered material</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples were selected by experienced geologists based on the presence of visible mineralisation. Significant intersections which are bounded by barren material confirm the visual selection.</li> <li>• To date no twin holes have been drilled at the Chloe or Jackson deposits</li> <li>• During the 2006-2008 drilling campaign a suite of mineralised samples were assayed at AMDEL to enable comparison with the ALS assay results. AMDEL assayed</li> </ul>



Criteria	JORC Code explanation	Commentary
		<p>for Ag, Cu, Pb and Zn by MET1 scheme. Comparison between the labs shows good correlation for Ag and Cu, however AMDEL's reported values for Zn greater than 3% are lower than the ALS results. A similar but less pronounced trend is noted for Pb.</p> <ul style="list-style-type: none"> <li>Historical logging data was recorded on paper and then entered into an Excel spreadsheet or entered directly into excel. As part of the current resource update all original Excel logging spreadsheets and original laboratory assay files have been sourced and imported into the CSD Datashed database.</li> <li>Assay values designated less than detection are assigned a value 0.5 x LTD limit value. Where the assay value is returned as insufficient or no sample then the assay value is set to absent.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>The drill hole collar locations were surveyed by Ausnorth Consultants based in Cairns using a differential Real Time Kenetic (RTK) GPS to an accuracy of 0.01m.</li> <li>Drill holes are drilled predominantly (80%) to the south with dips ranging from 50-70 degrees in 85% of the holes. 10% of holes have been drilled vertically. Azimuths were initially set up using a compass and the inclination was set up using a clinometer on the drill rig mast.</li> <li>All drill hole collars have been surveyed in MGA GDA 94 Zone 54</li> <li>In 2007 a detailed aerial mapping project was undertaken to develop accurate topographical control over the Chloe and Jackson resource areas. High resolution aerial digital images were taken at 1:11000 scale and cross referenced to ground control points to enable the modelling of surface points to within 250mm of their true elevation.</li> <li>All planned collar locations are marked in the field using a handheld GPS with an accuracy of +/-2m and RL's are allocated to the drill hole collars by using the detailed DTMs. On completion of drilling holes have been picked up using DGPS.</li> <li>Downhole surveys have been undertaken predominantly with a single shot Eastman camera</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drillholes in the current program are drilled predominantly on a 20x20m or 40x40m grid spacing in the areas covered by the MRE</li> <li>• The data density is sufficient to demonstrate grade continuity to support a Mineral Resource estimate (MRE) under the 2012 JORC code</li> <li>• Intersections reported in this report are interval weighted average composites of smaller sample intervals as is standard practice.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The nature and controls on mineralisation at the Chloe and Jackson deposits are considered to be well understood in the area of the MRE. Holes are predominantly drilled towards the south at an average dip of 60 degrees to optimally intersect the moderate to steeply north dipping east-west striking mineralised zones.</li> <li>• Based on the current understanding sampling is considered to be unbiased with respect to drill hole orientation versus strike and dip of mineralisation.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Chain of custody processes for the historical drilling is unknown</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Prior to undertaking the 2008 MRE, IMC consultants carried out a due diligence trip to the Einasleigh Project in March 2008 which included specific visits to the Chloe and Jackson Deposits and a review of the Chloe and Jackson drill core and samples.</li> <li>• No other audits or reviews are known</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The MRE has been undertaken on drilling carried out of ML30217 held by Consolidated Tin Mines Pty Ltd (CSD) and falls within EPM13072.</li> <li>The Mining lease is subject to an Indigenous Land Use Agreement and the tenement land is subject to the Ewamian People #3 determination area.</li> <li>The tenements are in good standing and no known impediments exist.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The district has an extensive exploration history and the following summary is focused on that work directly related to the Chloe and Jackson areas.</li> <li>The current Chloe and Jackson prospects were historically known as Mount Misery</li> <li>In 1975 Otter Exploration acquired the tenement covering the area to explore for base metals. A joint venture with CRAE saw this company explore the area between 1976 and 1982. CRA commenced a literature review and rock chip sampling of known lead-zinc gossans in the southern part of the tenement, particularly at Mount Misery, Dreadnought and Teasdale East. As a result of detailed geological mapping, CRAE concluded that the mineralisation in this area occurred in a complexly folded banded epidote-chlorite-garnet magnetite quartzite at the one stratigraphic level and may be of syngenetic origin (Onley, 1979). With further reconnaissance, CRAE identified similar horizons and gossans elsewhere in the Einasleigh area and decided its main interest was lead-zinc-silver mineralisation of the Mount Misery type, rather than the copper-rich Kaiser Bill, Teasdale and Teasdale East mineralisation. Mining leases were pegged over the Mount Misery-Dreadnought and Teasdale areas. Detailed mapping, soil geochemistry and diamond drilling were conducted at Mount Misery, Dreadnought and Teasdale West. Mapping and ground magnetics were conducted at Teasdale. This downgraded the area for large deposits,</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>but suggested potential for deposits of up to 10 million tonnes. A resource of 3.65 million tonnes of 2.45% Pb and 5.54% Zn was inferred for Mount Misery (Spencer, 1982).</p> <ul style="list-style-type: none"> <li>• Much of the focus for exploration was on the Einasleigh mine or in the surrounding area. In 2003 Work completed on the tenements by Teck Cominco Australia focused on various prospects including Kaiser Bill, Einasleigh Copper Mine and Teasdale Cu-Au-Ag prospects and the Railway (formally Mount Misery). Now Chloe-Jackson) and Bloodwood Knoll Pb-Zn-Ag prospects.</li> <li>• Ground magnetic and EM surveys (either moving or fixed-loop) were undertaken at Kaiser Bill, Einasleigh Copper Mine, Teasdale, Railway and Bloodwood Knoll. This work was supplemented by detailed structural mapping and soil geochemistry at all prospects except the Einasleigh Copper Mine.</li> <li>• At Railway (formally Mount Misery, now Chloe and Jackson) one drill hole (RWD01) was designed to test a shallow conductor associated with the eastern gossan zone. The hole failed to intersect mineralisation, as it appears to have passed through an isoclinal fold hinge above the mineralised horizon. Between 2006 and June 2008 Copper Strike (CSE) undertook extensive drilling on the Chloe and Jackson Deposits. This data formed the basis for a MRE and contributed to the Einasleigh Copper Project Feasibility Study in June 2009</li> <li>• In 2015 Consolidated Tin Mines entered into a Farm-in agreement with Hong Kong based mining company Wanguo International Mining Group (Wanguo). Under the terms of this agreement drilling was undertaken on both the Chloe and Jackson deposits for a total of 7 holes.</li> <li>• In July 2017 an updated MRE was undertaken to incorporate holes drilled during the Wanguo farm in as well as to update the MRE to JORC 2012 compliance.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The base metal deposits in the Einasleigh district (including those of the Chloe – Stella – Jackson – Young – Dreadnaught trend) occur within the Proterozoic Georgetown Inlier. In an Australian context, several workers have drawn parallels between the Mount Isa, Broken Hill and Georgetown Inliers, in terms of sequences</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>and mineralisation styles envisaging the “Diamantina Orogen”. In this theory, these Inliers were part of one geological terrane during sedimentation, orogenesis and at least some periods of mineralisation.</p> <ul style="list-style-type: none"> <li>• The Chloe – Stella – Jackson – Young – Dreadnought trend is structurally complex, with multiple generations of folds mapped and a number of orientations of fault structures. The resource lenses are generally thin and in some areas multiple lenses are evident. Current interpretation identifies Stella to be part of Jackson and as such has been included as part of Jackson</li> <li>• Chloe and Jackson have similar alteration and mineralisation assemblages and overprinting relationships.</li> <li>• There are at least 4 main groups of mineral assemblages; an outer, usually barren quartzepidote- zoisite assemblage; a garnet-dominated assemblage usually with pale sphalerite; a pyrrhotite-dominated assemblage usually in the core of the thickest mineralisation; and a magnetite-dominated assemblage which appears to be a retrograde and oxidized version of the pyrrhotite mineralisation.</li> <li>• The Chloe and Jackson prospects have clear affinities to Zn rick Skarn deposits formed by replacement of marble, clac-silicate rocks and minor silicatic metasedimentary rocks, amphibolite and pegmatite.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> </li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to diagrams, tables and appendices within this report</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>why this is the case.</i>	
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>Grades are reported as down-hole length weighted averages with no top cut applied on the reporting of grades</li> <li>Only those intervals deemed to be significant are given in this report. Significant intersections are determined by combining sample intervals greater than 2m in width and greater than or equal to a cut-off of 1% Zn, which does not include more than 2m of below cut-off grades. Statistically 1% Zn presents as separate population for the mineralized zone and is considered important in defining mineralisation.</li> <li>No metal equivalent calculations have been reported</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>The results are reported as downhole lengths only</li> <li>Drill holes are drilled perpendicular to the general east-west strike of mineralisation in both deposits. Mineralisation at Jackson is interpreted to be "sheet like" moderately dipping near surface then steepening to near vertical at depth. Mineralisation at Chloe is interpreted to be constrained to the axis of a fold which plunges at ~60 degrees to the ESE. Holes have been drilled with a dip predominantly 50-80 degrees. True widths have not been calculated for the intercepts however the volume and grade are reflected in the MRE</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>Refer to diagrams, tables and appendices in this report</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li>This information is not appropriate to reporting of a Mineral Resource Estimate</li> </ul>
<b>Other substantive</b>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of</i></li> </ul>	<ul style="list-style-type: none"> <li>Historical geophysical survey data has been undertaken over the deposit areas and formed the basis for their initial discovery.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>exploration data</b>	<i>treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<ul style="list-style-type: none"> <li>The collection of magnetic susceptibility readings are also taken on both RC and DD sections of the drill hole with increased magnetism associated with mineralisation.</li> <li>Initial historical test work was undertaken during the CSE Feasibility November 2008 and indicated that the waste rock has low acid forming potential</li> <li>RQD and structural logging has been undertaken to assist with future geotechnical criteria</li> <li>Preliminary metallurgical test work was also undertaken during the CSE Feasibility which identified the pyrrhotite ore as having an influence on flotation which could be mitigated by blending and specific reagent schemes to achieve target recoveries.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>Ongoing exploration work will include further drilling to confirm and extend existing targets where appropriate.</li> </ul>

### Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li><i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i></li> <li><i>Data validation procedures used.</i></li> </ul>	<ul style="list-style-type: none"> <li>Original drill hole data including collars, surveys, lithologies, samples and laboratory assay files have been sourced and imported into CSD's Datashed database. Assay data is imported directly from original lab files into Datashed with no prior manipulation of results. Datashed has robust validation and constraints incorporated into it to ensure validated data is readily available for fit for purpose use. The database is managed by a database administrator employed by Consolidated Tin.</li> <li>Mining Associates has undertaken a high level review of all files for syntax, duplicate values, from and to depth errors and EOH collar depths.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Once loaded into 3D software, MA has completed a review of all collar and survey data by visually validating all hole traces for consistency.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li><i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></li> <li><i>If no site visits have been undertaken indicate why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Competent Person completed a site visits to the Chloe and Jackson deposits in April 2018.</li> <li>While on site the CP reviewed the drilling and data management protocols, density determination methods, mine geology procedures, ore reconciliation and diamond drilling and sampling.</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li><i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i></li> <li><i>Nature of the data used and of any assumptions made.</i></li> <li><i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i></li> <li><i>The use of geology in guiding and controlling Mineral Resource estimation.</i></li> <li><i>The factors affecting continuity both of grade and geology.</i></li> </ul>	<ul style="list-style-type: none"> <li>The geological information is built out of 249 drill holes within the Chloe and Jackson prospects.</li> <li>The base of weathering (including partial oxidation) provided by CSD and used to create a bounding surface for the deposit – little to no mineralisation is located above the oxidation surfaces.</li> <li>The data used in the geological model is a combination of diamond core and RC drilling, along with mapped surface exposures of the host lithologies and structures.</li> <li>Consolidated Tin has confirmed that Zn is to be the primary element of interest during the modelling and estimation process.</li> <li>The mineralisation is interpreted to be closely associated with strong alteration zones, although the logging of these zones does not appear to have been completed in a consistent enough manner to enable confidence when creating an alteration model. It is recommended that key holes be re-logged to ensure consistency in the alteration coding with the mineralisation interpretation revised based on the logged alteration.</li> <li>The base metal mineralisation at Chloe has been interpreted to be located within a moderately east plunging, tight to isoclinal fold hinge, thought to have formed post deposition of the sulphide mineralisation. The dominant orientation of the mineralisation appears to be along the axial plane of the fold with a subsidiary trend identified along the southern limb of the fold. The mineralisation extends along both limbs of the fold</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>although it does break up into a number of discontinuous lenses away from the hinge zone.</p> <ul style="list-style-type: none"> <li>• The base metal mineralisation at Jackson is structurally complex and has been interpreted to be located on either limb of an asymmetric fold. Due to the structural complexity, the deposit comprises generally thin, discontinuous lenses of base metal mineralisation with the northern lenses varying from moderately to steeply NNE dipping, consistent with a complexly folded system. The most continuous mineralisation forms in the footwall to the south and is ESE striking with a dip that changes from moderately dipping in the upper parts of the deposit to steeply. North dipping at depth. This steepening has caused a thickening of the mineralisation</li> <li>• Due to the multi-element nature of the mineralisation at Chloe and Jackson, element correlation analysis has been undertaken to determine which elements can be grouped together with Zn for modelling purposes and which ones need to be modelled and estimated separately.</li> <li>• For Chloe and Jackson this analysis indicates that the correlation between the other elements of economic significance, namely Pb, and Cu is adequate to enable estimation inside the primary zinc mineralisation domains. Assay results of Zn showed inflection points of 1% and 5% Zinc in the log probability plots. Grade interpretation on section at 1% and 5% Zn were created at each deposit. Silver grades within the 1% Zinc halo showed an inflection at 60 g/t Ag, a separate high grade Ag wireframe was created for Jackson, High grade silver at Chloe was sparse and could not be modelled separately.</li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li>• <i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Chloe Deposit mineralisation strikes to the ESE and extends approximately 500 m in this direction, with a ~65° dip to the NNE and dip extents of approximately 600 m. The across strike extents of the mineralisation across the fold limbs is approximately 160 m.</li> <li>• The mineralisation plunges steeply to the ESE, parallel to the fold hinge axis, with the thickest mineralisation located within the fold hinge zone (20–35m true width). The</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>mineralisation on either fold limb is generally thinner with true widths ranging between 2–8m.</p> <ul style="list-style-type: none"> <li>The Jackson Deposit mineralisation strikes to the ESE and extends approximately 550 m in this direction, with a vertical extent in excess of 350 m. The across strike extents of the mineralisation from one fold limb to the other is approximately 200 m.</li> <li>The individual mineralisation lenses generally range in thickness from 2 m to up to 15 – 20 m true thickness. The strike and dip of each lens can show a high degree of variability with the thickest mineralisation occurring in the steeper dipping sections of the deposit</li> </ul>
<b>Estimation and modelling techniques</b>	<ul style="list-style-type: none"> <li><i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></li> <li><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li><i>The assumptions made regarding recovery of by-products.</i></li> <li><i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i></li> <li><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> <li><i>Any assumptions behind modelling of selective mining units.</i></li> <li><i>Any assumptions about correlation between variables.</i></li> <li><i>Description of how the geological interpretation was used to control the resource estimates.</i></li> <li><i>Discussion of basis for using or not using grade cutting or capping.</i></li> <li><i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i></li> </ul>	<ul style="list-style-type: none"> <li>Mineral Resource estimation has been completed within Geovia Surpac V6.8.1 Resource Modelling software.</li> <li>Ordinary Kriging has been used as the interpolation technique to estimate the Mineral Resource with this method considered appropriate given the nature of mineralisation and mineralisation configuration.</li> <li>The three dimensional mineralisation wireframes were used to flag the mineralised samples. Intervals were checked for inconsistencies, split samples, edge dilution and mineralisation outside the interpretation. These flags (domain codes) have then been used to extract a raw assay file from access for grade population analysis within Surpac, as well as analysis of the most appropriate composite length to be used for the estimation.</li> <li>Analysis of the raw samples within the Zn mineralisation domains indicates that the majority of sample lengths are 1 m. Composite lengths of 1, 2 and 3m were considered. Surpac's "Best Fit" compositing function was used to create 1 m composites, with a minimum composite length of 80cm.</li> <li>Geostatistical and continuity analysis have been undertaken utilising Snowden's Supervisor™ software.</li> <li>Composites within the individual mineralised domains have been analysed to ensure that the grade distribution is indicative of a single population with no requirement for additional sub-domaining and to identify any extreme values which could have an undue influence on the</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>estimation of grade within the domain. the initial low grade Zn domain showed a second higher grade Zn population existed above 5%, and the silver composites within the 1% Zn domains showed a high Grade +60 g/t Ag population, further grade domaining was carried out to identify the high grade populations within the deposits.</p> <ul style="list-style-type: none"> <li>• Log histograms, log-probability and mean-variance plots have been used to identify if the skewed distribution of grades is unduly affected by the influence of extreme values and if so, determine the impact of applying a grade cap (top-cut) to that population. Very few of the mineralisation domains for the estimated elements (Zn, Pb, Ag, Cu, Fe and S) contained extreme values and hence, only slight topcutting was required. A top-cut is also applied to the un-mineralised samples to negate the influence of unmodelled higher grade samples.</li> <li>• Grade continuity analysis for Zn, Cu, Pb, Ag and Au has been undertaken in Snowden Supervisor software within the dominant mineralised Zn domain as the individual Zn grade domains contained insufficient samples to model the grade continuity. Variograms have been checked to ensure that they are geologically robust with respect to the strike and dip of each domain.</li> <li>• A block size of 12.5 m (X) by 5 m (Y) by 10 m (Z) was selected to approximate half the current data spacing and orientation of the deposit. The model is not rotated. The drill hole spacing in the majority of the deposit varies from 20 – 50 m in the X direction and 10 – 20 m in RL - therefore the block size selected is considered appropriate for the drill spacing. In order for effective boundary definition, a sub-block size of 3.125 m (X) by 1.25 m (Y) by 2.5 m (Z) has been used with these sub-cells estimated at the parent block scale.</li> <li>• No assumption has been made regarding selective mining units. However the sub-blocks are of a suitable selective mining unit size for an open pit operation.</li> <li>• The interpolations have been constrained within the mineralisation wireframes and undertaken in two passes with the mineralisation wireframes utilised as hard-boundaries during the estimation. The Zn mineralisation</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>domains have been used to constrain the estimation of Zn, Cu, Pb, Fe and S, with a separate high grade domains for Ag.</p> <ul style="list-style-type: none"> <li>• Estimation of zinc, lead, silver, copper, iron and sulphur utilized two interpolation passes, the first pass used an octant search of 80 m with anisotropic ratios of 2 and 2.5 for the semi-major and minor axis respectively. The first pass utilises between 6 and 24 samples to inform a block. The maximum number of samples per hole was set to 4. For the second pass the search distance was doubled and the minimum number was reduced to 3 and maximum of reduced to 16.</li> <li>• Grade is interpolated into the un-mineralised blocks using two interpolation passes.</li> <li>• The resource has been validated visually in section and level plan along with a statistical comparison of the block model grades against the composite grades to ensure that the block model is a realistic representation of the input grades. No issues material to the reported Mineral Resource have been identified in the validation process.</li> <li>• No mining has taken place of the Chloe or Jackson Deposits, hence no reconciliation data is available for validation.</li> </ul>
<b>Moisture</b>	<ul style="list-style-type: none"> <li>• <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Tonnages are estimated on a dry basis.</li> </ul>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>• <i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Mineralisation is reported above 1% Zn cut off.</li> <li>• The grades of Pb, Ag and Cu have been reported for those blocks satisfying the Zn cut-off grade requirements, no zinc equivalence used.</li> <li>• The Mineral Resources have been reported by cut-off grade and Mineral Resource Category.</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>• <i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be</i></li> </ul>	<ul style="list-style-type: none"> <li>• The mineralisation above the 400mRL (approximately 200 m below surface) has been deemed to be potentially accessible by open cut mining methods.</li> <li>• The mineralisation below the 400mRL is likely to be recovered via underground mining methods.</li> <li>• No other mining assumptions have been used in the</li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	estimation of the Mineral Resource.
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>The Mineral Resource Estimate as reported excludes mineralisation contained within the oxide and partially oxidized material there is no defined processing route for the oxidized material.</li> <li>The Chloe Deposit contains 6,000 t at 3.70 % Zn and 1.52 % Pb for 230 t of Zn and 94 t of Pb within the oxide profile (not included in resources).</li> <li>The Jackson Deposit contains 41,000 t at 3.07 % Zn and 1.54 % Pb for 1260 t of Zn and 635 t of Pb within the oxide profile (not included in resources).</li> </ul>
<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>No environmental factors or assumptions have been incorporated into the reporting of the Mineral Resource Estimate for Chloe and Jackson deposits.</li> </ul>
<b>Bulk density</b>	<ul style="list-style-type: none"> <li>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</li> <li>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.</li> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>A total of 3,120 bulk density measurements have been supplied by Consolidated Tin.</li> <li>Procedures for current and past density data collation have been cited by MA, all density measurements are a variation on Archimedes principal. CSD are currently taking to account void, moisture and porosity.</li> <li>A factor has not been applied to account for void spaces or moisture differences in the block model. Bulk density values incorporated into the Mineral Resource model are dry bulk densities.</li> <li>27 bulk density samples have been taken in the oxidized portion of the deposit, returning an average bulk density of 2.6 g/cm<sup>3</sup>, with this value assigned to all oxidised blocks in the block model. Partially oxidised material is assigned a density of 2.8 g/cm<sup>3</sup></li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>• The relative abundance and composition of the sulphide mineralisation throughout the un-oxidised part the deposit will impact on the bulk density of that material. Analysis has been undertaken to determine a correlation between the bulk density and the weighted average assays for Cu, Pb, Zn, Fe and S which have been weighted by the atomic weight of each respective element. This produced a correlation of over 65% between the measured bulk density and this calculation field. This has been deemed acceptable for deriving a regression between the two, with the block model Cu, Pb, Zn, Fe and S grades used to populate an atomic weight value with this value used to derive the bulk density of each block.</li> <li>• The average density within mineralisation is 3.4, compared to 3.33 for the average of the density readings.</li> <li>• Bulk density data are considered appropriate for use in Mineral Resource and Ore Reserve estimation.</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>• <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i></li> <li>• <i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i></li> <li>• <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Classification of the Chloe and Jackson deposits resource estimate is in keeping with the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". All classifications and terminologies have been adhered to. All directions and recommendations have been followed, in keeping with the spirit of the code.</li> <li>• The resource classification applied is based on the drilling data spacing, grade and geological continuity, and data integrity. The resource has been classified on the following basis;</li> <li>• No areas of the Mineral Resource satisfied the requirement to be classified as Measured Mineral Resources,</li> <li>• Portions of the model defined by drilling spaced on a 20 m by 20 m pattern and where the confidence in the estimation is considered high (as defined by blocks with an average distance to informing samples of less than 50 m, a kriging efficiency above 0.4, a slope of regression above 0.6) have been classified as Indicated Mineral Resources,</li> <li>• Portions of the model with a drill density greater than 40 m by 40 m, where variographic parameters have been</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>borrowed from other domains, average distance to informing samples is greater than 50 m and less than 120 m, and where the confidence in the estimation is lower have been defined as Inferred Mineral Resources,</p> <ul style="list-style-type: none"> <li>• Areas of the deposit that do not meet these criteria remain Unclassified.</li> <li>• These parameters have been used as a guide to develop classification wireframes digitised on section and checked on level plans. The Resource classification has been assigned inside these solids for the mineralised blocks in order to remove any irregularities in classification of the deposits.</li> <li>• Results reflect the Competent Persons' view of the deposits.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of Mineral Resource estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No other independent audits or reviews have been undertaken on the Mineral Resource estimate.</li> </ul>
<b>Discussion of relative accuracy/confidence</b>	<ul style="list-style-type: none"> <li>• <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></li> <li>• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li>• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Mineral Resources as reported are considered global estimates, with additional infill drilling, re-logging and re-interpretation of the geology, alteration and mineralisation required to increase the local scale confidence in the Mineral Resource Estimate.</li> <li>• The ordinary kriging result, due to the level of smoothing, should only be regarded as a global estimate, and is suitable as a life of mine planning tool. Should local estimates be required for detailed mine scheduling, techniques such as Uniform conditioning or conditional simulation should be considered, ultimately grade control drilling is required.</li> </ul>

# Appendix C

## DRY RIVER SOUTH JORC CODE, 2012 EDITION – TABLE 1

Notes on data relating to the Mineral Resource Estimate for the Dry River South deposit. Data provided by Consolidated Tin Mines Ltd and verified by MA.

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections).

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></li> </ul>	<ul style="list-style-type: none"> <li>The following report details the historical data, checks, validation and methodology used to generate the updated Mineral Resource Estimates (MRE) for the Dry River South (DRS) deposit.</li> <li>Data for the DRS deposit has been collected from drilling programs undertaken by several exploration campaigns between 1980-2018, by different companies; Carpentaria Exploration Company (CEC), Plutonic, Kagara and Consolidated Tin Mines (CSD). Drilling were undertaken by reputable contractors using appropriate equipment.</li> <li>A total of 205 drillholes utilising Reverse Circulation (RC) and Diamond (DD) drilling methods have been completed for a total of 55,758 m at the DRS deposit.</li> <li>Hole depths ranges from 39m to 685m with drill spacing ranging from 30m x 50m to 60m x 75m.</li> <li>Of this drilling 77 holes for 18,257 m, 48 holes for 14,249 m, 66 holes for 20,532 m, and 14 holes for 2,719 m were completed by CEC, Plutonic, Kagara and CSD respectively.</li> </ul>
	<ul style="list-style-type: none"> <li><i>Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.</i></li> </ul>	<ul style="list-style-type: none"> <li>Holes have been drilled predominantly towards the west with dips of mostly 70-90 degrees to optimally intersect the gently dipping (south- east) mineralised zones.</li> <li>The diamond drill core has been cut longitudinally in half in both NQ and HQ core sizes. Sampling was undertaken at predominantly 1m intervals with a range from 0.5 m length to 1.4 m length to accommodate changes in geology and mineralisation.</li> <li>Metallurgical samples were taken from half HQ core samples.</li> </ul>

		<ul style="list-style-type: none"> <li>• RC chip samples were taken at 1 m intervals and a 1/8th split using a riffle splitter was taken as a sample for analysis.</li> <li>• Sample intervals are taken only over mineralised intervals with 3-5 m of unmineralised material also sampled above and below the interval. Mineralisation is visually identified by the presence of economic minerals.</li> <li>• The drill hole locations have been surveyed by using a DGPS (Differential Global Positioning System) with an accuracy of ~0.01m. Majority of drillholes were surveyed by licensed contract surveyors from Townsville. A total of 35 drillholes have been re-surveyed by C&amp;B consultants on behalf of Kagara as QC checks. The original and check survey coordinates were found to be in close correlation indicating drillhole collar locations at DRS are well established.</li> <li>• Downhole surveys were undertaken using a single shot Reflex camera approximately every 30 to 50 m.</li> <li>• Sub-samples of ~3kg were sent to the laboratory for assaying. A total of 9,829 samples for the DRS deposit have been sent for analysis. The samples sent to SGS &amp; Intertek followed standard SGS &amp; Intertek crushing and pulverization procedures followed by a 4-acid digest to effect as near to total solubility of the sample as possible.</li> <li>• Of the 9,829 samples assayed, 3705 identified as being mineralised are utilised in the resource.</li> <li>• ALS, SGS laboratories, Kagara and CSD inserted QC samples into the routine sample stream to monitor sample quality as per industry best practice.</li> </ul>
	<ul style="list-style-type: none"> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Most of the sampling, surveying, geological logging, sample preparation and analysis undertaken during the Kagara and CSD exploration period was carried out under the guidance of Exploration Standards and Procedures Manual (2008) which follows industry practices for data collection and validation. The procedures used prior to this exploration are unknown but account for ~60% of the data. However mineralised intercepts from the data have been confirmed by Kagara and CSD drilling and they are not considered to pose any data quality issues as used in this report.</li> </ul>



<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger,</li> <li>• Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>• RC drilling utilized 6 m rods whilst DD drilling used 3 m drill rods. Diamond drilling has employed predominantly 47.6 mm diameter NQ2 'standard tube' core drilling methods. RC drilling has been completed using a 5.25- or 5.5 inch diameter face sampling hammer bit.</li> <li>• Diamond drill core was orientated at regular intervals to facilitate structural logging. Core lengths and orientations are checked by trained company personnel (geologist or field technician)</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>• Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>• Bulk RC sampled intervals are weighed to provide an indication of recovery. &gt;80% fall within the expected ranges for a 1 m interval.</li> <li>• Due to the nature of the mineralisation it would be expected that higher grade intervals have higher weights. This is not clearly reflected in the data.</li> <li>• The method undertaken for determining core recovery during the various drilling programs at DRS is to compare a one metre interval against the core returned. This process is thought to provide greater precision in identifying zones of poor recovery. Of the &gt;7,691 valid recovery measurements taken 99.4% represent &gt;91.0% recovery. No relationship between recovery and grade is observed.</li> <li>• The use of high-quality methods such as RC and diamond drilling as well as measuring and monitoring of recovery has been employed to maximise recovery.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• All drill holes have been logged in full and record standard qualitative data such as lithology, alteration, mineralisation, weathering and oxidation. Diamond core was quantitatively logged for geotechnical parameters such as recovery and RQD. Structural data such as faults, fractures and veins are also recorded.</li> <li>• All RC precollar intervals were wet-sieved and stored in chip trays.</li> <li>• All logging was transferred into Excel spreadsheet templates at the time of drilling. These spreadsheets have been imported into a Datashed database system where validation on logging has been performed.</li> <li>• All diamond core and chip trays (from RC drilling) were photographed in a wet and dry state.</li> </ul>

<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Both RC and diamond core samples have been utilised in the DRS Resource</li> <li>• RC sampling was predominantly undertaken using a multi-tiered riffle splitter attached to the base of the drill rig cyclone and providing a 1/8th split ranging from 3-5kg.</li> <li>• Diamond holes were sampled taking a representative ½ core split of the NQ2 diamond drill core or 1/4 core split of the HQ2 diamond drill core. Drill core was cut longitudinally in half using diamond saws just to the side of a centre reference line. Sampling is nominally on 1m intervals but is varied to account for lithological and mineralisation contacts with minimum lengths of 0.5m and maximum lengths of 1.4m allowable. Metallurgical samples were taken from ½ HQ2 core on selected intervals.</li> <li>• Field duplicate samples were only applied to the RC sampling and were selected by the geologist, from anywhere within a sampled mineralised interval. These samples, totalling 36, were collected by re-splitting the original bulk sample bag. The performance of the 36 RC duplicate samples has been checked for the elements estimated within the resource and are within acceptable limits (11.7% outside 20% MPD limits) relative to the mineralisation and duplicate method.</li> <li>• Laboratory coarse and pulp duplicates were requested for some core sample intervals. In all, 13 &amp; 18 coarse and pulp samples respectively, were duplicated for assessing repeatability of the mineralised zones. For the laboratory coarse duplicates, all data fell within the +/-20% MPD limits while 5.6% of laboratory pulp duplicates fell with the +/-20% limits; signifying good correlation between the original and duplicate samples.</li> <li>• Sample sizes are considered appropriate for the mineralisation present.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures</i></li> <li>• <i>used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used i determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (e.g. standards, blanks,</i></li> </ul>	<ul style="list-style-type: none"> <li>• The bulk of the samples drilled by CSD were submitted to Intertek in Townsville and followed standard Intertek sample preparation procedures then underwent digestion via a 4- acid digest (4A/OE01) with ICP Finish to effect as near to total solubility of the sample as possible.</li> <li>• All samples were assayed for: <ul style="list-style-type: none"> <li>○ Au via Fire Assay with AAS finish</li> </ul> </li> </ul>

	<p><i>duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<ul style="list-style-type: none"> <li>○ 39 elements; Ag Al As Ba Be Bi Ca Cd Co Cr Cu Fe K La Mg Mn Mo Na Ni P Pb Rb S Sb Sr Ti V W Zn</li> <li>○ Over-range values (&gt; 1% Cu, Pb, Zn and 100ppm Ag), were re-assayed using ore grade / higher analytical method.</li> <li>● Samples prior to CSD were submitted to SGS Laboratories (Townsville) and followed standard SGS crushing and pulverization procedures. These samples also underwent digestion via a 4-acid digest to effect as near to total solubility of the sample as possible. Over range elements are re-assayed using an ore grade analytical method</li> <li>● Field QAQC procedures included the insertion of field duplicates (only RC samples), commercial pulp blanks, coarse blanks, and standards. Insertion rates of QC samples was approximately 1 in every 15 samples.</li> <li>● Performance of standards for monitoring the accuracy, precision and reproducibility of the assay results received from Intertek and SGS have been reviewed. The standards generally performed well with results falling within prescribed three standard deviation limits.</li> <li>● The performance of the pulp blanks has been within acceptable limits with no significant evidence of cross contamination identified.</li> <li>● Both Intertek and SGS laboratories undertake industry standard QC checks to monitor performance inhouse.</li> <li>● No QC data is available for the historic samples which make up 60% of the data. However, this is not considered a significant issue as Kagara and CSD drilling has, to a large extent, validated the economic mineral intercepts reported by the historic drilling.</li> </ul>
<p><b>Verification of sampling and assaying</b></p>	<ul style="list-style-type: none"> <li>● <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>● <i>The use of twinned holes.</i></li> <li>● <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>● <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>● Samples were selected by experienced geologists based on the presence of visible mineralisation. Significant intersections which are bounded by barren material confirm the visual selection.</li> <li>● To date no RC-DD twin holes have been drilled at the DRS deposit. The deposit is located below the effective drilling depth of RC techniques. Most RC drill holes in the database are shallow (average depth of RC holes is 140m).</li> <li>● Historical logging data was recorded on paper and then entered into an Excel spreadsheet or logged directly into Excel. As part of the current resource update all original Excel</li> </ul>

		<p>logging spreadsheets and original laboratory assay files have been sourced and imported into the CSD Dashed database.</p> <ul style="list-style-type: none"> <li>Assay values designated as less than detection are assigned a value 0.5 x LTD limit value. Where the assay value is returned as insufficient or no sample then the assay value is set to null.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>The drill hole locations have been surveyed by using a differential Real Time Kinematic (RTK) GPS to an accuracy of 0.01m. Majority of drillholes were surveyed by licensed contract surveyors from Townsville. A total of 35 drillholes have been re-surveyed by C&amp;B consultants on behalf of Kagara as QC checks. The original and check survey coordinates were found to be in close correlation indicating drillhole collar locations at DRS are well established.</li> <li>Holes have been drilled predominantly towards the north-west (local grid west) with dips of mostly 70-90 degrees to optimally intersect the gently dipping (south-east) mineralised zones.</li> <li>Azimuths and dips were initially set up using a compass and clinometer on the drill rig mast.</li> <li>All drill hole collars have been surveyed in MGA GDA 94 Zone 55 and converted to DRS Local Mine Grid.</li> <li>In 2007 a detailed aerial mapping project was undertaken to develop accurate topographical control over the DRS resource area. High resolution aerial digital images were taken at 1:11000 scale and cross referenced to ground control points to enable the modelling of surface points to within 250mm of their true elevation.</li> <li>All planned collar locations are marked in the field using a handheld GPS with an accuracy of +/-2m and RL's are allocated to the drill hole collars by using the detailed DTMs. On completion of drilling holes have been picked up using DGPS.</li> <li>Downhole surveys have been undertaken predominantly with a single shot Eastman or Reflex camera.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral</i></li> </ul>	<ul style="list-style-type: none"> <li>The drill hole spacing in the deposit ranges from 20m x 50m to 60m x 75m.</li> </ul>

	<p><i>Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>The data density is considered sufficient to demonstrate grade continuity to support a Mineral Resource Estimate (MRE) under the 2012 JORC code</li> <li>Intersections reported in this report are interval weighted average composites of smaller sample intervals as is common practice.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>The nature and controls on mineralisation at the DRS deposit are considered to be well understood in the area of the MRE. Holes have been drilled predominantly towards the north-west with dips of mostly 70-90 degrees to optimally intersect the gently dipping (south-east) mineralised zones.</li> <li>Based on the current understanding of the deposit sampling is considered to be unbiased with respect to drill hole orientation and strike and dip of mineralisation.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Chain of custody processes for the historical drilling is unknown</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>No other audits or reviews are known</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land status</b>	<ul style="list-style-type: none"> <li><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>The MRE has been undertaken on drilling carried out on ML 1393 held by Consolidated Tin Mines Pty Ltd (CSD) and falls within EPM 9323. CSD has purchased all Snow Peak Mining (SPM) tenures under an Asset Sale Agreement. However, the transfer of the tenures is yet to take effect, therefore they are still officially registered as being held by SPM</li> <li>The Mining Lease has been cleared for use with an Indigenous Land Use Agreement. The tenement land has been subjected to the Ewamian People #3 determination and given all clearances for use.</li> </ul>

<p><b>Exploration done by other parties</b></p>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The tenements are in good standing and no known impediments exist.</li> <li>• The district has an extensive exploration history and the following summary is focused on work directly related to the DRS and nearby areas (Balcooma and Surveyor).</li> <li>• Key deposits discovered at Surveyor are the volcanogenic massive sulphide DRS, Surveyor, and Balcooma zinc-rich polymetallic deposits and the Balcooma copper deposit.</li> <li>• In the 1960's New Consolidated Goldfields undertook some superficial work, but it was not until 1975 that Geopeko discovered base metal gossans near the confluence of Clayhole Creek and Dry River and subsequently acquired the Surveyor Mining Lease.</li> <li>• Carpentaria Exploration Company (CEC) discovered the Balcooma gossan in 1978 and acquired the surrounding Authority to Prospect (A to P). Through the late 1970s to early 1980s CEC explored the Balcooma line of base metal prospects including Scot Finds, Balcooma, DRS, Golden Creek and West Boyds Creek. All were drilled and the Balcooma prospect proved to contain significant base metal mineralisation.</li> <li>• In 1985, significant mineralisation was discovered at depth at DRS. In the late 1980s CEC entered into a joint venture with Chevron Exploration and Metallgesellschaft. Chevron did some additional regional work and outlying prospect drilling. Between 1980 and 1987, work completed on the DRS prospect by CEC included the drilling of 77 holes for a total of 17,956m</li> <li>• In 1988 Triako Resources acquired CEC's A to P and undertook extensive infill and further mining feasibility work at the Balcooma prospect but on-sold the property to Plutonic in 1990.</li> <li>• In 1982 drilling intersected mineralisation in the main Surveyor deposit. Plutonic bought out the Jones Mining interest in 1983 and Lachlan Resources purchased Geopeko's 50% interest in a JV.</li> <li>• Ground magnetic and EM surveys (moving and fixed loop) were used as the preferred exploration tool by Noranda within the area. This work was supplemented by detailed structural mapping and soil geochemistry across</li> </ul>
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		<p>all prospects. The anomalies that resulted from the downhole EM surveys were followed up with further drilling.</p> <ul style="list-style-type: none"> <li>• During the 1990s Plutonic/Lachlan undertook several drilling campaigns in the area in an attempt to prove-up zinc and copper resources. Drilling of the DRS deposit formed part of the basis for a MRE and contributed to the DRS Project Feasibility Study. 14,133m of drilling were completed in 48 holes.</li> <li>• In 1998-2000, Kagara Zinc Limited purchased the Surveyor ML. From 2000 to 2007 Kagara undertook drilling on both the DRS and Balcooma deposits. A total of 19,815m in 66 holes were drilled into the DRS deposit. In addition, 851 sludge drilling samples and 1,543 face sample were taken from DRS underground operations.</li> <li>• Kagara mined the DRS deposit from underground between 2004 and December 2008 when it was closed in preference to mining of the larger Balcooma underground copper project.</li> <li>• In 2012 Consolidated Tin Mines (CSD) purchased the Mount Garnet base metal mill and associated central tenements from administrative directors appointed for Kagara Limited. The acquisition included multiple active and inactive mine sites with associated extensive databases and highly prospective 'near mine' exploration targets.</li> <li>• CSD commenced base metal mining in December 2013 with ore haulage to Mount Garnet. The Mount Garnet mill produced poly-metallic (Zn, Pb, Cu) concentrate from March 2014 to July 2016 when the operation was placed on care and maintenance.</li> <li>• CSD commenced dewatering and rehabilitation of the DRS Underground mine in 2017.</li> <li>• Ore was sourced from the DRS UG mine commencing in June 2018 and the Mount Garnet Deeps UG mine from January 2019.</li> <li>• During 2018 CSD collared a number of surface diamond holes along the south western edge of the resource where there are reasonable prospects to extend the geology model. In all 14 holes for 3,278m of drilling was undertaken.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Regionally, the geology comprises a package of Cambro-Ordovician volcanic, volcanoclastic and sedimentary rocks, largely metamorphosed and displaying the fabric of at least</li> </ul>

		<p>three separate deformation events. The targets for exploration are base metals as volcanic-hosted massive sulphide (VHMS) mineralisation, and gold. The mode of occurrence of the gold is enigmatic.</p> <ul style="list-style-type: none"> <li>• Dry River South (DRS) is a thin (1 to 10 m thick) north-south trending tabular body, 1km long and up to 200 m wide occurring at the contact between metagreywacke and an underlying pyritic quartz-muscovite-biotite schist, near or at the contact of the Clayhole Creek Beds and the overlying Dry River Volcanics. The prospect area also contains two bodies of quartz-feldspar porphyry which are apophyses of a larger body to the west. Two types of massive sulphide are described, namely; pyrite-chalcocopyrite, and pyrite-sphalerite-galena. Both are normally present in the same drillhole. The massive sulphide body is capped by a thin (&lt;2m thick) band of felsic volcanics. The immediate footwall comprises pyritic, fine grained quartz-muscovite schist with up to 3% biotite, scattered staurolite and rare andalusite porphyroblasts. The pyrite occurs as stringers to thick massive sulphide veins up to 40 cm thick, and as lesser disseminations. This alteration persists laterally for up to 50 m beyond the massive sulphides and is over 100 m thick.</li> <li>• At DRS, massive sulphide mineralisation occurs at the top of the felsic volcanics just below the contact with the sediments. Rocks at the contact are commonly mylonitised. The massive sulphides occupy a structure along the contact that strikes NE and dips ~30° SE. However, down-dip, mineralisation appears to occupy a structure that strikes NNE and dips ~45° ESE and which has normal relative movement (ESE-side down). Shears with both orientations have been mapped in the walls and backs of the initial underground development at the norther end of DRS. The shallower dipping structures appear to be shallow-angle thrusts (verging NW); the steeper structures appear to be normal (ESE-side down).</li> <li>• Throughout the DRS grid area (including the southern lens) the strong S2 foliation strikes north- eastly and dips moderately to steeply to the SE.</li> <li>• The polymetallic mineralisation at DRS occurs as pyrite-chalcocopyrite, and pyrite-sphalerite- galena.</li> </ul>
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<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</li> </ul>	<ul style="list-style-type: none"> <li>Refer to diagrams, tables and appendices within this report</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Grades are reported as down-hole length weighted averages with no top cut applied on the reporting of grades</li> <li>Only those intervals deemed to be significant are given in this report.</li> <li>No metal equivalent calculations have been reported</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>The results are reported as downhole lengths only.</li> <li>Drill holes are drilled perpendicular to the general south-east strike of mineralisation. Mineralisation at DRS is interpreted to occur in a broad alteration zone with zones of higher grades (&gt;5% Zn) within. The mineralisation dips moderately (20-30 degrees and 40-50 degrees at DRS Main and DRS Deeps respectively) to the south-east.</li> <li>True widths have not been calculated for the intercepts although the volume and grade are reflected in the MRE</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to diagrams, tables and appendices in this report</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>This information is not applicable to reporting of a Mineral Resource Estimate</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): <ul style="list-style-type: none"> <li>geological observations; geophysical survey results;</li> <li>geochemical survey results;</li> <li>bulk samples</li> <li>size and method of treatment;</li> <li>metallurgical test results;</li> <li>bulk density, groundwater, geotechnical and rock characteristics;</li> <li>potential deleterious or contaminating substances.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Historical geophysical survey data has been undertaken over the deposit area and formed the basis for the initial discovery.</li> <li>Initial historical testwork was undertaken by Kagara and indicated that the waste rock has low acid forming potential.</li> <li>RQD and structural logging has been undertaken to assist with geotechnical criteria.</li> </ul>

<b>Further work</b>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• A total of 457 bulk density measurements have been supplied by Consolidated Tin for analysis.</li> <li>• All bulk density measurements were collected using procedures based on Archimedes' Principle.</li> <li>• Ongoing exploration work will include further drilling to confirm and extend existing targets.</li> <li>• The deposit remains open at the flanks.</li> </ul>
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### Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>A complete drilling database has been supplied by Consolidated Tin Mines in the form of Microsoft Access files extracted from a Datashed database. The database is managed by a database administrator employed by Consolidated Tin.</li> <li>MA has undertaken a high-level review of all files for syntax, duplicate values, from and to depth errors and EOH collar depths.</li> <li>Once loaded into Surpac 7.01 (3D software) MA has completed a review of all survey data by visually validating all hole traces for consistency.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>The Competent Person visited the DRS deposit (underground workings) in July 2019.</li> <li>While on site the CP reviewed the drilling and data management protocols, density determination methods, and geology procedures including diamond drilling and sampling procedures.</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	<ul style="list-style-type: none"> <li>The geological information is interpreted from of 205 drill holes within the DRS deposit.</li> <li>The data used in the geological model is a combination of diamond core and RC drilling and face sampling, along with mapped surface exposures of the host lithologies and structures.</li> <li>The base of weathering (including partial oxidation) was provided by CSD. No portion of the mineralisation exists inside the oxidized rocks.</li> <li>At DRS massive sulphide mineralisation occurs at the top of the felsic volcanics just below the contact with the metasediments. Rocks at the contact are commonly mylonitised. The massive sulphides occupy a structure along the contact that strikes NE and dips ~30o SE. However, down-dip, mineralisation appears to occupy a structure that strikes NNE and dips ~45o ESE and which has normal relative movement (ESE- side down). Shears with both</li> </ul>

		<p>orientations have been mapped in the walls and backs of the initial underground development at the northern end of DRS. The shallower dipping structures appear to be shallow-angle thrusts (verging NW); the steeper structures appear to be normal (ESE-side down).</p> <ul style="list-style-type: none"> <li>• Throughout the DRS grid area, including the southern lens, the strong S2 foliation strikes north-easterly and dips moderately to steeply to the SE.</li> <li>• For the DRS deposit, zinc represent the primary elements considered for modelling and estimation. Element correlation analysis has confirmed that the correlation of Pb, Cu, Ag and Au with Zn is adequate to enable estimation inside the primary mineralisation domain. Pb, Cu, Ag and Au have been analysed and estimated inside the Zn domain.</li> <li>• The interpretation of the Zn mineralisation was supplied by CSD. Interpretations were undertaken on local mine grid cross sections perpendicular to strike. Sections are digitised on screen and wireframed to create a 3D solid representing the mineralisation. Analysis of the length weighted grade distribution within the interpreted mineralised zones indicated no additional Zn populations should be defined. Potential exists to define a high-grade shoot plunging SW should additional data continue to support the theory.</li> <li>• The grade shell has been reviewed by Mining Associates to ensure that it is consistent with drilling and geological understanding of the deposit.</li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li>• <i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The DRS deposit mineralisation strikes to the NE-SW and extends almost 1 km, with a vertical extent in excess of 350 m. The across strike extent of the mineralisation (in a broad alteration zone of disseminated stringer pyrite veinlets) from footwall to hangingwall is approximately 120 m.</li> <li>• The massive sulphide mineralisation lens generally ranges in thickness from 1 m to to 30 m true thickness. Mineralisation dips moderately to the SE and plunges shallowly to the southeast.</li> </ul>
<b>Estimation And modelling techniques</b>	<ul style="list-style-type: none"> <li>• <i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Mineral Resource estimation has been completed within Surpac Geovia Surpac 7.01.</li> <li>• Ordinary Kriging has been used as the interpolation technique to estimate the Mineral Resource. This method is considered appropriate given the nature of mineralisation</li> </ul>



- *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*
- *The assumptions made regarding recovery of by-products.*
- *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*
- *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*
- *Any assumptions behind modelling of selective mining units.*
- *Any assumptions about correlation between variables.*
- *Description of how the geological interpretation was used to control the resource estimates.*
- *Discussion of basis for using or not using grade cutting or capping.*
- *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*

and mineralisation configuration. All elements were estimated using ordinary kriging.

- The three-dimensional mineralisation wireframes are used to flag the down hole intervals with a unique Zn domain code. Flags were checked for sample splitting.
- This domain code was then used to extract a raw assay file from MS Access for grade population analysis, as well as analysis of the most appropriate composite length to be used for the estimation.
- Analysis of the raw samples within the Zn mineralisation domain indicates that most sample lengths are at or below 1 m. One metre composites were selected as being appropriate, CVs were reduced and means relatively unchanged.
- High grade outliers (Zn, Pb, Cu, Ag and Au) within the one metre composite data were capped. Domains were individually assessed for outliers using histograms, log probability plots and changes in the mean metal content. Grade caps were applied as appropriate. Generally, the domains defined a well distributed population with low CVs and only minimal grade-capping was required.
- Grade continuity analysis (variograms) within Zn domain that defines the mineralisation has been undertaken in Snowden Supervisor software for Zn, Pb, Cu, Ag and Au. Reasonable variograms could be generated from the close spaced face sample data and the general structure and range could be seen in the poorly developed drill hole experimental variograms. Face sample variograms were used.
- A 3D model with a parent block size of 10m (X) by 20m (Y) by 5m (Z) was created. The drill hole spacing in the deposit ranges from 40 m by 50 m in the better drilled parts of the deposit to 75 m by 50 m in the along strike and down dip extensions of the deposit. Therefore, the block size selected is considered appropriate for the drill spacing. For effective boundary definition, a sub-block size of 1.25m (X) by 0.625m (Y) by 0.3125m (Z) has been used with these sub-cells estimated at the parent block scale.
- No assumption has been made regarding selective mining units.

		<ul style="list-style-type: none"> <li>The interpolations have been constrained within the mineralisation wireframes and undertaken in two passes with the mineralisation wireframes utilised as hard boundaries during the estimation.</li> <li>The Zn mineralisation domains have been used to constrain the estimation of Zn, Cu, Pb, Ag and Au</li> <li>The 1st pass utilized a search ellipse set at 80m approximating the distance at which the variogram range is defined. The same search parameters are used for each element to minimise order relation issues between blocks. A minimum of 3 and a maximum of 12 composites have been used during the interpolation with a maximum of three composites from each drill hole.</li> <li>The 2nd pass used a search ellipse of 160 m. A minimum of 3 and a maximum of 8 composites have been used during the interpolation with a maximum of three composites for each drill-hole</li> <li>The resource has been validated visually in section and level plan along with a statistical comparison of the block model grades against the composite grades to ensure that the block model is a realistic representation of the input grades. No issues material to the reported Mineral Resource have been identified in the validation process.</li> <li>Remnant mining has occurred in the upper levels of the DRS deposit.; Reconciliation data is available for validation.</li> </ul>
<b>Moisture</b>	<ul style="list-style-type: none"> <li><i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i></li> </ul>	<ul style="list-style-type: none"> <li>Tonnages are estimated on a dry basis.</li> </ul>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li><i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>Due to the proximity to current underground development and size of the mineralisation, a cut-off grade suitable for underground mining has been used for reporting of the Mineral Resource Estimate.</li> <li>The grades of Zn, Cu, Pb, Ag and Au have been reported for those blocks satisfying the Zn cut-off grade and depth requirements. No Zinc equivalent values were used. Grades of Cu, Pb, Ag and Au mineralisation have been estimated and are considered significant economic contributors.</li> <li>A projected zinc price of \$2,600/t, a lead price of \$2,000/t, a copper price of \$6,000/t, a silver price of \$16.50 and a gold price of \$1,450/oz have been considered.</li> <li>The DRS Mineral Resource has been reported by cut-off grade</li> </ul>

		and Mineral Resource Category
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>The resources have been estimated using a minimum thickness of 1 m for the domain shapes. This minimum thickness therefore accounts for any dilution in zones that are less than this thickness. The proposed mining method is via underground open stopping and the model parameters are deemed to be suitable for this type of mining operation.</li> <li>No other mining assumptions have been used in the estimation of the Mineral Resource.</li> </ul>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Currently, ore is being mined from the DRS deposit and processed at the Mount Garnet mill. This is blended with Mount Garnet ore at a ratio of 1:2 Mount Garnet ore and DRS ore respectively. The recoveries are 90-94% Zn, 55-60% Pb and 65-70% Cu. CDS gets Ag credits in the Pb and Cu concentrates and Au credits in the Cu concentrate.</li> <li>No metallurgical factors or assumptions have been incorporated into the reported in- situ Mineral Resource Estimate for DRS.</li> </ul>
<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>No environmental factors or assumptions have been incorporated into the reporting of the Mineral Resource Estimate for DRS.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Bulk density</b>	<ul style="list-style-type: none"> <li>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</li> <li>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</li> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>A total of 457 bulk density measurements have been supplied by Consolidated Tin for review. All bulk density measurements were collected using procedures based on Archimedes' Principle.</li> <li>The relative abundance and composition of the sulphide mineralisation throughout the un-oxidised part of the deposit will impact on the bulk density of that material. No grade density correlation was found.</li> <li>The mean density within the interpreted mineralisation is 4.3 t/m<sup>3</sup>.</li> <li>The bulk density data is considered appropriate for use in Mineral Resource and Ore Reserve estimation.</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<ul style="list-style-type: none"> <li>Classification of the DRS deposit Mineral Resource Estimate (MRE) is in keeping with the "Australasian Code for Reporting of Mineral Resources and Ore Reserves All classifications and terminologies have been adhered to. All guidelines and recommendations have been followed, in keeping with the spirit of the code.</li> <li>The resource classification has been applied to the MRE based on the drilling data spacing, grade and geological continuity, and data integrity.</li> <li>Areas of the deposit that do not meet the criteria remain Unclassified.</li> <li>The selected parameters described in the report were used as a guide to identify continuous zones of mineralisation meeting the defined requirements for resource classification. Isolated blocks meeting the criteria of a higher resource category are incorporated in the lower resource category.</li> <li>Results reflect the Competent Persons' view of the deposit</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	<ul style="list-style-type: none"> <li>No other independent audits or reviews have been undertaken on the Mineral Resource Estimate.</li> </ul>
<b>Discussion of relative accuracy/</b>	<ul style="list-style-type: none"> <li>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource</li> </ul>	<ul style="list-style-type: none"> <li>The relative accuracy and confidence of the estimate is reflected in the resource classifications applied to the MRE.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Confidence</b>	<ul style="list-style-type: none"> <li>• <i>estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed</i></li> <li>• <i>appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></li> <li>• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li>• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The ordinary kriging result, due to the inherent smoothing, should only be regarded as a global estimate, and is suitable as a life of mine planning tool. Should local estimates be required for detailed mine scheduling, then techniques such as uniform conditioning or conditional simulation should be considered. Additional infill drilling, re-logging and re-interpretation of the geology, and ultimately grade control drilling is required to increase the local scale confidence in the Mineral Resource Estimate.</li> </ul>

## Section 4 Estimation and Reporting of Ore Reserves

Section is not applicable to this report.

## Appendix D

### MOUNT GARNET DEEPS JORC CODE, 2012 EDITION – TABLE 1



Notes on data relating to the Mineral Resource Estimate for the Mount Garnet Deeps deposit. Data provided by Consolidated Tin Mines Ltd and verified by MA.

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections).

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Mount Garnet deposit was sampled by combination of Diamond Drilling (DD), Reverse Circulation (RC) holes, Diamond Drilling with Reverse Circulation precollars (RCDD) utilized to reduce costs through the predominantly barren hanging wall sequence. Underground sludge drill sampling and development face chip sampling are not in the drill hole database.</li> <li>Perilya and Falcona completed 62 drill holes between 1981 and 1991 inclusive, comprising 1 diamond core hole for 73m, 47 RCDD holes for 7670m and 14 RC holes for 1130m.</li> <li>Prior to Perilya and Falcona, between 1947 and 1974, 9 holes were completed by Zinc Corporation (ZNC), CRA Exploration (CRA) and Metal Exploration (MEX) comprising 7 DD for a total of 1316m &amp; 2 RCDD for a total of 697m.</li> <li>Kagara Ltd. between 2000-2008, completed 128 DD holes from both surface and underground for a total of 13,713m and 53 RCDD holes for 13,038m. A further 81 RC holes were completed for a total of 7,973m.</li> <li>Recently, between 2017 – 2018, Consolidated Tin Mines (CSD) have undertaken exploration drilling in Mount Garnet completing 20 DD holes for a total of 4,071m, 9 RC holes for a total of 722m and 25 RCDD holes for a total of 8,609m.</li> <li>Diamond sampling was nominally on 1m intervals but is varied from minimum of 0.3m to maximum of 1.5m respecting geological contacts.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>• RC sampling via a cyclone into plastic bags at 1m intervals, passing through a Jones 50/50 riffle splitter to produce a 3kg homogenised representative sample.</li> <li>• Sludge drill sampling was nominally 1.83m but is varied from a minimum of 0.3m to maximum 1.83m (rod length). Face chip sampling was nominally 1m but is varied with a minimum of 0.3 to maximum of 2.5m.</li> <li>• DD core was sampled either ½ for NQ and HQ or ¼ for PQ core. Once samples were selected by a geologist the samples were marked and sample ID's stored in the database.</li> </ul>
	<ul style="list-style-type: none"> <li>• <i>Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Measures taken to ensure sample representativity include orientation of the Diamond/RC holes as close as practical to achieve a perpendicular intersection of the known mineralized north-south trend. Where drill site locations were restricted due to site infrastructure, holes were drilled from a singular site with azimuths ranging from 73 to 141 degrees.</li> <li>• Holes were drilled at varying dips, nominally 60 degrees to optimally intersect the steeply dipping mineralised zones.</li> <li>• Drill core has been cut longitudinally in half using diamond saws. Sampling is nominally on 1m intervals but is varied to account for lithological and mineralization contacts with minimum lengths of 0.3m and maximum lengths of 1.5m allowable. DD samples were obtained from a variety of core sizes, PQ, HQ, NQ2 and LTK60. Underground diamond drilling is predominantly LTK60.</li> <li>• Metallurgical samples were taken from half HQ core samples.</li> <li>• RC chip samples were taken at 1 m intervals and a 1/8th split using a riffle splitter to produce a representative sample, was taken as a sample for analysis.</li> <li>• DD was used to delineate the resource and a combination of RC/Sludge/Face sampling to validate the geological interpretation.</li> <li>• The surface drill hole locations have been surveyed by John Webber Surveys, Kagara Ltd surveyors and CSD Tin surveyors using a DGPS (Differential Global Positioning System) with an accuracy of ~0.01m.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Surface RC and DD holes have utilised an Eastman Single Shot camera, a Relfex EZ-shot and a Reflex EZ- Trac tool for down hole surveys. Surface down hole surveys have been conducted at 30m intervals however survey intervals are reduced to 15m for better control in areas where hole deviation is occurring.</li> <li>Underground DD holes have been surveyed by MAXIBOR Optical Borehole survey tool recorded nominally at 3m intervals.</li> <li>Diamond core and RC chips are logged by the geologist who select sample intervals taken only over mineralised intervals with 3-5 m of unmineralised material sampled above and below the interval. Mineralisation is visually identified by the presence of sulphide minerals.</li> <li>Sub-samples of ~3kg were sent to the laboratory for assaying. A total of 18,657 samples for the Mount Garnet deposit have been sent for analysis. The samples sent to ALS, SGS &amp; Intertek followed standard ALS, SGS &amp; Intertek crushing, and pulverization procedures followed by a 4-acid digest to effect as near to total solubility of the sample as possible.</li> <li>Of the 18,657 samples assayed, 6,454 has been identified as being significantly mineralised.</li> <li>ALS, Intertek &amp; SGS laboratories, Kagara and CSD inserted QC samples into the routine sample stream to monitor sample quality as per industry best practice.</li> <li>The majority of the sampling, surveying, geological logging, sample preparation and analysis undertaken during the Kagara and CSD exploration period was</li> <li>carried out under the guidance of Exploration Standards and Procedures Manual (2008) which follows industry practices for data collection and validation.</li> <li>The procedures used prior to Kagara and CSD exploration which account for ~18% of the data is unknown. However, this is not considered to pose any data quality issues to this report.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face- sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drill core is orientated every run with core orientation utilizing a Reflex ACT II orientation tool to facilitate structural logging. Core lengths and orientations are checked by trained CSD personnel or experienced contractors.</li> <li>RC drilling utilized 6 m rods whilst DD drilling used 3 m drill rods. Diamond drilling has employed predominantly</li> <li>47.6 mm diameter NQ2 'standard tube' core drilling methods. RC drilling has been completed using a 5.25 or 5.5 inch diameter face sampling hammer bit.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>As the RC section of the drillholes is essentially devoid of mineralization no recovery data is collected for this interval.</li> <li>RC samples were visually checked for recovery, moisture and contamination. Where poor sample return occurred, the hole was stopped and changed over to diamond tails in advance of the mineralised zone.</li> <li>Diamond core is selected for drilling through the target horizon to provide a high-quality sample.</li> <li>Diamond core was reconstructed into continuous runs for orientation and depth marking. Recovery is assessed by measuring the recovered drill length against the actual drilled. This process is thought to provide greater precision in identifying zones of poor recovery. Of the</li> <li>&gt;23,151 valid recovery measurements taken 98%</li> <li>represent &gt;90.0% recovery.</li> <li>Due to the competent nature of the host lithology there has been little core loss through the mineralised intervals with recoveries generally approaching 100% with minor losses in broken / sheared and faulted ground. Core recoveries are monitored by CSD geologists.</li> <li>Although no detailed analysis of grade versus recovery has been undertaken at this stage however no notable core loss has occurred through the mineralized zones. No relationship appears to exist between recovery and grade.</li> <li>RQD (rock quality designation) data was logged and recorded in the database to measure the degree of jointing or fractures or losses in the drill core.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Faulting and deep weathering zones are located along the northern fringes of the deposit and are not associated with locations of good grade intercepts, no sample bias has occurred due to core loss within broken/sheared ground.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate</i></li> <li><i>Mineral Resource estimation, mining studies and metallurgical</i></li> </ul>	<ul style="list-style-type: none"> <li>All drill holes have been logged in full and record standard qualitative data such as lithology, alteration, mineralisation, weathering and oxidation. Diamond core was quantitatively logged for geotechnical parameters such as recovery and RQD. Structural data such as faults, fractures and veins are also recorded.</li> <li>All RC precollar intervals were wet-sieved and stored in chip trays with primary lithology, mineralogy and alteration recorded.</li> <li>All logging was transferred into Excel spreadsheet templates at the time of drilling. These spreadsheets have been imported into a Datashed Database system where validation on logging has been performed.</li> <li>All diamond core and chip trays (from RC drilling) post- 2006 were photographed in a wet and dry state.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>Mineralised one metre intervals from RC holes were split through the drill rig's onboard splitter (75:25) with, nominally, 6kg of sample collected in a calico bag. This sample was further split through a 50:50 splitter to provide approx. 3kg of sample for analytical work. The reject returned to the bulk sample or used as a duplicate assay in a ratio of 1 in 20.</li> <li>Diamond holes were sampled taking a representative ½ core split of the NQ2 diamond drill core or 1/4 core split of the HQ2 diamond drill core. Drill core was cut longitudinally in half using diamond saws just to the side of a centre reference line. Sampling is nominally on 1m intervals but is varied to account for lithological and mineralisation contacts with minimum lengths of 0.5m and maximum lengths of 1.4m allowable. Metallurgical samples were taken from ½ HQ2 core on selected intervals.</li> <li>With CSD drilling, field duplicate samples were not applied to diamond core. However, laboratory coarse &amp; pulp duplicates</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>were requested for specified core sample intervals (determined by the geologist).</p> <ul style="list-style-type: none"> <li>In all, 53, 64 and 224 RC field samples, DD lab coarse splits and lab pulp samples (for both RC &amp; DD) respectively, were duplicated for assessing repeatability of the mineralised zones and representativity of the various subsampling stages for the drilling undertaken by CSD.</li> <li>For the Kagara drilling programs, ¼ core duplicates were taken every 25m to monitor the representativeness of the sampling process.</li> </ul>
		<ul style="list-style-type: none"> <li>During the Kagara era, 119 RC field samples, 167 DD ¼ core samples and 507 lab duplicates were duplicated as part of the quality control protocols to monitor sampling quality.</li> <li>Sample sizes are considered appropriate for the mineralisation present. All standards and blanks returned within acceptable limits, and field duplicates showed good correlation.</li> <li></li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>The majority of the samples drilled by CSD were submitted to Intertek in Townsville and followed standard Intertek sample preparation procedures then underwent digestion via a 4-acid digest (4A/OE01) with ICP Finish to effect as near to total solubility of the sample as possible.</li> <li>Some selected samples were also sent to SGS in Townsville and follow standard SGS sample prep procedures and subjected to 4 4 acid-digest with method code DIG40Q. Solution from DIG40Q is presented to an ICP-AES for the quantification analysis of multi-elements using method code ICP 41Q.</li> <li>All samples were assayed for:</li> <li>39 elements; Ag Al As Ba Be Bi Ca Cd Co Cr Cu Fe K La Mg Mn Mo Na Ni P Pb Rb S Sb Sr Ti V W Zn;</li> <li>Over-ranged values (&gt; 1% Cu, Pb, Zn and &gt;100ppm Ag), were re-assay using ore grade / higher analytical method.</li> <li>Samples prior CSD were submitted to SGS and ALS Laboratories (Townsville) in the past and followed standard ALS/SGS crushing and pulverization procedures. These</li> </ul>



Criteria	JORC Code explanation	Commentary
		<p>samples also underwent digestion via a 4-acid digest to effect as near to total solubility of the sample as possible. Over range elements were re- assayed using an ore grade analytical method.</p> <ul style="list-style-type: none"> <li>• Sampling techniques, other than drill hole samples already discussed, have not been utilised as part of the resource update.</li> <li>• Field QAQC procedures included the insertion of field duplicate, commercial pulp blanks, coarse blanks and standards. Insertion rates of QC samples was at a rate of approximately 1 in every 20 samples.A</li> <li>• Various low, medium and high grade commercial Certified Reference Materials (CRM or Standards), sourced from Ore Research Exploration Pty Ltd (OREAS) and Geostats Pty Ltd, were inserted within primary sample batches at a ratio of 1:25. In all, Kagara inserted 178 standards while CSD inserted 52 standards within the samples dispatched to the lab. Performance of standards for monitoring the accuracy, precision and reproducibility of the assay results received from Intertek, SGS and ALS have been reviewed. The standards generally performed well with results falling within prescribed tolerances of three standard deviation either side of the mean.</li> <li>• The performance of both coarse and pulp blanks has been within acceptable limits with no significant evidence of cross contamination identified.</li> <li>• No significant sampling bias has been identified in the various duplicate sampling undertaken at the various stages of sub-sampling. Duplicate sample variability is within acceptable limits for the sampling method and mineralization.</li> <li>• 289 samples originally analysed in SGS were dispatched to ALS for Umpire laboratory checks. Analysis of this data showed no significant bias or disparity between the two labs.</li> <li>• ALS, Intertek and SGS laboratories undertake industry standard QC checks to monitor performance in-house.</li> <li>• No QC data is available for the historic samples which makes up ~18% of the data</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>However, this is not considered a significant issue as Kagara and CSD drilling have, to a large extent, validated the economic mineral intercepts reported by the historic drilling.</li> <li>Samples were selected by experienced geologists based on the presence of visible mineralisation. Significant intersections which are bounded by barren material confirm the visual selection.</li> <li>To date no RC-DD twin holes have been drilled at the Mount Garnet Deeps deposit. This is since ore body is buried way too deep to successfully drill RC to the intended target.</li> <li>Drilling by Kagara Ltd containing significant mineralisation have been re-logged by CSD geologists but no holes have been twinned or re-assayed, extensive level development and extractive production processes by Snow Peak Mining and CSD indicate good zinc and copper grade reconciliation.</li> <li>Historical logging data was recorded on paper and then entered into an Excel spread sheet or logged directly into excel. As part of the current resource update all original Excel logging spreadsheets and original laboratory assay files have been sourced and imported into the CSD Datashed database.</li> <li>Assay values designated less than detection are assigned a value 0.5 x LTD limit value. Where the assay value is returned as insufficient or no sample then the assay value is set to null.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>CSD drill hole collar locations have been surveyed by CSDs surveyor using a Real Time Kinetic (RTK) GPS to an accuracy of 0.01m. All drillholes were angled; the azimuth was initially set up using a compass and the inclination was set up using a clinometre on the drill rig mast. In cases where the ground materials effect the accuracy of the compass the azimuth of the hole has been surveyed.</li> <li>Downhole surveys have been undertaken using a digital Reflex EZ Trac multi shot tool which also records the magnetics of the surrounding lithologies to identify any ground conditions which may affect surveys.</li> <li>Collar locations are surveyed in the local Mount Garnet Mine Grid. Transformations to MGA GDA 94 Zone 55 is well</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>controlled by the survey department.</p> <ul style="list-style-type: none"> <li>All planned RL's are originally allocated to the drill hole collars using detailed DTMs generated from detailed mine surveys carried out by mine surveyors. The accuracy of the RLs is estimated to be +/- 0.5m.</li> <li>Historical drill collars completed by Perilya and Kagara Ltd was surveyed by John Weber Surveys from Townsville using Real Time Kinematic (GPS) equipment.</li> <li>Collar checks by Kagara Ltd on two drill hole collars by two separate methods, GTD59 and GTD64, found locations to be accurate to within two cm, and RL's to within 30cm.</li> <li>Underground diamond drilling utilised MAXIBOR Optical Borehole Survey tool. Surveys were recorded on retreat at 3 m intervals providing an accurate plot unaffected by magnetic disturbances.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>CSD drill hole collar locations have been surveyed by CSDs surveyor using a Real Time Kinetic (RTK) GPS to an accuracy of 0.01m. All drillholes were angled; the azimuth was initially set up using a compass and the inclination was set up using a clinometre on the drill rig mast. In cases where the ground materials effect the accuracy of the compass the azimuth of the hole has been surveyed.</li> <li>Downhole surveys have been undertaken using a digital Reflex EZ Trac multi shot tool which also records the magnetics of the surrounding lithologies to identify any ground conditions which may affect surveys.</li> <li>Collar locations are surveyed in the local Mount Garnet Mine Grid. Transformations to MGA GDA 94 Zone 55 is well controlled by the survey department.</li> <li>All planned RL's are originally allocated to the drill hole collars using detailed DTMs generated from detailed mine surveys carried out by mine surveyors. The accuracy of the RLs is estimated to be +/- 0.5m.</li> <li>Historical drill collars completed by Perilya and Kagara Ltd was surveyed by John Weber Surveys from Townsville using Real Time Kinematic (GPS) equipment.</li> <li>Collar checks by Kagara Ltd on two drill hole collars by two separate methods, GTD59 and GTD64, found locations to be</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>accurate to within two cm, and RL's to within 30cm.</p> <ul style="list-style-type: none"> <li>Underground diamond drilling utilised MAXIBOR Optical Borehole Survey tool. Surveys were recorded on retreat at 3 m intervals providing an accurate plot unaffected by magnetic disturbances.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>CSD drillholes are drilled on a 50x25m grid spacing in the targeted Mount Garnet Deeps mineralised zone.</li> <li>The data density is sufficient to demonstrate grade continuity to support a Mineral Resource estimate (MRE) under the 2012 JORC code.</li> <li>All RC drilling is sampled at 1m intervals which is standard for the industry. Diamond core is selectively sampled on a nominal 1m interval which is varied to account for geological features with interval ranges from 0.3m to 1.5m.</li> <li>Drill spacing varies across the strike and dip of the mineralised lode. Diamond hole (surface and underground) intersection density varies from 20 m x 20 m to 40m x 20 m in the deeper portions of the resource.</li> <li>Drillhole data is evenly spread across the resource with broader-spaced drilling at the strike extremities and at depth, due primarily to lower grade, ground conditions and costs associated with deeper drilling.</li> <li>Mineralised Diamond and RC samples were not composited prior to being sent to the laboratory for analysis, the nominal sample length is generally 1m.</li> <li>Intersections reported in this report are interval weighted average composites of smaller sample intervals as is common practice.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>The nature and controls on mineralization at Mount Garnet are well understood, geological mapping from both surface and underground demonstrates the mineralisation trends magnetic (and Grid) north south. Holes are drilled towards grid east with dips of approximately 60 degrees to optimally intersect the steeply dipping north-south striking mineralised skarn zone. Underground drill holes are drilled at various dips and where practical as near as perpendicular to the mineralising shoots which plunge moderately (40 degrees) north within the vertical plane.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Based on the current understanding sampling is considered to be unbiased with respect to drill hole orientation versus strike and dip of mineralisation.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security</i></li> </ul>	<ul style="list-style-type: none"> <li>Chain of custody is managed by site personnel. Samples are stored onsite and delivered to the lab by company personnel or contractors.</li> <li>Samples submission sheets are in place to track the progress of sample batches and the laboratory provides a web-based tracking system to monitor job progress.</li> <li>Well maintained and ordered sampling sheds and yards.</li> <li>Cut core samples stored onsite in numbered trays and RC chip trays in undercover racking.</li> <li>Sample registry forms and sample submission sheets are available as audit trails.</li> <li>Chain of custody processes for the historical drilling is unknown</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>An external review of the sampling data from previous drill programs was carried out by Resource Service</li> <li>Group (RSG) Perth WA in 2000 as part of a detailed database validation, statistical analysis, and resource development process for Kagara Ltd.</li> <li>No other audits or reviews are known</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land status</b>	<ul style="list-style-type: none"> <li><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>The MRE has been undertaken on drilling carried out on ML20016 &amp; ML 4042 held by Consolidated Tin Mines Pty Ltd (CSD) and falls within EPM 16072. CSD has purchased all Snow Peak Mining (SPM) tenures under an Asset Sale Agreement. However, the transfer of the tenures is yet to take effect, therefore they are still officially registered as being held by SPM.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>The Mining lease has been cleared for use with an Indigenous Land Use Agreement and the tenement land has been subjected to the Ewamian People #3 determination and given all cleared for use.</li> <li>The tenements are in good standing and no known impediments exist.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties</i></li> </ul>	<p>The project area has an extensive exploration history dating back to the late 1800s. Key project dates are:</p> <ul style="list-style-type: none"> <li>In 1898 Mount Garnet Freehold Copper and Silver Mining Company Limited was granted title to the property. During 1899 and 1900, the orebody was developed by winzes and cross cuts and overburden removal. Smelting started in 1901, peak production was achieved in 1902 with the extraction of 43,288 tons of ore (one ton = 1.016047 tonnes), and the mine ceased operations in 1903 after the oxide copper ore was depleted.</li> <li>In 1904, a tribute was taken over the mine by Chillagoe Railways and Mines Limited with only limited production of 9,124 tons.</li> <li>During the period 1901 to 1904, a total of about 99,000 tons of ore was mined with 75,000 tons from the No. 1 Pit (centered on local grid 4490N, 11870E) and 10,000 tons from No. 2 Pit, located 150 metres to the north. The remaining ore was mined from several small pits along strike to the north and south. A total of around 150,000 tonnes (77,000 cubic yards) of overburden was removed.</li> <li>In 1915 to 1917 an unsuccessful zinc production operation was attempted, with a small amount of ore removed from the 150ft level (approx 542RL) below No. 1 Pit. In 1926, tributors mined 966 tons of oxidized lead ore from the Lead Workings.</li> <li>Zinc Corporation acquired title to the freehold lease in 1946 and, in 1947, completed mapping, cozening, sampling of the open pits, and drilled five diamond drill holes (GTO 01 to GTO 05). Holes 01 to 04 tested below No. 1 and No. 2 Pits, intersecting moderate and high grade mineralisation.</li> <li>In 1956, Metals Exploration, by way of agreement with CRA (Zinc Corporation), completed diamond core hole</li> </ul>



Criteria	JORC Code explanation	Commentary
		<p>GTO 06 immediately north of No. 1 Pit and intersected high and moderate grade mineralisation.</p> <ul style="list-style-type: none"> <li>Between 1971 and 1984, CRA pursued a syngenetic stratiform model and completed extensive mapping, trenching, ground and airborne magnetics surveys, and soil geochemistry over the freehold lease area. The known mineralisation produced pronounced magnetic and geochemical responses but no new targets were identified. Three deep diamond core holes, GTO 07 to GTO 09, completed in 1974 at nominally 250 metre intervals along the known strike length of the mineralisation, intersected sub-economic zinc mineralisation in calcsilicate. The southernmost of these holes, GTO 09, intersected 91 metres of patchy low and moderate grade mineralisation, centred in the still poorly defined "southern zone", located about 200 metres south of the main orebody.</li> <li>The project was acquired by Perilya Mines NL in 1989. Between 1989 and 1993, the project was managed by Perilya or various joint venture partners including Cove Mining NL, Foster Allan Mines NL and Falcona Exploration and Mining NL. During this period they completed 50 core holes (GTD01 to GTD50) and 12 Reverse Circulation percussion holes (GTR01 to GTR12), mostly targeted on the interpreted orebody and testing down-plunge extensions. The main body of mineralisation was interpreted to plunge approximately 30 degrees to the north over a strike length of about 500 metres and remained open down-plunge. The area covering most of the granted mining leases was mapped. Preliminary metallurgical and mining studies were completed, and baseline environmental monitoring undertaken</li> <li>In November 1998, Kagara Zinc Limited entered into an agreement with Perilya giving Kagara the exclusive right to earn up to a 75% interest in the Mount Garnet tenements. Kagara was listed on the ASX in December 1999, in July 2000 Kagara restructured ownership in the Mount Garnet project, in so doing, secured 100% ownership. Drilling started on 1st February 2000. This drill program consisted of 97 holes totaling 12,997.25m of</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>drilling covering resource infill, geotechnical, sterilization, ground seepage testing and water bore drilling. This drilling formed the basis for the open pit feasibility and subsequent mining.</p> <ul style="list-style-type: none"> <li>• From 2006 to 2011 Kagara Zinc Limited undertook a number of surface and then later underground drill programs to target down plunge extensions below and to the north of the pit. These programs totaled 194 diamond holes for 27941m.</li> <li>• In December 2012 Snow Peak Mining Pty Ltd acquired the Kagara Central Region Project with Consolidated Tin Mines Limited managing and operating the Kagara Project.</li> <li>• The Mount Garnet Mine produced more than 100,000 tonnes of primary zinc ore during a five-month underground mining program completed in December 2014.</li> <li>• In 2015 CSD acquired Snow Peak Mining assets which included the Mount Garnet Mine and recommenced production in May 2015 producing more than 365,000 tonnes of primary zinc by April 2016 before entering care and maintenance.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Mount Garnet is a zinc skarn hosted base metal deposit and is hosted by a steeply-dipping, northerly-trending skarn horizon that locally exceeds 50 metres thick and has a mapped exposed strike length of about 800 metres (Hartley and Williamson, 1995). The main sulphides are sphalerite, chalcopyrite, pyrrhotite with minor galena and pyrite, magnetite (iron oxide) is locally abundant.</li> <li>• Wall rocks comprise an eastwards-younging arkosic sequence to the west and mylonite and Proterozoic gneisses to the east. North-easterly plunging drag folds were identified by Knight (1947) along the skarn horizon; he suggested they exerted some control on the localisation of mineralisation.</li> <li>• Skarn alteration and mineralisation has substantially replaced a package of variably silicified arkosic sediments, conglomerates and including a limestone that provides the dominant host to the mineralisation.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>• Late faults cut the mineralised Skarn and are evident as quartz-calcite-chlorite-breccia veins with pyrite and arsenopyrite. Locally, minor galena, chalcopyrite and sphalerite occur within these faults and may be due to remobilization from the main body of mineralisation.</li> <li>• These faults broadly trend north-east, generally displacement along these faults appears to be of the order of a few metres.</li> <li>• Mineralised widths vary from 3m up to 30m. The mineralised zone extends approximately 700m along strike and 425m down dip.</li> </ul>
<b>Drill hole Information and data aggregation methods</b>	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes.</li> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to diagrams, tables and appendices within this report</li> <li>• Grades are reported as down-hole length weighted averages with no top cut applied on the reporting of grades</li> <li>• Only those intervals deemed to be significant are given in this report.</li> <li>• No metal equivalent calculations have been reported</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>• The results are reported as downhole lengths only.</li> <li>• Drill holes are drilled perpendicular to the north-south strike of mineralisation with angles varying from 90 to 45 degrees. Mineralisation is interpreted to be generally steeply dipping to the west +85 degrees and gently plunging to the north at approximately 30 degrees.</li> <li>• Mineralisation true widths are captured by three-dimensionally modelled wireframes varying from 3 to 20m with the thickest zones occurring in the central portion of the deposit.</li> <li>• True widths have not been calculated for the intercepts individual samples have been composited to one metre lengths.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to diagrams, tables and appendices in this report</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>This information is included in the Mineral Resource Report</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Historical geophysical survey data has been undertaken over the deposit areas and formed the basis for their initial discovery.</li> <li>Initial historical testwork was undertaken by Kagara and indicated that the waste rock has low acid forming potential.</li> <li>RQD and structural logging has been undertaken to assist with geotechnical criteria.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing exploration work will include further drilling to confirm and extend existing targets where appropriate. The deposit remains open at the flanks and potentially at depth.</li> </ul>

### Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>A complete drilling database has been supplied by Consolidated Tin Mines in the form of Microsoft Access files extracted from a Datashed Database. The database is managed by a database administrator employed by Consolidated Tin.</li> <li>Datashed Database is a SQL-based relational database with rigorous validation rules on the front end that prevents duplication, depth issues such as overlapping intervals etc. All logging are entered directly into a Datashed offline package known as Log Chief and is synced seamlessly into the main database regularly. The DataShed database is hosted on CSD SQL server that is backed up every day.</li> <li>Manual checks are carried out by reviewing all the drillhole data in plan and section views in Leap Frog or Surpac.</li> <li>MA has undertaken a high-level review of all files for syntax, duplicate values, from and to depth errors and EOH collar depths.</li> <li>Once loaded into Surpac 7.01 (3D software), MA has completed a review of all survey data by visually validating all hole traces for consistency.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>The Competent Person visited the Mount Garnet Deeps deposit (UG Workings) in July 2019.</li> <li>While on site the CP reviewed the drilling and data management protocols, density determination methods, geology procedures including diamond drilling and sampling procedures.</li> </ul>
<b>Geology interpretation</b>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource</li> </ul>	<ul style="list-style-type: none"> <li>The geological information is interpreted from of 105 drill holes within the Mount Garnet Deeps deposit. The geological understanding is derived from a combination of drill hole logging and mapped surface and underground exposures of the host lithologies and structures.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>estimation.</i></p> <ul style="list-style-type: none"> <li><i>The use of geology in guiding and controlling Mineral Resource estimation.</i></li> <li><i>The factors affecting continuity both of grade and geology.</i></li> </ul>	<ul style="list-style-type: none"> <li>The base of weathering (including partial oxidation) was provided by CSD and used to code the model – No portion of the Mount Garnet Deeps mineralisation has been oxidized.</li> <li>The global geological setting comprises Paleozoic limestone, skarn, chert, clastic sedimentary rocks with Proterozoic gneisses fault bounded to the east. The economic mineralisation is hosted in a steeply dipping, northerly-trending skarn protolith which locally exceeds 50m thick and has a mapped 800m strike length. The geometry of the zinc dominant mineralisation has formed into three key, medium to high grade (&lt; 3% Zn), gently north plunging lodes within the skarn protolith. Patchy disseminated low-grade zinc mineralisation can be found between the lodes (&lt; 1.5%) and extending at depth.</li> <li>The mineralising zones are modelled primarily on zinc grade distribution and geological logging of mineralisation style. Mineralisation is further subdivided into a high and low grade domains.</li> <li>The high-grade domain is defined by high grades associated with the massive sulphide assemblages.</li> <li>The surrounding low-grade zone defines mineralisation with its associated assemblage of sulphide stringers, discontinuous shoots and disseminated textures.</li> <li>The deposit is a tabular shoot in geometry, with clear geological and grade boundaries which define the mineralised domains, infill drilling, underground development and face mapping have supported the model and the current interpretation is thus considered to be robust.</li> <li>The Mount Garnet Deeps (zinc skarn) deposit is reasonably predictable in mineralising style and overall grade distribution, although there is evidence of syn to post genesis fault disruption.</li> <li>For the Mount Garnet Deeps Deposit, zinc represent the primary elements considered for modelling and estimation. Element correlation analysis has confirmed that the correlation of Pb, Cu and Ag with Zn is adequate</li> </ul>



Criteria	JORC Code explanation	Commentary
		<p>to enable estimation inside the primary mineralisation domain.</p> <ul style="list-style-type: none"> <li>The interpretation of the Zn mineralisation has been undertaken on cross sections perpendicular to strike, whereby sections are digitised on screen and wireframed to create a 3D solid representing the mineralisation. Analysis of the length weighted grade distribution within the interpreted mineralised indicated no additional Zn populations should be defined. Potential exists to define an additional grade shoot beneath the main Mount Garnet deposit (Mount Garnet Central Deeps) should additional data continue to support the theory.</li> <li>The grade shell has been reviewed by Consolidated Tin to ensure that they are consistent with their geological understanding of the deposit.</li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li><i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Mount Garnet Deeps Deposit mineralisation strikes to the N-S and extends almost 0.5 km in this direction, with a vertical extent in excess of 350 m.</li> <li>The mineralisation lens generally ranges in thickness from 5 m to up to 10 m true thickness. Mineralisation dips steeply to the W and plunges moderately to the north</li> </ul>
<b>Estimation and modelling techniques</b>	<ul style="list-style-type: none"> <li><i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></li> <li><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li><i>The assumptions made regarding recovery of by-products.</i></li> <li><i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i></li> <li><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> <li><i>Any assumptions behind modelling of selective mining units.</i></li> </ul>	<ul style="list-style-type: none"> <li>Mineral Resource estimation has been completed within Geovia Surpac 7.01.</li> <li>Ordinary Kriging has been used as the interpolation technique to estimate the Mineral Resource. This methodology is considered appropriate given the nature and configuration of the mineralisation. All elements were estimated using ordinary kriging.</li> <li>The three-dimensional mineralisation wireframes are used to flag the down hole intervals with unique Zn domain code.</li> <li>This domain code has then been used to extract a raw assay file from MS Access for grade population analysis, as well as analysis of the most appropriate composite length to be used for the estimation.</li> <li>Analysis of the raw samples within the Zn mineralisation domain indicates that the majority of sample lengths are at or below 1 m.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Any assumptions about correlation between variables.</li> <li>Description of how the geological interpretation was used to control the resource estimates.</li> <li>Discussion of basis for using or not using grade cutting or capping.</li> <li>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</li> </ul>	<ul style="list-style-type: none"> <li>One metre composites were selected as appropriate, CV's were slightly reduced and means relatively unchanged.</li> <li>High grade outliers (Zn, Pb, Cu and Ag) within the one metre composite data were capped. Domains were individually asses for outliers using histograms, log probability plots and changes in average metal content; grade caps were applied as appropriate Generally the domains defined a well distributed population with low CV's and only minimal grade- capping was required.</li> <li>Grade continuity analysis within Zn domain that define the mineralisation has been undertaken in Snowden Supervisor software for Zn, Pb, Cu Ag and Fe.</li> <li>A 3D model with a parent block size of 5 m (X) by 20 m (Y) by 10 m (Z) was created. The drill hole spacing in the deposit ranges from 20 m by 20 m in the better drilled parts of the deposit to 40 m by 20 m in the along strike and down dip extensions of the deposit – therefore the block size selected is considered appropriate for the drill spacing and attitude of the deposit. In order for effective boundary definition, a sub-block size of 0.3125 m (X) by 1.25 m (Y) by 0.625 m (Z) has been used with these sub-cells estimated at the parent block scale.</li> <li>No assumption has been made regarding selective mining units.</li> <li>The interpolations have been constrained within the mineralisation wireframes and undertaken in two passes with the mineralisation wireframes utilised as hard-boundaries during the estimation.</li> <li>The Zn mineralisation domains have been used to constrain the estimation of Zn, Cu, Pb Ag and fe</li> <li>The 1st pass utilized a search ellipse set at 100m approximately one drill section beyond the range of the variograms. The semi major axis is 67m and the minor axis is 50 m. The same search parameters</li> <li>are used for each element to minimise order relation issues within blocks. A minimum of 5 and a maximum of 12 composites have been used during the</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>interpolation with a maximum of three composites from each drill hole.</p> <p>o The 2nd pass used a search ellipse of 200 m x 133 m x 100 m. A minimum of 2 and a maximum of 8 composites have been used during the interpolation with a maximum of three composites for each drill-hole.</p> <p>•The resource has been validated visually in section and level plan along with a statistical comparison of the block model grades against the composite grades to ensure that the block model is a realistic representation of the input grades. No issues material to the reported Mineral Resource have been identified in the validation process.</p> <p>• Minimal development of the Mount Garnet Deeps has occurred, at present less than 10 kt have been produced, reconciliation is consistent with the expected resource categorisations</p>
<b>Moisture</b>	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>Tonnages are estimated on a dry basis.</li> </ul>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>Due to the proximity to surface and size of the mineralisation, a cut-off grade suitable for underground mining has been used for reporting of the Mineral Resource Estimate.,</li> <li>The grades of Zn, Pb and Ag have been reported for those blocks satisfying the Zn cut-off grade and depth requirements, no Zinc equivalence values were used. Grades of Cu and Fe mineralisation have been estimated but are not considered significant economic contributors.</li> <li>A projected zinc price of \$2600/t, lead price of</li> <li>\$2000/t and silver price of \$16.50/oz have been used.</li> <li>The Mount Garnet Deeps Mineral Resource has been reported by cut-off grade and Mineral Resource Category.</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be</li> </ul>	<ul style="list-style-type: none"> <li>The resources have been estimated using a minimum thickness of 2 m for the domain shapes, this minimum thickness therefore accounts for any dilution in zones that are less than this thickness. The proposed mining method is via underground open stopping and the model parameters are deemed to be suitable for this type of mining operation.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>reported with an explanation of the basis of the mining assumptions made.</i>	<ul style="list-style-type: none"> <li>No other mining assumptions have been used in the estimation of the Mineral Resource.</li> </ul>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li><i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i></li> </ul>	<ul style="list-style-type: none"> <li>Currently, ore is being mined from the MGD orebody and processed at the Mount Garnet mill. This is blended with the Dry River South (DRS) ore at a ratio of 1:2 Mount Garnet ore to DRS ore respectively. The recoveries are 90-94 % Zn, 55-60% Pb and 65-70% Cu. CDS gets Ag credits in the Pb and Cu concentrates and Au credits in the Cu concentrate.</li> <li>No metallurgical factors or assumptions have been incorporated into the reported in-situ Mineral Resource Estimate for Mount Garnet Deeps.</li> </ul>
<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li><i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i></li> </ul>	<ul style="list-style-type: none"> <li>No environmental factors or assumptions have been incorporated into the reporting of the Mineral Resource Estimate for Mount Garnet Deeps.</li> </ul>
<b>Bulk density</b>	<ul style="list-style-type: none"> <li><i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i></li> <li><i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i></li> <li><i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></li> </ul>	<ul style="list-style-type: none"> <li>A total of 6308 bulk density measurements have been supplied by Consolidated Tin for analysis. All bulk density measurements were collected using procedures based on Archimedes Principal.</li> <li>Density is assigned to the block model based on interpreted rock type.</li> <li>The mean density within the interpreted mineralisation is 3.42 t/m<sup>3</sup>.</li> <li>Bulk density data are considered appropriate for use in Mineral Resource and Ore Reserve Estimation</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li><i>The basis for the classification of the Mineral Resources into varying confidence categories.</i></li> <li><i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of</i></li> </ul>	<ul style="list-style-type: none"> <li>Classification of the Mount Garnet Deeps Deposit Mineral Resource estimate is in keeping with the "Australasian Code for Reporting of Mineral Resources and Ore Reserves. All classifications and terminologies have been</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i></p> <ul style="list-style-type: none"> <li>• <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> </ul>	<p>adhered to. All guidelines and recommendations have been followed, in keeping with the spirit of the code.</p> <ul style="list-style-type: none"> <li>• The resource classification has been applied to the MRE based on the drilling data spacing, grade and geological continuity, and data integrity.</li> <li>• Results reflect the Competent Persons' view of the deposit.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of Mineral Resource estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No other independent audits or reviews have been undertaken on the Mineral Resource estimate.</li> </ul>
<b>Discussion of</b>	<ul style="list-style-type: none"> <li>• <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></li> <li>• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li>• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data</i></li> </ul>	<ul style="list-style-type: none"> <li>• The relative accuracy and confidence of the estimate is reflected in the resource classifications applied to the MRE.</li> <li>• The ordinary kriging result, due to the inherent smoothing, should only be regarded as a global estimate, and is suitable as a life of mine planning tool. Should local estimates be required for detailed mine scheduling, techniques such as uniform conditioning or conditional simulation should be considered. Additional infill drilling, re-logging and re- interpretation of the geology, and ultimately grade control drilling is required to increase the local scale confidence in the Mineral Resource Estimate</li> </ul>

Appendix E  
GILLIAN AND PINNACLES JORC CODE,  
2012 EDITION – TABLE 1



Notes on data relating to the Mineral Resource Estimate for Gillian and Pinnacles.

## Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i></li> </ul>	<ul style="list-style-type: none"> <li>The project was sampled using Reverse Circulation (RC) and HQ triple tube diamond drill holes (DD).</li> <li>The Gillian deposit was drilled on a nominal 20 m x 20 m grid spacing. A total of 144 RC and 34 DD holes were drilled for 8,500 m and 2,112 m respectively. Holes were drilled at varying angles to optimally intersect the mineralised zones.</li> <li>The Pinnacles deposit was drilled on a nominal 40 m by 40 m grid spacing. A total of 228 RC and 12 DD holes were drilled for 9,474 m and 675 m respectively. Holes were drilled at varying angles to optimally intersect the mineralised zones.</li> <li>The Windermere deposit was drilled on a nominal 40 m by 40 m grid spacing. A total of 96 RC and 1 DD holes were drilled for 6,424 m and 95 m respectively. Holes were generally drilled in an east-west orientation.</li> <li>The Deadman's Gully deposit was drilled on a nominal 20 m by 20 m grid spacing. A total of 20 RC and 1 DD holes were drilled for 750 m and 33 m respectively. Holes were generally drilled vertically, with a minority of holes drilled in a south-north orientation</li> <li>Collar locations were recorded using a Differential GPS by CSD with 0.6m to 1m horizontal accuracy.</li> <li>RC drilling was used to delineate the resource, with DD used to validate the interpretation. The RC samples were collected by cone or riffle splitter.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</li> </ul>	<p>Diamond core was used to obtain high quality samples that were logged for lithological, structural, density and other attributes. Sampling was carried out under CSD protocols and QAQC procedures.</p> <ul style="list-style-type: none"> <li>RC drilling was used to obtain 1 m samples, which was split using a 3 tier riffle splitter below the cyclone of the drill rig then sampled down to a 500 g sample size with a 25mm 50/50 riffle splitter. Diamond core was HQ size, sampled to 1 m intervals, and cut by CSD into half core by manual core saw, sent to lab, which was then crushed and if above 3kg was riffle split at the lab. Samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis.</li> <li>0.5 g of sample and 8 g of flux containing 80% 12:22 Xray flux (12 parts lithium tetraborate and 22 parts lithium tetraborate) and 20% sodium nitrate is mixed in a platinum crucible and roasted in a muffle furnace at 700°C for 20 minutes. The sample was then fused at 1100°C and poured into a platinum mould (40mm diameter) where the mixture was cooled to create a solid disc. This disc was then determined by sequential XRF calibrated with a mixture of CRMs and synthetic discs fused the same way.</li> <li>Tin and iron were assayed using fused bead preparations with XRF determination, or a sodium peroxide fusion with ICP-MS determination. Fluorine was analysed using fused bead preparations with XRF determination, or a carbonate fusion with ion-selective electrode determination.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling accounts for 10% of the drilling in the resource area and comprises of HQ sized triple</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>type, whether core is oriented and if so, by what method, etc).</i>	<p>tube core. Hole depths range from 13 m to 149 m. No core orientation has been performed to date.</p> <ul style="list-style-type: none"> <li>RC drilling accounts for 90% of the total drilling and comprises 140 mm diameter face sampling hammer drilling. Hole depths range from 4 m to 127 m.</li> </ul>
<b>Drill recovery</b>	<p><b>sample</b></p> <ul style="list-style-type: none"> <li><i>Method of recording and assessing core and chip sample recoveries and results assessed</i></li> <li><i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i></li> <li><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<ul style="list-style-type: none"> <li>Minimum logging of RC sample recovery was performed; however no significant recovery issues were experienced.</li> <li>DD drilling recoveries were marked but have not been captured into a database to date</li> <li>Drillers used appropriate measures to maximise RC recovery such as SuperFoam. Triple Tube was used in DD holes to maximise recovery.</li> <li>Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers and CSD Geologist. RC samples were visually checked for recovery, moisture and contamination.</li> <li>As no sample recovery information has been analysed, it is not possible to determine whether any relationship exists between sample recovery and grade, or whether any sample bias has occurred due to any potential loss/gain of fine/coarse material.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> </ul>	<ul style="list-style-type: none"> <li>Geological logging was carried out on all diamond drillholes, with weathering, lithology, mineralogy, alteration, texture, mineralisation, structure and veining were all recorded.</li> <li>Geological logging was also carried out on chip samples from reverse circulation drilling, with primary lithology and alteration, recorded.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged</li> </ul>	<ul style="list-style-type: none"> <li>Logging of diamond core and RC samples recorded primary lithology, mineralogy, mineralisation, structural (DDH only), weathering, and other features of the samples.</li> <li>DD core was photographed after mark up, before sampling with both Dry and Wet photos recorded.</li> <li>All drillholes were logged in full.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub- sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the</li> </ul>	<ul style="list-style-type: none"> <li>Core was cut in half onsite by CSD using a manual core saw. Where core was competent, samples were collected from the same side of the core.</li> <li>RC samples were collected on the rig using 1 in 4 splitters below the cyclone cone. In general, mineralised samples were dry.</li> <li>The sample preparation of diamond core follows industry best practice in sample preparation involving logging of sample weights, oven drying and coarse crushing of half core samples down to ~10 mm. Samples weighing &lt;3.3 kg undergo pulverisation of the entire sample using Essa LM5 grinding mills to a grind size of 85% passing 75 micron. Samples weighing &gt;3.3 kg are riffle split, typically in half, with a split size between 1.65 and 3.3 kg undergoing pulverisation using Essa LM5 grinding mills to a grind size of 85% passing 75 micron.</li> <li>The sample preparation for RC samples is identical, without the coarse crush stage.</li> <li>Field QC procedures involve the use of in-house reference material as assay standards, along with field duplicates. The insertion rate of these averaged 1:20.</li> <li>Core was halved and halved again for duplicates.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <ul style="list-style-type: none"> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>Field duplicates were taken on 1m samples for RC, using a riffle splitter.</li> <li>Statistical analysis of duplicate sample data for tin shows a high level of repeatability and a lack of bias between the original and duplicate sample data.</li> <li>The sample sizes are considered to be appropriate to correctly represent the mineralisation at Mount Garnet based on: the style of mineralisation (skarn related mineralisation), the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>The analytical techniques for tin and iron were fused bead preparations with XRF determination, or a sodium peroxide fusion with ICP-MS determination. Fluorine was analysed using fused bead preparations with XRF determination, or a carbonate fusion with ISE determination. Each of these assay techniques is considered a “total” assay technique – that is, the assay technique is considered to extract and measure the entire element contained within the sample.</li> <li>No geophysical tools were used to determine any element concentrations used in this resource estimate.</li> <li>Grind size checks were performed by the labs and reported as part of their due diligence.</li> <li>Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in house procedures.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>In-house reference materials, having a good range of values, were inserted regularly. Results highlight that sample assay values are accurate. Duplicate analysis for samples reveals that precision of samples is within acceptable limits.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>No independent verification of significant intersections has been carried out. It is anticipated this will occur during the planned site visit in June 2013 by Michael Andrew.</li> <li>No twinned holes have been drilled in the Mount Garnet Project to date.</li> <li>Data is collected by qualified geologists and entered into spreadsheets with pre-determined lookup fields. An internally developed database system is in use at Mount Garnet with backups and audit records stored. Validation rules are in place to ensure no data entry errors occur. Data is loaded into the database by CSD staff and is reviewed by supervisors.</li> <li>No adjustments or calibrations were made to any assay data used in this estimate.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> </ul>	<ul style="list-style-type: none"> <li>Differential GPS was used by CSD to locate collar positions, with an expected 0.6 m to 1 m horizontal accuracies and 1.0 – 1.6 m vertical.</li> <li>No local grids are in use, with MGA Zone 55 and AHD grids used.</li> <li>Eastman downhole camera shots were taken, but due to magnetic interference from magnetite ironstone, they cannot be used as an accurate representation of the drillhole bearing. Due to reasonably shallow depths (less than 100 m), deviation is expected to be minimal.</li> <li>The grid system is MGA_GDA94, zone 55.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Topographic contours were collected via Airbourne LiDAR over entire project area. 4 samples points taken per square meter.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>The nominal drillhole spacing is 40 m (northing) by 40 m (easting).</li> <li>The mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource and Reserves, and the classifications applied under the 2004 JORC Code.</li> <li>Samples have been composited to one metre lengths, and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit).</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Wireframes are modelled around significant intercepts and to outcrop identifying that holes are generally near perpendicular to structures.</li> <li>The data is generally drilled in angles that intersect the mineralised domains perpendicularly, or nearly perpendicular. The orientation of the drillholes across the Mount Garnet Project is varied in order to achieve the best orientation relative to the domain being drilled.</li> <li>No orientation based sampling bias has been identified in the data at this point.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Chain of custody is managed by CSD. Samples are stored on site, and are collected from site by Toll Ipec for transport and deliver to the assay laboratory. Sample bags are sealed for storage and transport.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>A review of the sampling data was carried out by Optiro as part of the resource estimate and the</li> </ul>

Criteria	JORC Code explanation	Commentary
		database is considered to be of sufficient quality to carry out resource estimation.

## Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>Data templates with lookup tables and fixed formatting are used for logging, spatial and sampling data. Data transfer is electronic means on CSD servers. Sample numbers are unique; however, sample bags are manually numbered through the use of pre-printed numbered ticket books.</li> <li>Validation rules are in place to ensure no data entry errors occur (such as correct intervals are entered, no repeated information recorded, etc).</li> <li>The data has been reviewed by an independent geologist.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>No site visits have been completed by Michael Andrew (Principal Consultant), who will be acting as Competent Person.</li> <li>A site visit is currently planned to be carried out by Michael Andrews (Principal Consultant), who will be acting as Competent Person. This visit is anticipated to occur in June 2013.</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> </ul>	<ul style="list-style-type: none"> <li>The confidence in the geological interpretation is considered good. The global geological setting consists of an intrusive granite within sediments, with associated contact metamorphism and metasomatism. The economic mineralisation is contained within tabular skarn lenses that formed within carbon-rich sediment beds. The deposit appears similar in style to many skarn hosted deposits.</li> <li>Lithology, alteration and mineralisation were used to assist in the interpretation process.</li> <li>The deposit is tabular in geometry, with clear geological and grade boundaries which define the mineralised domains. Infill drilling has supported and refined the</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The use of geology in guiding and controlling Mineral Resource estimation.</i></li> <li><i>The factors affecting continuity both of grade and geology.</i></li> </ul>	<p>model and the current interpretation is thus considered to be robust.</p> <ul style="list-style-type: none"> <li>Geology, particularly the style of mineralisation, was used to define the mineralisation interpretation. Key features are alteration, mineralogy and mineralisation content.</li> <li>Overall, exploration has indicated that each individual skarn is quite uniform in its mineralisation, although there are variations in the tin content between the deposits. Grade and geology seen in the exploration to date are relatively consistent, which is common with the nature of a skarn deposit.</li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li><i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></li> </ul>	<ul style="list-style-type: none"> <li>Overall, the Mineral Resource area has dimensions of 17,550 m (north) by 28,200 m (east) and 240 m (elevation).</li> <li>The Gillian deposit has dimensions of 850 m (north) by 880 m (east) and 250 m (elevation).</li> <li>The Pinnacles deposit has dimensions of 3,400 m (north) by 1,600 m (east) and 170 m (elevation).</li> <li>The Windermere deposit has dimensions of 2,000 m (north) by 950 m (east) and 120 m (elevation).</li> <li>The Deadman's Gully deposit has dimensions of 160 m (north) by 140 m (east) and 80 m (elevation).</li> </ul>
<b>Estimation and modelling techniques</b>	<ul style="list-style-type: none"> <li><i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></li> </ul>	<ul style="list-style-type: none"> <li>Grade estimation using Ordinary Kriging (OK) was completed for all the deposits using Datamine™ software for two elements; Sn% and Fe%, with F% estimated for the Pinnacles deposit. Drill grid spacing ranges from 20 – 40 m.</li> <li>Drillhole sample data was flagged using domain codes generated from three dimensional mineralisation domains. Sample data was composited to a one metre downhole length using a best fit-method. There were consequently</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li><i>The assumptions made regarding recovery of by- products.</i></li> <li><i>Estimation of deleterious elements or other non- grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i></li> <li><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> </ul>	<p>no residuals. Intervals with no assays were excluded from the compositing routine.</p> <ul style="list-style-type: none"> <li>The influence of extreme sample distribution outliers was reduced by top-cutting where required. The top-cut levels were determined using a combination of top-cut analysis tools (grade histograms, log probability plots and CVs). Top-cuts were reviewed and applied on a domain basis.</li> <li>Directional variograms were modelled using normal score transformations, which were converted back to traditional space. Nugget values low. Grade continuity was characterised by short to moderate ranges. Small or poorly sampled domains where robust variography could not be generated used the variography of a geologically similar domain. Estimation searches for all elements were set to the ranges of the variogram for each domain.</li> <li>The results of previous resource estimates for the Mount Garnet Project by CSD are available. These results were compared with the results from the May 2013 Resource Estimate. Comparison of the estimates shows an increase in the amount of material and a slight decrease in the estimated grade for tin, iron and fluorine.</li> <li>No assumptions have been made regarding recovery of any by- products.</li> <li>No estimation of deleterious elements or non-grade variables was carried out.</li> <li>The block model was constructed using a 10 mE by 10 mN by 5 mRL parent block size with sub-celling to 2.5 mE by 2.5 mN by 1.25 mRL for domain volume resolution. All estimation was completed at the parent cell scale. Kriging neighbourhood analysis was carried out in order to optimise the block size, search distances and sample numbers used. Discretisation was set to 4 by 4 by 2 for all domains.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• <i>Any assumptions behind modelling of selective mining units.</i></li> <li>• <i>Any assumptions about correlation between variables.</i></li> <li>• <i>Description of how the geological interpretation was used to control the resource estimates.</i></li> <li>• <i>Discussion of basis for using or not using grade cutting or capping.</i></li> <li>• <i>The process of validation, the checking process used, the comparison of model data to drillhole data, and use of</i></li> </ul>	<ul style="list-style-type: none"> <li>• The size of the search ellipse per domain was based on the tin variography, due to the moderate-strong correlation of tin with the other elements. Three search passes were used for each domain. In general, the first pass used the ranges of the variogram and a minimum of 10 and maximum of 30 samples. In the second pass the search ranges were unchanged, and the minimum number of samples reduced to 2. The third pass ellipse was extended to 2 times the range of the variograms and the minimum of 2 and a maximum of 30 samples was applied. In the all domains, the majority of blocks were estimated in the first pass. Un-estimated blocks, i.e. those outside the range of the third pass, were assigned the estimated domain mean and lower resource confidence classifications. Hard boundaries were applied between all estimation domains.</li> <li>• No selective mining units were assumed in this estimate.</li> <li>• Statistical analysis was carried out to determine the correlation between each element on a deposit basis. This analysis showed a variable relationship between elements. As such, variograms for estimation were determined individually for each element.</li> <li>• The geological interpretation was used to inform the creation of the mineralisation domains. These domains were used as hard boundaries to select sample populations for variography and estimation.</li> <li>• Statistical analysis showed the populations in each domain had a moderate coefficient of variation. Top-cuts were selected to remove only the top outlier values. Generally, the top-cut values were set to approximately the 99th percentile of the population.</li> <li>• Validation of the block model carried out a volumetric comparison of the resource wireframes to the block model volumes. Validating the estimate compared block model</li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>reconciliation data if available.</i>	grades to the input data using tables of values, and swath plots showing northing, easting and elevation comparisons. Visual validation of grade trends and metal distributions was carried out. No mining has taken place; therefore no reconciliation data is available.
<b>Moisture</b>	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>The tonnages are estimated on a dry basis</li> </ul>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied</li> </ul>	<ul style="list-style-type: none"> <li>A nominal grade cut-off of 0.2% Sn appears to be a natural grade boundary between mineralised and un-mineralised skarn alteration. This cut-off grade was used to define the mineralised envelopes.</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous.</li> <li>Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Mining of the Mount Garnet Project will be predominantly by open pit mining methods involving mechanised mining techniques. The geometry of the deposits will make it amenable to mining methods currently employed in many open pit operations in similar deposits around the world. No assumptions on mining methodology have been made.</li> </ul>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous.</li> <li>Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Consolidated Tin provided the following metallurgical recovery factors to allow the calculation of a Sn equivalent grade, Sn recovery 70%, Fe recovery 75%, F recovery 70%.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made</li> </ul>	<ul style="list-style-type: none"> <li>No assumptions have been made.</li> </ul>
<b>Bulk density</b>	<ul style="list-style-type: none"> <li>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</li> <li>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</li> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>Bulk density measurements were determined using the Archimedes Principle and a selection of samples were sent to a laboratory for verification of SG's. Insignificant variation between Waxed and Non-Waxed methods was demonstrated.</li> <li>512 bulk density measurements have been taken at the Gillian and Pinnacles deposits. The density measurements were analysed in conjunction with the iron grade of the sample, and a regression formula was calculated. This was applied to the block model as the following formula:  <math display="block">\text{DENSITY} = 2.68 + (0.0104 * \text{Fe})</math></li> <li>Using this formula, the calculated bulk density of the mineralisation ranges from 2.68 to 3.36 t/m3.</li> <li>No bulk density measurements have been taken at the Windermere or Deadman's Gully deposits. An assumed bulk density of 2.9 t/m3 was applied to these deposits.</li> <li>All measurements were performed with Archimedes principle.</li> <li>The bulk density values for the Gillian and Pinnacles deposits were calculated taking into account the estimated iron grade, based on the 512 bulk density measurements</li> </ul>

Criteria	JORC Code explanation	Commentary
		taken. An assumed bulk density was applied to the Windermere and Deadman's Gully deposits.
<b>Classification</b>	<ul style="list-style-type: none"> <li><i>The basis for the classification of the Mineral Resources into varying confidence categories</i></li> <li><i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i></li> <li><i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Mineral Resource classification is based on good confidence in the geological and grade continuity, along with 20 m by 20 m to 40 m by 40 m spaced drillhole density. Estimation parameters have been utilised during the classification process.</li> <li>The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of the mineralised zones is based on geological and mineralisation continuity, producing a robust model of mineralised domains. Infill drilling supports the interpretation.</li> <li>The validation of the block model shows good correlation of the input data to the estimated grades.</li> <li>The Mineral Resource estimate appropriately reflects the view of the Competent Persons.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of Mineral Resource estimates.</i></li> <li><i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and</i></li> </ul>	<ul style="list-style-type: none"> <li>While previous estimates have been carried out for the Gillian, Windimere and Pinnacles deposits, Optiro is not aware of any previous audits or reviews that have been completed.</li> <li>The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>confidence of the estimate</i></p> <ul style="list-style-type: none"> <li><i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used</i></li> <li><i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available</i></li> </ul>	<ul style="list-style-type: none"> <li>The statement relates to global estimates of tonnes and grade.</li> <li>No production data is available</li> </ul>

Appendix F  
WINDERMERE AND DEADMANS  
GULLY JORC CODE, 2012 EDITION –  
TABLE 1

Notes on data relating to the Mineral Resource Estimate for the Windermere and Deadmans Gully deposit.

## Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i></li> </ul>	<ul style="list-style-type: none"> <li>The project was sampled using Reverse Circulation (RC) and HQ triple tube diamond drill holes (DD).</li> <li>The Gillian deposit was drilled on a nominal 20 m x 20 m grid spacing. A total of 144 RC and 34 DD holes were drilled for 8,500 m and 2,112 m respectively. Holes were drilled at varying angles to optimally intersect the mineralised zones.</li> <li>The Pinnacles deposit was drilled on a nominal 40 m by 40 m grid spacing. A total of 228 RC and 12 DD holes were drilled for 9,474 m and 675 m respectively. Holes were drilled at varying angles to optimally intersect the mineralised zones.</li> <li>The Windermere deposit was drilled on a nominal 40 m by 40 m grid spacing. A total of 96 RC and 1 DD holes were drilled for 6,424 m and 95 m respectively. Holes were generally drilled in an east-west orientation.</li> <li>The Deadman's Gully deposit was drilled on a nominal 20 m by 20 m grid spacing. A total of 20 RC and 1 DD holes were drilled for 750 m and 33 m respectively. Holes were generally drilled vertically, with a minority of holes drilled in a south-north orientation.</li> <li>Collar locations were recorded using a Differential GPS by CSD with 0.6m to 1m horizontal accuracy.</li> <li>RC drilling was used to delineate the resource, with DD used to validate the interpretation. The RC samples were collected by cone or riffle splitter. Diamond core was used to obtain high quality samples that were logged for lithological, structural, density and other attributes.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<p>Sampling was carried out under CSD protocols and QAQC procedures.</p> <ul style="list-style-type: none"> <li>RC drilling was used to obtain 1 m samples, which was split using a 3 tier riffle splitter below the cyclone of the drill rig then sampled down to a 500 g sample size with a 25mm 50/50 riffle splitter. Diamond core was HQ size, sampled to 1 m intervals, and cut by CSD into half core by manual core saw, sent to lab, which was then crushed and if above 3kg was riffle split at the lab. Samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis.</li> <li>0.5 g of sample and 8 g of flux containing 80% 12:22 Xray flux (12 parts lithium tetraborate and 22 parts lithium tetraborate) and 20% sodium nitrate is mixed in a platinum crucible and roasted in a muffle furnace at 700°C for 20 minutes. The sample was then fused at 1100°C and poured into a platinum mould (40mm diameter) where the mixture was cooled to create a solid disc. This disc was then determined by sequential XRF calibrated with a mixture of CRMs and synthetic discs fused the same way.</li> <li>Tin and iron were assayed using fused bead preparations with XRF determination, or a sodium peroxide fusion with ICP-MS determination. Fluorine was analysed using fused bead preparations with XRF determination, or a carbonate fusion with ion-selective electrode determination</li> <li>RC drilling was used to obtain 1 m samples, which was split using a 3 tier riffle splitter below the cyclone of the drill rig then sampled down to a 500 g sample size with a 25mm 50/50 riffle splitter. Diamond core was HQ size, sampled to 1 m intervals, and cut by CSD into half core by manual core saw, sent to lab, which was then crushed and if above 3kg was riffle split at the lab. Samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>0.5 g of sample and 8 g of flux containing 80% 12:22 Xray flux (12 parts lithium tetraborate and 22 parts lithium tetraborate) and 20% sodium nitrate is mixed in a platinum crucible and roasted in a muffle furnace at 700°C for 20 minutes. The sample was then fused at 1100°C and poured into a platinum mould (40mm diameter) where the mixture was cooled to create a solid disc. This disc was then determined by sequential XRF calibrated with a mixture of CRMs and synthetic discs fused the same way.</li> <li>Tin and iron were assayed using fused bead preparations with XRF determination, or a sodium peroxide fusion with ICP-MS determination. Fluorine was analysed using fused bead preparations with XRF determination, or a carbonate fusion with ion-selective electrode determination</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling accounts for 10% of the drilling in the resource area and comprises of HQ sized triple tube core. Hole depths range from 13 m to 149 m. No core orientation has been performed to date.</li> <li>RC drilling accounts for 90% of the total drilling and comprises 140 mm diameter face sampling hammer drilling. Hole depths range from 4 m to 127 m.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> </ul>	<ul style="list-style-type: none"> <li>Minimum logging of RC sample recovery was performed; however no significant recovery issues were experienced.</li> <li>DD drilling recoveries were marked but have not been captured into a database to date.</li> <li>Drillers used appropriate measures to maximise RC recovery such as SuperFoam. Triple Tube was used in DD holes to maximise recovery.</li> <li>Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers and CSD Geologist. RC samples were visually checked for recovery, moisture and contamination.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>As no sample recovery information has been analysed, it is not possible to determine whether any relationship exists between sample recovery and grade, or whether any sample bias has occurred due to any potential loss/gain of fine/coarse material.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Geological logging was carried out on all diamond drillholes, with weathering, lithology, mineralogy, alteration, texture, mineralisation, structure and veining were all recorded.</li> <li>Geological logging was also carried out on chip samples from reverse circulation drilling, with primary lithology and alteration, recorded.</li> <li>Logging of diamond core and RC samples recorded primary lithology, mineralogy, mineralisation, structural (DDH only), weathering, and other features of the samples.</li> <li>DD core was photographed after mark up, before sampling with both Dry and Wet photos recorded.</li> <li>All drillholes were logged in full.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> </ul>	<ul style="list-style-type: none"> <li>Core was cut in half onsite by CSD using a manual core saw. Where core was competent, samples were collected from the same side of the core.</li> <li>RC samples were collected on the rig using 1 in 4 splitters below the cyclone cone. In general, mineralised samples were dry.</li> <li>The sample preparation of diamond core follows industry best practice in sample preparation involving logging of sample weights, oven drying and coarse crushing of half core samples down to ~10 mm. Samples weighing &lt;3.3 kg undergo pulverisation of the entire sample using Essa</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• <i>Quality control procedures adopted for all sub- sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<p>LM5 grinding mills to a grind size of 85% passing 75 micron. Samples weighing &gt;3.3 kg are riffle split, typically in half, with a split size between 1.65 and 3.3 kg undergoing pulverisation using Essa LM5 grinding mills to a grind size of 85% passing 75 micron.</p> <ul style="list-style-type: none"> <li>• The sample preparation for RC samples is identical, without the coarse crush stage</li> <li>• Field QC procedures involve the use of in-house reference material as assay standards, along with field duplicates. The insertion rate of these averaged 1:20.</li> <li>• Core was halved and halved again for duplicates.</li> <li>• Field duplicates were taken on 1m samples for RC, using a riffle splitter.</li> <li>• Statistical analysis of duplicate sample data for tin shows a high level of repeatability and a lack of bias between the original and duplicate sample data.</li> <li>• The sample sizes are considered to be appropriate to correctly represent the mineralisation at Mount Garnet based on: the style of mineralisation (skarn related mineralisation), the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The analytical techniques for tin and iron were fused bead preparations with XRF determination, or a sodium peroxide fusion with ICP-MS determination. Fluorine was analysed using fused bead preparations with XRF determination, or a carbonate fusion with ISE determination. Each of these assay techniques is considered a “total” assay technique – that is, the assay technique is considered to extract and measure the entire element contained within the sample.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> </ul>	<ul style="list-style-type: none"> <li>No geophysical tools were used to determine any element concentrations used in this resource estimate.</li> </ul>
	<ul style="list-style-type: none"> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Grind size checks were performed by the labs and reported as part of their due diligence.</li> <li>Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in house procedures.</li> <li>In-house reference materials, having a good range of values, were inserted regularly. Results highlight that sample assay values are accurate. Duplicate analysis for samples reveals that precision of samples is within acceptable limits.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>No independent verification of significant intersections has been carried out. It is anticipated this will occur during the planned site visit in June 2013 by Michael Andrew.</li> <li>No twinned holes have been drilled in the Mount Garnet Project to date.</li> <li>Data is collected by qualified geologists and entered into spreadsheets with pre-determined lookup fields. An internally developed database system is in use at Mount Garnet with backups and audit records stored. Validation rules are in place to ensure no data entry errors occur. Data is loaded into the database by CSD staff and is reviewed by supervisors.</li> <li>No adjustments or calibrations were made to any assay data used in this estimate.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> </ul>	<ul style="list-style-type: none"> <li>Differential GPS was used by CSD to locate collar positions, with an expected 0.6 m to 1 m horizontal accuracies and 1.0 – 1.6 m vertical.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>No local grids are in use, with MGA Zone 55 and AHD grids used.</li> <li>Eastman downhole camera shots were taken, but due to magnetic interference from magnetite ironstone, they cannot be used as an accurate representation of the drillhole bearing. Due to reasonably shallow depths (less than 100 m), deviation is expected to be minimal.</li> <li>The grid system is MGA_GDA94, zone 55.</li> <li>Topographic contours were collected via Airbourne LiDAR over entire project area. 4 samples points taken per square meter.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>The nominal drillhole spacing is 40 m (northing) by 40 m (easting).</li> <li>The mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource and Reserves, and the classifications applied under the 2004 JORC Code.</li> <li>Samples have been composited to one metre lengths, and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit).</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have</i></li> </ul>	<ul style="list-style-type: none"> <li>Wireframes are modelled around significant intercepts and to outcrop identifying that holes are generally near perpendicular to structures.</li> <li>The data is generally drilled in angles that intersect the mineralised domains perpendicularly, or nearly perpendicular. The orientation of the drillholes across the Mount Garnet Project is varied in order to achieve the best orientation relative to the domain being drilled.</li> <li>No orientation based sampling bias has been identified in the data at this point.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>introduced a sampling bias, this should be assessed and reported if material.</i>	
<b>Sample security</b>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Chain of custody is managed by CSD. Samples are stored on site, and are collected from site by Toll Ipec for transport and deliver to the assay laboratory. Sample bags are sealed for storage and transport.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>A review of the sampling data was carried out by Optiro as part of the resource estimate and the database is considered to be of sufficient quality to carry out resource estimation.</li> </ul>

### Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>Data templates with lookup tables and fixed formatting are used for logging, spatial and sampling data. Data transfer is electronic means on CSD servers. Sample numbers are unique; however, sample bags are manually numbered through the use of pre-printed numbered ticket books.</li> <li>Validation rules are in place to ensure no data entry errors occur (such as correct intervals are entered, no repeated information recorded, etc).</li> <li>The data has been reviewed by an independent geologist.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>No site visits have been completed by Michael Andrew (Principal Consultant), who will be acting as Competent Person.</li> <li>A site visit is currently planned to be carried out by Michael Andrews (Principal Consultant), who will be acting as Competent Person. This visit is anticipated to occur in June 2013.</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> </ul>	<ul style="list-style-type: none"> <li>The confidence in the geological interpretation is considered good. The global geological setting consists of an intrusive granite within sediments, with associated contact metamorphism and metasomatism. The economic mineralisation is contained within tabular skarn lenses that formed within carbon-rich sediment beds. The deposit appears similar in style to many skarn hosted deposits.</li> <li>Lithology, alteration and mineralisation were used to assist in the interpretation process.</li> <li>The deposit is tabular in geometry, with clear geological and grade boundaries which define the mineralised domains. Infill drilling has supported and refined the model and the current interpretation is thus considered to be robust.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The factors affecting continuity both of grade and geology.</i></li> </ul>	<ul style="list-style-type: none"> <li>Geology, particularly the style of mineralisation, was used to define the mineralisation interpretation. Key features are alteration, mineralogy and mineralisation content.</li> <li>Overall, exploration has indicated that each individual skarn is quite uniform in its mineralisation, although there are variations in the tin content between the deposits. Grade and geology seen in the exploration to date are relatively consistent, which is common with the nature of a skarn deposit.</li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li><i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></li> </ul>	<ul style="list-style-type: none"> <li>Overall, the Mineral Resource area has dimensions of 17,550 m (north) by 28,200 m (east) and 240 m (elevation).</li> <li>The Gillian deposit has dimensions of 850 m (north) by 880 m (east) and 250 m (elevation).</li> <li>The Pinnacles deposit has dimensions of 3,400 m (north) by 1,600 m (east) and 170 m (elevation).</li> <li>The Windermere deposit has dimensions of 2,000 m (north) by 950 m (east) and 120 m (elevation).</li> <li>The Deadman's Gully deposit has dimensions of 160 m (north) by 140 m (east) and 80 m (elevation).</li> </ul>
<b>Estimation and modelling techniques</b>	<ul style="list-style-type: none"> <li><i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></li> </ul>	<ul style="list-style-type: none"> <li>Grade estimation using Ordinary Kriging (OK) was completed for all the deposits using DatamineTM software for two elements; Sn% and Fe%, with F% estimated for the Pinnacles deposit. Drill grid spacing ranges from 20 – 40 m.</li> <li>Drillhole sample data was flagged using domain codes generated from three dimensional mineralisation domains. Sample data was composited to a one metre downhole length using a best fit-method. There were consequently no residuals. Intervals with no assays were excluded from the compositing routine.</li> <li>The influence of extreme sample distribution outliers was reduced by top-cutting where required. The top-cut levels were determined using a combination of top-cut analysis</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li><i>The assumptions made regarding recovery of by- products.</i></li> <li><i>Estimation of deleterious elements or other non- grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i></li> <li><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> </ul>	<p>tools (grade histograms, log probability plots and CVs). Top-cuts were reviewed and applied on a domain basis.</p> <ul style="list-style-type: none"> <li>Directional variograms were modelled using normal score transformations, which were converted back to traditional space. Nugget values low. Grade continuity was characterised by short to moderate ranges. Small or poorly sampled domains where robust variography could not be generated used the variography of a geologically similar domain. Estimation searches for all elements were set to the ranges of the variogram for each domain.</li> <li>The results of previous resource estimates for the Mount Garnet Project by CSD are available. These results were compared with the results from the May 2013 Resource Estimate. Comparison of the estimates shows an increase in the amount of material and a slight decrease in the estimated grade for tin, iron and fluorine.</li> <li>No assumptions have been made regarding recovery of any by- products.</li> <li>No estimation of deleterious elements or non-grade variables was carried out.</li> <li>The block model was constructed using a 10 mE by 10 mN by 5 mRL parent block size with sub-celling to 2.5 mE by 2.5 mN by 1.25 mRL for domain volume resolution. All estimation was completed at the parent cell scale. Kriging neighbourhood analysis was carried out in order to optimise the block size, search distances and sample numbers used. Discretisation was set to 4 by 4 by 2 for all domains.</li> <li>The size of the search ellipse per domain was based on the tin variography, due to the moderate-strong correlation of tin with the other elements. Three search passes were used for each domain. In general, the first pass used the ranges of the variogram and a minimum of 10 and maximum of 30 samples. In the second pass the search ranges were unchanged, and the minimum number of samples reduced to</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Any assumptions behind modelling of selective mining units.</li> <li>Any assumptions about correlation between variables.</li> <li>Description of how the geological interpretation was used to control the resource estimates.</li> <li>Discussion of basis for using or not using grade cutting or capping.</li> <li>The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.</li> </ul>	<p>2. The third pass ellipse was extended to 2 times the range of the variograms and the minimum of 2 and a maximum of 30 samples was applied. In the all domains, the majority of blocks were estimated in the first pass. Un-estimated blocks, i.e. those outside the range of the third pass, were assigned the estimated domain mean and lower resource confidence classifications. Hard boundaries were applied between all estimation domains.</p> <ul style="list-style-type: none"> <li>No selective mining units were assumed in this estimate.</li> <li>Statistical analysis was carried out to determine the correlation between each element on a deposit basis. This analysis showed a variable relationship between elements. As such, variograms for estimation were determined individually for each element.</li> <li>The geological interpretation was used to inform the creation of the mineralisation domains. These domains were used as hard boundaries to select sample populations for variography and estimation.</li> <li>Statistical analysis showed the populations in each domain had a moderate coefficient of variation. Top-cuts were selected to remove only the top outlier values. Generally, the top-cut values were set to approximately the 99th percentile of the population.</li> <li>Validation of the block model carried out a volumetric comparison of the resource wireframes to the block model volumes. Validating the estimate compared block model grades to the input data using tables of values, and swath plots showing northing, easting and elevation comparisons. Visual validation of grade trends and metal distributions was carried out. No mining has taken place; therefore no reconciliation data is available.</li> </ul>
<b>Moisture</b>	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>The tonnages are estimated on a dry basis.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied</li> </ul>	<ul style="list-style-type: none"> <li>A nominal grade cut-off of 0.2% Sn appears to be a natural grade boundary between mineralised and un-mineralised skarn alteration. This cut-off grade was used to define the mineralised envelopes.</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Mining of the Mount Garnet Project will be predominantly by open pit mining methods involving mechanised mining techniques. The geometry of the deposits will make it amenable to mining methods currently employed in many open pit operations in similar deposits around the world. No assumptions on mining methodology have been made.</li> </ul>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Consolidated Tin provided the following metallurgical recovery factors to allow the calculation of a Sn equivalent grade, Sn recovery 70%, Fe recovery 75%, F recovery 70%.</li> </ul>
<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made</li> </ul>	<ul style="list-style-type: none"> <li>No assumptions have been made.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>Bulk density</b>	<ul style="list-style-type: none"> <li><i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i></li> <li><i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i></li> <li><i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></li> </ul>	<ul style="list-style-type: none"> <li>Bulk density measurements were determined using the Archimedes Principle and a selection of samples were sent to a laboratory for verification of SG's. Insignificant variation between Waxed and Non-Waxed methods was demonstrated.</li> <li>512 bulk density measurements have been taken at the Gillian and Pinnacles deposits. The density measurements were analysed in conjunction with the iron grade of the sample, and a regression formula was calculated. This was applied to the block model as the following formula:  <math display="block">\text{DENSITY} = 2.68 + (0.0104 * \text{Fe})</math></li> <li>Using this formula, the calculated bulk density of the mineralisation ranges from 2.68 to 3.36 t/m3.</li> <li>No bulk density measurements have been taken at the Windermere or Deadman's Gully deposits. An assumed bulk density of 2.9 t/m3 was applied to these deposits.</li> <li>All measurements were performed with Archimedes principle.</li> <li>The bulk density values for the Gillian and Pinnacles deposits were calculated taking into account the estimated iron grade, based on the 512 bulk density measurements taken. An assumed bulk density was applied to the Windermere and Deadman's Gully deposits.</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li><i>The basis for the classification of the Mineral Resources into varying confidence categories</i></li> <li><i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the</i></li> </ul>	<ul style="list-style-type: none"> <li>The Mineral Resource classification is based on good confidence in the geological and grade continuity, along with 20 m by 20 m to 40 m by 40 m spaced drillhole density. Estimation parameters have been utilised during the classification process.</li> <li>The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of the mineralised zones is based on geological and mineralisation continuity, producing</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>data).</i></p> <ul style="list-style-type: none"> <li><i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> </ul>	<p>a robust model of mineralised domains. Infill drilling supports the interpretation.</p> <ul style="list-style-type: none"> <li>The validation of the block model shows good correlation of the input data to the estimated grades.</li> <li>The Mineral Resource estimate appropriately reflects the view of the Competent Persons.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of Mineral Resource estimates.</i></li> <li><i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></li> <li><i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> </ul>	<ul style="list-style-type: none"> <li>While previous estimates have been carried out for the Gillian, Windimere and Pinnacles deposits, Optiro is not aware of any previous audits or reviews that have been completed.</li> <li>The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.</li> <li>The statement relates to global estimates of tonnes and grade.</li> </ul>
	<ul style="list-style-type: none"> <li><i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<ul style="list-style-type: none"> <li>No production data is available.</li> </ul>

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## 6. FINANCIAL INFORMATION

### 6.1 Overview of the financial information

The financial information set out for the Company herein is for the historical financial years ended 30 June 2016 (FY16), 30 June 2017 (FY17), 30 June 2018 (FY18) and 30 June 2019 (FY19), and the six months ended 31 December 2017 (HY18) and 31 December 2018 (HY19) (the Historical Period). The Company has a 30 June financial year end. As such, any references in this Section 6 to “FY” refers to a 30 June financial year end, and any references to “HY” refers to a period of six months ended 31 December.

This Section 6 contains a summary of the historical financial information and pro forma historical financial information of the Company as defined below. All amounts disclosed in the tables are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest \$100,000.

The financial information for the Company in this Section 6 includes:

- (a) historical financial information, being the:
  - (i) historical income statements for FY16, FY17, FY18, FY19, HY18 and HY19;
  - (ii) historical cash flow statements for FY16, FY17, FY18, FY19, HY18 and HY19; and
  - (iii) historical balance sheet as at 31 December 2018;(together, the “Historical Financial Information”); and
- (b) pro forma historical financial information, being the:
  - (i) pro forma historical income statements for FY16, FY17, FY18, FY19, HY18 and HY19;
  - (ii) pro forma historical cash flow statements for FY16, FY17, FY18, FY19, HY18 and HY19; and
  - (iii) pro forma historical balance sheet as at 31 December 2018;(together, the “Pro Forma Historical Financial Information”).

The Historical Financial Information and the Pro Forma Historical Financial Information are collectively the “Financial Information”.

The Pro Forma Historical Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information, by KPMG Financial Advisory Services (Australia) Pty Ltd (“KPMG Transaction Services”), whose Limited Assurance Investigating Accountant's Report is included in Section 7. Investors should note the scope and limitations of the report.

Also summarised in this Section 6 are:

- (a) the basis of preparation and presentation of the Financial Information (see Section 6.2);

- (b) key operating metrics (see Section 6.3.2); and
- (c) Management's discussion and analysis of the Financial Information (see Section 6.8).

The information in this Section 6 should also be read in conjunction with the risk factors set out in Section 4 and other information contained in this Prospectus.

## 6.2 Basis of preparation and presentation of the Financial Information

### 6.2.1 Overview

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards ("AAS") issued by the Australian Accounting Standards Board ("AASB"), which are consistent with International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board ("IASB").

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Directors are responsible for the preparation and presentation of the Financial Information.

The Company's key accounting policies have been consistently applied throughout the periods and are set out in Annexure A.

### 6.2.2 Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Historical Financial Information is based on the audited financial statements of the Company for FY16, FY17, FY18, and the unaudited management accounts and records for FY19, and the reviewed financial statements for HY18 and HY19, after adjusting for certain pro forma adjustments.

The financial statements for FY16, FY17 and FY18 were audited by KPMG, and the HY18 and HY19 financial statements were reviewed by KPMG, with unqualified opinions issued. In the financial statements across the FY16, FY17, FY18, FY19, HY18 and HY19, without qualifying their opinion, KPMG included in their auditor's report an Emphasis of Matter as a material uncertainty existed that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether CSD will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. As such the future going concern of CSD is reliant on future funding and operations becoming cash flow positive. The Directors are confident that the Company will have sufficient working capital to meet its debts as they arise and/or to continue trading as a going concern. The Financial Information has been prepared on a going concern basis.

The Pro Forma Historical Financial Information has been prepared for the purpose of this Prospectus and has been derived from the Historical Financial Information to illustrate the net income, assets, liabilities and cash flows of the Company adjusted for certain pro forma amounts.

The Pro Forma Historical Financial Information has been adjusted across the Historical Period to reflect the pro forma impact of:

- (a) The Company executing the DOCA in FY17 with the impact being a significant gain on transfer and settlement of the creditors at a discount to the previously recognised values. This represents the major pro forma adjustment with removal of the gain;
- (b) Removal of stamp duty expense recognised on the acquisition of the assets from SPM pursuant to the terms of the Asset Sale Agreement;
- (c) Removal of financing expenses in relation to the interest expense associated with the related party loans that have been repaid or converted into equity as part of the reinstatement process;
- (d) Removal of the voluntary administration and DOCA consultant fees;
- (e) Removal of the gain on sale, and impairment of capitalised expenses in relation to the Baal Gammon copper mine (BGC);
- (f) Removal of the loss realised on converting debt to equity owing to related entities; and
- (g) Reinstatement transaction costs incurred.

Refer to Section 6.4 and Section 6.7.1 for reconciliations between the historical and pro forma financial performance and cash flow information. Also refer to Section 6.6 for a reconciliation between the historical and pro forma historical balance sheet as at 31 December 2018.

Investors should note that past results do not guarantee future performance.

#### 6.2.3 Explanation of certain non-IFRS measures

The Company uses certain measures to manage and report on business performance that are not recognised under AAS (non-IFRS financial measures). These non-IFRS financial measures that are referred to in this Prospectus include the following:

- (a) EBITDA is earnings before interest, taxation, depreciation and amortisation, but inclusive of impairment expenses;
- (b) EBIT is earnings before interest and tax; and
- (c) NPAT is net profit / (loss) after tax.

Although the Directors believe that these measures provide useful information about the financial performance of the Company, they should be considered as supplements to the income statement and cash flow measures that have been presented in accordance with the AAS and not as a replacement for them. Because these non-IFRS financial measures are not based on AAS, they do not have standard definitions, and the way the Company has calculated these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

## 6.3 Pro forma income statements

### 6.3.1 Overview

The table below sets out the pro forma income statements for FY16, FY17, FY18 and FY19. The Pro Forma Financial Information is reconciled to the Historical Financial Information in Section 6.4 which also includes an explanation of the pro forma adjustments.

Table 6.3.1 Pro forma income statements	FY16	FY17	FY18	FY19
\$000	12 mth	12 mth	12 mth	12 mth
Revenue	3,553	675	9,788	26,487
Cost of sales	(9,492)	(245)	(13,544)	(22,529)
Gross profit	(5,939)	430	(3,756)	3,958
Mine and mill refurbishment	-	(5,607)	(10,386)	(20,388)
Care and maintenance	(770)	(2,702)	(2,537)	(366)
Occupancy	(1,023)	(275)	(137)	(201)
Corporate, administration and other	(3,232)	(5,103)	(5,439)	(6,178)
Impairment of exploration and evaluation expenses	(589)	(865)	(1,665)	(209)
Exploration and evaluation expenses not capitalised	-	(1,349)	(4,193)	(1,935)
Impairment of tenements	-	-	(379)	-
EBITDA	(11,553)	(15,471)	(28,492)	(25,319)
Depreciation and amortisation	(684)	(4,251)	(7,140)	(12,133)
EBIT	(12,237)	(19,722)	(35,632)	(37,452)
Net interest expense	-	4	(58)	(427)
PBT	(12,237)	(19,718)	(35,690)	(37,879)
Tax	-	-	-	-
NPAT	(12,237)	(19,718)	(35,690)	(37,879)

The table below sets out the pro forma income statements for HY18 and HY19.

Table 6.3.2 Pro forma income statements - HY	HY18	HY19
\$000	6 mth	6 mth
Revenue	4,397	13,133
Cost of sales	(8,624)	(10,949)
Gross profit	(4,227)	2,184
Mine and processing plant refurbishment	(2,707)	(11,757)
Care and maintenance	(1,123)	-
Occupancy	(46)	(97)
Corporate, administration and other	(3,255)	(3,003)
Impairment of exploration and evaluation expenses	-	(113)
Exploration and evaluation expenses not capitalised	(2,615)	(1,222)



Table 6.3.2 Pro forma income statements - HY	HY18	HY19
EBITDA	(13,973)	(14,008)
Depreciation and amortisation	(1,945)	(5,674)
EBIT	(15,918)	(19,682)
Net interest expense	(26)	(42)
PBT	(15,944)	(19,724)
Tax	-	-
NPAT	(15,944)	(19,724)

### 6.3.2 Key metrics

The table below sets out a summary of certain key operating metrics of the Company.

Table 6.3.3 Key metrics	FY16 12 mth	FY17 12 mth	FY18 12 mth	FY19 12 mth	HY18 6 mth	HY19 6 mth
Sales volume (WMT)						
Zinc	3,918	117	7,913	19,736	4,033	10,177
Copper	-	-	870	3,816	-	798
Lead	-	-	-	1,685	-	1,040
Sales price (average)						
Zinc US\$	1,930	2,123	3,026	2,631	3,366	2,691
Copper US\$	-	-	6,987	6,038	-	6,170
Lead US\$	-	-	-	2,057	-	2,062
Cost of goods sold						
Cost per tonne mined and processed (average)	181	-	122	115	163	129

### 6.4 Pro forma adjustments and reconciliations – income statements

The table below sets out the reconciliation between the historical and pro forma EBITDA and NPAT for FY16, FY17, FY18 and FY19.

Table 6.4.1 Pro forma adjustments reconciliation \$000	Note	FY16	FY17	FY18	FY19
		12 mth	12 mth	12 mth	12 mth
Statutory EBITDA		(13,038)	(4,001)	(30,452)	(25,761)
Stamp duty on acquisition	1	1,485	-	-	-
Gain on transfer of creditors	2	-	(13,105)	-	-
Consultancy fees in relation to voluntary administration / DOCA	3	-	571	-	-
Gain on sale of BGC	4	-	(194)	-	-
Impairment of assets on sale of BGC	5	-	1,258	-	-
Loss on conversion of debt to equity	6	-	-	1,960	-
Reinstatement transaction costs	7	-	-	-	442

Table 6.4.1 Pro forma adjustments reconciliation \$000	Note	FY16	FY17	FY18	FY19
		12 mth	12 mth	12 mth	12 mth
Total pro forma adjustments		1,485	(11,470)	1,960	442
Pro forma EBITDA		(11,553)	(15,471)	(28,492)	(25,319)
Statutory NPAT		(14,753)	(9,916)	(38,495)	(40,461)
Pro forma adjustments in EBITDA		1,485	(11,470)	1,960	442
Finance charge	8	1,031	1,668	845	2,140
Pro forma NPAT		(12,237)	(19,718)	(35,690)	(37,879)

The table below sets out the reconciliation between the historical and pro forma historical EBITDA and NPAT for HY18 and HY19.

Table 6.4.2 Pro forma adjustments reconciliation \$000	Note	HY18	HY19
		6 mth	6 mth
Statutory EBITDA		(13,973)	(14,008)
Pro forma EBITDA		(13,973)	(14,008)
Statutory NPAT		(16,077)	(20,716)
Pro forma adjustments in EBITDA		-	-
Finance charge	8	133	992
Pro forma NPAT		(15,944)	(19,724)

Notes:

1. In April 2016, the Company completed the acquisition of assets from SPM, resulting in stamp duty of \$1.5 million. As this transaction relates to a major acquisition related cost and is non-operational in nature, this expense has been reversed as a pro forma adjustment.
2. The Company entered into voluntary administration in July 2016 and a DOCA was executed on 8 December 2016, whereby \$10 million was allocated to a creditors trust to settle \$23.1 million in outstanding trade payables as at 31 December 2016. On settlement of the trade payables, an accounting gain of \$13.1 million was recognised in FY17. As this reflects a significant restructuring event and is non-operational in nature, the \$13.1 million accounting gain has been reversed as a pro forma adjustment.
3. As a result of the voluntary administration and DOCA, the Company incurred restructuring, legal and technical advisor costs, amounting to \$0.6 million. These consulting fees are reversed as a pro forma adjustment.
4. Following from the execution of the DOCA, the Company entered into a Settlement Deed with Baal Gammon Copper Pty Ltd (BGCPL), executed on 31 January 2017 whereby the Company relinquished \$5.8 million in financial assurances, transferred two employees and their leave balances amounting to \$0.1 million, transferred \$3.8 million in rehabilitation provisions and made a payment to BGCPL of \$1.8 million. A resulting accounting gain of \$0.2 million was recognised in the Income Statement in FY18. As the BGC sale represents a significant divestment which is non-operational in nature, the accounting gain on sale has been reversed as a pro forma adjustment.
5. Capitalised project costs to improve the quality of the water at BGC totalled \$1.3 million, which was impaired on the completion of the BGC sale.
6. On 14 May 2018, the Company issued shares to directors, employees and existing shareholders of SPM in repayment of \$34.6 million of debt owing to these related parties. Per AASB 9, when equity instruments are issued to a creditor to extinguish all or part of a financial liability, they are recognised at the fair value of the equity instruments issued. The difference in the carrying value of the debt of \$34.6 million and the fair value of the Shares at \$0.2513 cents (being \$36.6 million) was recognised in FY18 as a loss of \$2.0 million. The loss on conversion of debt to equity has been reversed as a pro forma adjustment.
7. Reinstatement transaction costs expensed in FY19 have been reversed as a pro forma adjustment.
8. Proceeds from the private placements between 31 December 2018 and the date of reinstatement will be used to pay down all \$0.4 million in loans and borrowings, and the remaining \$45.9 million in loans will convert to equity, removing all interest bearing debt (except for finance leases). The financing expenses in relation to these loans have been reversed as a pro forma adjustment to reflect

the revised capital structure of the Company on reinstatement. Financing expenses remaining on the pro forma income statement principally relate to finance lease interest.

## 6.5 Historical income statements

The table below sets out the historical income statements for FY16, FY17, FY18 and FY19.

Table 6.5.1 Historical income statements	FY16	FY17	FY18	FY19
\$000	12 mth	12 mth	12 mth	12 mth
Revenue	3,553	675	9,788	26,487
Cost of sales	(9,492)	(245)	(13,544)	(22,529)
Gross profit	(5,939)	430	(3,756)	3,958
Mine and mill refurbishment	-	(5,607)	(10,386)	(20,388)
Care and maintenance	(770)	(2,702)	(2,537)	(366)
Occupancy	(1,023)	(275)	(137)	(201)
Corporate, administration and other	(3,232)	(5,674)	(5,439)	(6,178)
Capitalised costs written off	-	(1,258)	-	-
Impairment of Exploration and Evaluation costs	(589)	(865)	(1,665)	(209)
Gain on transfer of payables to Creditors Trust	-	13,105	-	-
Gain on sale of BGC	-	194	-	-
Stamp duty on acquisition	(1,485)	-	-	-
Exploration expenditure not capitalised	-	(1,349)	(4,193)	(1,935)
Impairment of mining tenements	-	-	(379)	-
Reinstatement transaction costs	-	-	-	(442)
Loss on conversion of debt to equity	-	-	(1,960)	-
EBITDA	(13,038)	(4,001)	(30,452)	(25,761)
Depreciation and amortisation	(684)	(4,251)	(7,141)	(12,133)
EBIT	(13,722)	(8,252)	(37,593)	(37,894)
Net interest expense	(1,031)	(1,664)	(902)	(2,567)
PBT	(14,753)	(9,916)	(38,495)	(40,461)
Tax	-	-	-	-
NPAT	(14,753)	(9,916)	(38,495)	(40,461)

The table below sets out the historical income statements for HY18 and HY19.

Table 6.5.2 Historical income statements	HY18	HY19
\$000	6 mth	6 mth
Revenue	4,397	13,133
Cost of sales	(8,624)	(10,949)
Gross profit	(4,227)	2,184
Mine and Processing Plant refurbishment	(2,707)	(11,757)
Care and maintenance	(1,123)	-

Table 6.5.2 Historical income statements	HY18	HY19
Occupancy	(46)	(97)
Corporate, administration and other	(3,255)	(3,003)
Impairment of Exploration and Evaluation costs	-	(113)
Exploration expenditure not capitalised	(2,615)	(1,222)
EBITDA	(13,973)	(14,008)
Depreciation and amortisation	(1,945)	(5,674)
EBIT	(15,918)	(19,682)
Net interest expense	(159)	(1,034)
PBT	(16,077)	(20,716)
Tax	-	-
NPAT	(16,077)	(20,716)

## 6.6 Pro Forma Historical Balance Sheet

### 6.6.1 Overview

The pro forma historical balance sheet as at 31 December 2018 is based on the reviewed historical balance sheet as at 31 December 2018, adjusted for certain pro forma adjustments to reflect the impact of the change in the capital structure as part of the reinstatement and financing events that have taken place since 31 December 2018. These transactions have been represented as they had occurred as at 31 December 2018.

The pro forma historical balance sheet is provided for illustrative purposes only and is not represented as being **necessarily indicative of the Company's view of its future financial position.**

Table 6.6.1 Pro forma historical balance sheet as at 31 December 2018	Note	Statutory	Pro forma adj.	Pro forma
Assets				
<i>Current assets</i>				
Cash and cash equivalents	1	487	22,588	23,075
Trade and other receivables		2,657	-	2,657
Inventories		1,653	-	1,653
Prepayments		2,212	-	2,212
Total current assets		7,009	22,588	29,597
<i>Non-current assets</i>				
Property, plant and equipment	2	20,563	2,689	23,252
Exploration and evaluation assets		41,110	-	41,110
Mining tenements		16,277	-	16,277
Bonds and deposits		11,842	-	11,842
Total non-current assets		89,792	2,689	92,481
Total assets		96,801	25,277	122,078
Liabilities				

Table 6.6.1 Pro forma historical balance sheet as at 31 December 2018	Note	Statutory	Pro forma adj.	Pro forma
<i>Current liabilities</i>				
Trade and other payables	5	9,085	(108)	8,977
Employee leave liabilities		1,401	-	1,401
Loans and borrowings	2,3	32,758	(29,950)	2,808
Total current liabilities		43,244	(30,058)	13,186
<i>Non-current liabilities</i>				
Loans and borrowings	3	10,712	(10,712)	-
Employee leave liabilities		732	-	732
Provisions		10,802	-	10,802
Total non-current liabilities		22,246	(10,712)	11,534
Total liabilities		65,490	(40,770)	24,720
Net assets		31,311	66,047	97,358
<i>Equity</i>				
Contributed equity	4	121,020	68,576	189,596
Accumulated losses	5	(89,709)	(2,529)	(92,238)
Total equity		31,311	66,047	97,358

Notes:

- 1 Pro forma cash increases by \$22.6 million reflecting \$24.0 million in equity raised through pre reinstatement private placements, \$2.2 million in cash acquired from pre reinstatement loans and borrowings. This is offset by the repayment of \$0.4 million in loans and borrowings, \$1.2 million in net finance lease instalments (refer note 2), and the transaction costs of \$2.0 million (comprised of \$1.1 million in pre reinstatement new equity costs and \$0.9 million in costs directly related to the reinstatement). \$24.0 million in equity raised through private placements of shares is via the proceeds of:
  - a) \$20.0 million private placement from Wealth Pointer Global Limited ('WPGL').
  - b) \$4.0 million private placement from Mr Tiesong Duan, a Chinese investor.
- 2 Between 31 December 2018 and the date of the Prospectus, the Company confirmed the balance of finance leases increased to \$2.8 million. As a result of the leasing arrangements, CSD received \$1.8 million in cash, offset by \$3.0 million in total lease payments (including GST), resulting in \$1.2 million in net cash outflows at reinstatement.
- 3 \$43.5 million in loans and borrowings at 31 December 2018 decreased to \$2.6 million on reinstatement through the following pro forma adjustments:
  - a) \$39.4 million in loans from Cyan Stone at 31 December 2018, increased by \$3.8 million to \$43.2 million due to additional draw-downs and accrued interest. At reinstatement, \$43.0 million of these loans and borrowings will convert to equity, and the remaining \$0.2 million will be paid down from cash.
  - b) \$3.2 million in other related party loans at 31 December 2018 decreased by \$0.3 million at reinstatement to \$2.9 million, of which \$2.7 million in loans will convert to equity at reinstatement. The remaining \$0.2 million will be paid down from cash.
  - c) \$0.8 million in finance leases outstanding at 31 December 2018 increased by \$2.0 million to \$2.8 million on reinstatement.
- 4 Adjustment to contributed equity reflects \$24.0 million in new equity issued prior to reinstatement, \$45.7 million of loans which will convert to equity, and less \$1.1 million in reinstatement transaction costs allocated to equity.
- 5 Adjustment to retained earnings reflects \$0.9 million in transaction costs directly in relation to the reinstatement, \$1.5 million in accrued interest in relation to the Cyan loans and \$0.1 million in relation to the pre reinstatement finance leases fees. Contributed equity includes \$1,000 (1,667 Shares at \$0.60 per Share) to be raised as part of the Offer.

## 6.6.2 Liquidity, capital resources and indebtedness

The Company's principal source of funds has historically been through private placements in addition to the raising of related party funding arrangements.

The Company had cash and cash equivalents of \$10.5 million at 30 June 2019 (\$487,000 as at 31 December 2018). At the date of this Prospectus the Company has cash and cash equivalents of \$5.1 million, which includes the benefit of \$24.0 million of private placement amounts received in May 2019 and June 2019, but excludes \$0.4 million of loans and borrowings that will be repaid post reinstatement, plus \$0.3 million in transaction costs to be paid post reinstatement.

The Company's operations require significant expenditure in relation to exploration and evaluation of mining tenements, as well as further development of the existing mining tenements at Mount Garnet and Dry River South. The Company expects that the available cash and future maturity of its existing mining tenements will enable the Company to operate its business in accordance with its stated objectives.

## 6.6.3 Contractual obligations and capital commitments

### (a) Future exploration

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

The commitments to be undertaken as at 30 June 2019 are presented in the table below.

6.6.2 Future exploration \$000	30 Jun-19
Payable	
- not greater than 12 months	1,482
- between 12 months and 5 years	1,325
- greater than 5 years	-
Total commitments	2,807

### (b) Operating lease commitments

Operating lease commitments includes contracted amounts for rental of premise. Contractual rental increase clauses have been factored into the commitments disclosed.

The future minimum operating lease payments as at 30 June 2019 are presented in the table below.

Operating lease commitments \$000	30-Jun-19
Payable	
- not greater than 12 months	398
- between 12 months and 5 years	165
- greater than 5 years	-
Total commitments	563



## 6.7 Pro forma cash flow statements

The table below sets out the pro forma cash flow statements for FY16, FY17, FY18 and FY19.

Table 6.7.1 Pro forma cash flow statements	FY16	FY17	FY18	FY19
\$'000	12 mth	12 mth	12 mth	12 mth
EBITDA	(11,553)	(15,471)	(28,492)	(25,319)
Non-cash items in EBITDA <sup>(1)</sup>	(442)	543	4,095	10,500
Changes in working capital	12,255	(5,341)	2,645	(3,733)
Free cash flow	260	(20,269)	(21,752)	(18,552)
Payments for PP&E	(3)	(2,984)	(12,569)	(902)
Proceeds from sale of PP&E	-	-	-	1,370
Exploration and Feasibility costs	(1,126)	(3,621)	(6,664)	(10,733)
(Payment) / refund on deposits	2	(1,244)	(3,461)	(330)
Net cash flow before taxation and financing	(867)	(28,118)	(44,446)	(29,147)
Proceeds from Cyan Stone Pty Ltd	-	26,714	41,107	9,885
Proceeds from Ming Huang Trading Limited	-	2,724	-	-
Proceeds from private placement	-	-	1,680	34,189
Proceeds from other borrowings	-	-	2,992	308
Proceeds from premium funding (net)	-	672	(1,367)	-
Repayment of borrowings	-	(336)	-	(4,637)
Net cash flow	(867)	1,656	(34)	10,597

Notes:

1. Non-cash items in EBITDA includes a reclassification of exploration and development expenses from free cash flow to net cash flow before taxation and financing. In FY19 these costs amounted to \$10.0 million.

The table below sets out the pro forma cash flow statements for HY18 and HY19

Table 6.7.2 Pro forma historical cash flow statements	HY18	HY19
	6 mth	6 mth
EBITDA	(13,973)	(14,008)
Non-cash Items in EBITDA	2,877	(118)
Changes in working capital	(3,388)	1,290
Free cash flow	(14,484)	(12,836)
Payments for PP&E	(2,891)	(610)
Exploration and Feasibility costs	(5,165)	(1,353)
(Payment) / refund on deposits	(342)	(9)
Net cash flow before taxation and financing	(22,882)	(14,808)
Proceeds from Cyan Stone Pty Ltd	24,497	6,315
Proceeds from private placement	-	10,439

Table 6.7.2 Pro forma historical cash flow statements	HY18	HY19
	6 mth	6 mth
Proceeds from other borrowings	(336)	851
Repayment of borrowings	-	(2,655)
Net cash flow	1,279	142

#### 6.7.1 Pro forma adjustments and reconciliations – cash flows

The tables below set out the reconciliation between the statutory and pro forma cash flow information for FY16, FY17, FY18 and FY19.

Table 6.7.3 Pro forma adjustments reconciliation	Note	FY16	FY17	FY18	FY19
		12 mth	12 mth	12 mth	12 mth
Statutory net cash flow before financing activities and tax		(128)	(30,089)	(44,846)	(29,589)
Baal Gammon Copper sale	1	-	1,400	400	-
Stamp duty on acquisition of SPM	2	293	-	-	-
Cash acquired on acquisition of SPM	3	(1,032)	-	-	-
Consultancy fees in relation to VA	4	-	571	-	-
Reinstatement costs <sup>(1)</sup>	5	-	-	-	442
Pro forma net cash flow before financing activities and tax		(867)	(28,118)	(44,446)	(29,147)

Notes:

1. Note 1: Reinstatement costs include amounts which have been paid in cash up to 30 June 2019. Total reinstatement costs in the income statement amounted to \$875,000 in FY19.

The table below sets out the reconciliation between pro forma cash flow statements and historical cash flow statements for HY18 and HY19.

Table 6.7.4 Pro Forma adjustments reconciliation	Note	HY18	HY19
		6 mth	6 mth
Statutory net cash flow before financing activities and tax		(23,282)	(14,808)
Baal Gammon Copper sale	1	400	-
Stamp duty on acquisition of SPM	2	-	-
Consultancy fees in relation to VA	4	-	-
Pro forma net cash flow before financing activities and tax		(22,882)	(14,808)

Notes:

1. This pro forma adjustment reflects the cash flow impact of the \$1.8 million payment from the Company to BGCPL on the transfer of financial assurances and rehabilitation provision made in FY17 and FY18. \$1.4 million was paid in FY17, with the \$0.4 million remaining payment made in HY18.
2. This pro forma adjustment reflects the \$0.3 million cash flow impact of stamp duty incurred on the acquisition of SPM in FY16. The remaining balance was settled through the DOCA.
3. This pro forma adjustment reflects the removal of \$1.0 million cash flow impact from the acquisition of SPM in FY16.
4. This pro forma adjustment reflects the reversal of cash flow impact from the cost of advisors in relation to the voluntary administration and DOCA.

5. This pro forma adjustment reflects the reversal of the reinstatement cash transaction costs in FY19 and HY19.

## 6.8 Management discussion and analysis of the Pro Forma Historical Financial Information

### 6.8.1 Overview

This Section 6.8 sets out a discussion of the main factors which affected the Company's operating and relative financial performance in FY16, FY17, FY18, FY19, HY18 and HY19.

The discussion of these general factors is intended to provide a brief summary only and does not detail all the factors that affected historical operating and financial performance, nor everything which may affect the Company's operating and financial performance in the future.

The information should also be read in conjunction with the risk factors set out in Section 4 and the other information contained in this Prospectus.

#### (a) Revenue and other income

- (i) CSD primarily derives revenue through the extraction, processing and sale of zinc, copper and lead concentrates at the Dry River South Mine and Mount Garnet Deeps Mine sites. Dry River South Mine and Mount Garnet Deeps Mine ore is processed at the Mount Garnet Processing Plant. Sales are principally made via offtake agreements further details of which are set out in Section 11.7.

#### (b) Operating expenses

The key operating expense categories for the Company include:

- (i) Cost of sales: fixed and variable expenses in connection with extracting ore from the Mount Garnet Deeps Mine and Dry River South Mine sites, processing of ore at the Mount Garnet Processing Plant and selling concentrates.
- (ii) Mine and Processing Plant refurbishment: costs to bring Dry River South Mine and Mount Garnet Deeps Mine sites into an operational state, and ongoing maintenance activities at these sites which cannot be capitalised. Dry River South Mine site came into production in June 2018, and Mount Garnet Deeps Mine site came into production in May 2019. The Mount Garnet Processing Plant came into production in July 2017.
- (iii) Care and maintenance: costs attributable to the up-keep of Dry River South Mine and Mount Garnet Deeps Mine sites during periods of inactivity, including the six month voluntary administration period.
- (iv) Occupancy: primarily relate to costs in connection with council rates and property rental.
- (v) Administration: costs in connection with insurance, consultant's fees and advisory fees (legal and accounting).

- (vi) Corporate and other: Primarily comprise Queensland Department of Environment and Science (DES) and the Queensland Department of Natural Resources and Energy (DNRME) fees associated with exploration and / or operation of mining tenements and the costs of the Company's corporate office in Sydney.
- (vii) Capitalised projects written off: costs written off in relation to abandoned exploration and evaluation projects.
- (viii) Exploration expenditure not capitalised: costs that relate to expenses incurred during the exploration phase of the mining tenements / sites that cannot be capitalised.
- (ix) Impairment of mining tenements: Where management assesses the net present value of the tenement is lower than its carrying value, an impairment is recognised on the profit and loss statement.
- (x) Impairment of exploration and evaluation assets: The write-off of the capitalised development costs in relation to impaired tenements.

#### 6.8.2 Pro forma FY17 compared to pro forma FY16

##### (a) Gross profit

Gross profit of \$0.4 million in FY17 increased by \$6.4 million from a loss of \$5.9 million in FY16. Dry River South Mine and Mount Garnet Deeps Mine sites went into care and maintenance phase during the voluntary administration, resulting in the temporary cessation of operations in FY17:

- (i) Revenue of \$0.7 million in FY17 decreased by \$2.9 million compared to FY16. There were two shipments made in July 2016 before the voluntary administration process begun on 19 July 2016.
- (ii) Cost of goods sold of \$0.2 million in FY17 decreased by \$9.2 million compared to FY16, correlated with the significant decline in sales.

##### (b) Operating expenses

Operating expenses of \$15.9 million in FY17 increased by \$10.3 million compared to FY16 largely driven by:

- (i) Mine and Processing Plant refurbishment: \$5.6 million in expenses were incurred in FY17 at Dry River South Mine in connection with bringing the mine back into production after the period of voluntary administration period. There was no comparative expense in FY16.
- (ii) Care and maintenance expense: in FY17 \$1.2 million of expenses were incurred at Dry River South Mine and Mount Garnet Deeps Mine sites during the 19 day pre-administration period. In addition, there was \$1.5 million in expenses incurred at Mount Garnet Deeps Mine during the voluntary administration period where 25 staff were retained to support the mine.

- (iii) Occupancy expense: \$0.7 million decline in council rates due to a new agreement that was negotiated and signed in FY17 between the Company and the responsible council.
  - (iv) Administration expenses: \$1.8 million increase in administration costs via the growth in employee, insurance, and advisory fees to support the Company.
  - (v) Impairment of mining tenements: \$0.3 million increase in relation to the exploration costs written off for the relinquishment of the following exploration tenements Petford East (EPM 17548), Heberton Extended (EPM 17550) and Smiths Creek (EPM 17551).
  - (vi) Exploration expenditure not capitalised: \$1.3 million expenses relating to employee, government fees, geological consulting, contractors and consultants. There were no comparable expenses in FY16.
- (c) Depreciation and amortisation
- Depreciation and amortisation expense of \$4.3 million increased by \$3.6 million compared to FY16. This movement is in-line with the increase in activities in FY17 compared to FY16.
- (d) Net cash flows
- Net cash outflows before taxation and financing were \$28.1 million, a \$27.2 million decrease from \$0.8 million net inflow in FY16. This is primarily due to the \$15.9 million increase in operating expenses outlined above, an increase in working capital by \$5.3 million, as well as \$7.8 million in outflows in relation to the capitalisation of PP&E, exploration costs, feasibility costs, and deposits paid. For completeness, the impact of the DOCA is not included in the pro forma cash information.

### 6.8.3 Pro forma FY18 compared to pro forma FY17

- (a) Gross profit
- Gross profit of negative \$3.8 million in FY18 declined by \$4.2 million compared to a \$0.4 million gross profit in FY17 largely driven by the recommencement of mining activities at Dry River South Mine and Mount Garnet Deeps Mine:
- (i) Revenues of \$9.8 million in FY18 increased by \$9.1 million compared to FY17, with sales volumes of 7,913 wmt zinc concentrate made at an average price of 3,026 USD / tonne zinc metal and 870 wmt copper concentrate made at an average price of 6,987 USD / tonne copper metal. All sales were made to Glencore International AG in FY18.
  - (ii) Cost of goods sold of \$13.5 million in FY18 increased by \$13.3 million compared to FY17, with a cost per tonne of \$122.
- (b) Total operating expenses
- Operating expenses of \$29.2 million in FY19 increased by \$4.5 million compared to FY18 largely driven by the following:

- (i) Mine and Processing Plant refurbishment: \$4.8 million increase in costs largely attributable to Dry River South Mine to bring the mine back into production.
- (ii) Impairment of Exploration and Evaluation costs: \$0.8 million increase in relation to the exploration costs written off for the relinquishment of the following exploration tenements Mount Garnet (EPM 18806, MLA 20007) and Kangaroo Creek (EPM 19323).
- (iii) Exploration expenditure not capitalised: \$2.8 million increase as at FY18 an assessment was made by the directors that no further amounts could be capitalised in FY18 as the capitalised exploration and evaluation assets had reached their fair value.

(c) Depreciation and amortisation

Depreciation and amortisation expense in FY18 of \$7.1 million increased by \$2.9 million compared to FY17 primarily driven by \$2.3 million of additional depreciation and \$0.6 million in amortisation as the mines were bought back into production. Cost of sales in FY17 was minimal due to the voluntary administration with little utilisation of resources. Certain assets are amortised over the life of mining tenements in accordance with the depletion of resources.

(d) Net cash flows

Net cash outflows before taxation and financing of \$29.1 million in FY19, represents a \$15.3 million increase from \$44.4 million during FY18. This is primarily due to a \$3.2 million increase in operating cash flows, \$11.7 million decrease in payments for PP&E, \$3.1 million decrease in deposits paid, offset by a \$4.1 million increase in exploration costs.

#### 6.8.4 Pro forma FY19 compared to pro forma FY18

(a) Gross profit

Gross profit of \$4.0 million in FY19 represents an increase of \$7.7 million from a negative gross profit of \$3.8 million in FY18 largely driven by an increase in the scale of mining and processing activities.

- (i) Revenues of \$26.5 million in FY19 increased by \$16.7 million compared to FY18, with sales volumes of 19,736 wmt zinc concentrate made at an average price of 2,631 USD, 3,816 wmt tonnes copper concentrate made at an average price of 6,038 USD and 1,685 lead concentrate made at an average price of 2,057 USD. All sales were made to Glencore International AG in FY19.
- (ii) Cost of goods sold of \$22.5 million in FY19 increased by \$9.0 million compared to FY18, with a cost per tonne of \$115. This was largely driven by an increase in development costs at Mount Garnet Deeps Mine Sites, offset by a reduction in development costs at Dry River South Mine.

(b) Total operating expenses



Operating expenses of \$28.8 million in FY19 increased by \$4.1 million compared to FY18 largely driven by the following:

- (i) Mine and Processing Plant refurbishment: \$10.0 million increase driven by additional costs associated with increased refurbishment activities at the Dry River South Mine and Mount Garnet Deeps Mine sites.
- (ii) Care and maintenance: Care and maintenance costs were incurred during FY19 as the Mount Garnet Processing Plant was placed in care and maintenance for the month of March 2019. However, the duration of care and maintenance was lower than in FY18 and is reflected in a decrease of \$2.2 million.
- (iii) Exploration expenditure not capitalised: expenditure relating to exploration activities not capitalised in accordance with the Company's capitalisation policy, including employee costs associated with the Company's exploration and geology team. The reduction in exploration costs reflects CSD's focus on development activities during the year.

(c) Depreciation and amortisation

Depreciation and amortisation expense in HY19 of \$5.7 million increased by \$3.7 million compared to HY18 primarily driven by an increase of \$1.1 million in depreciation and \$2.6 million in increased amortisation in HY19 as a result of increasing production volumes. Certain assets are amortised over the life of mining tenements in accordance with the depletion of resources.

(d) Net cash flows

Net cash outflows before taxation and financing of \$29.0 million in FY19, represents a \$15.4 million increase from \$44.4 million during FY18. This is primarily due to a \$3.3 million increase in operating cash flows, \$11.7 million decrease in payments for PP&E, \$3.1 million decrease in deposits paid, offset by a \$4.0 million increase in exploration costs.

6.8.5 Pro forma HY19 compared to pro forma HY18

(a) Revenue

Revenues of \$13.1 million in HY19 increased by \$8.7 million compared to HY18, associated with an increase in production.

(b) Total operating expenses

Operating expenses of \$16.2 million in HY19 increased by \$6.4 million compared to HY18 largely driven by the following:

- (i) Mine and Processing Plant refurbishment: \$9.1 million increase driven by additional costs associated with increased refurbishment activities at the Dry River South Mine and Mount Garnet Deeps Mine sites.
- (ii) Care and maintenance: No care and maintenance costs were incurred during HY19 as the mines were in production.

(iii) Exploration expenditure not capitalised: expenditure relating to exploration activities not capitalised in accordance with the Company's capitalisation policy, including employee costs associated with the Company's exploration and geology team.

(c) Depreciation and amortisation

Depreciation and amortisation expense in HY19 of \$5.7 million increased by \$3.7 million compared to HY18 primarily driven by an increase of \$1.1 million in depreciation and \$2.6 million in increased amortisation in HY19 as a result of increasing production volumes. Certain assets are amortised over the life of mining tenements in accordance with the depletion of resources.

(d) Net cash flows

Net cash outflows before taxation and financing were \$14.8 million in HY19, an \$8.1 million increase from \$22.9 million in net cash outflows during HY18. This is primarily due to a \$1.6 million increase in operating cash flows and \$6.4 million decrease in payments for PP&E, exploration costs, feasibility costs, and deposits paid.



**KPMG Transaction Services**

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The Directors  
Consolidated Tin Mines Limited  
395 Lake Street  
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18 September 2019

Dear Directors

## **Limited Assurance Investigating Accountant's Report and Financial Services Guide**

### **Investigating Accountant's Report**

#### **Introduction**

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) ("KPMG Transaction Services") has been engaged by Consolidated Tin Mines Limited ("CSD") to prepare this report for inclusion in the Prospectus to be dated on or around 16 September 2019 ("Prospectus"), and to be issued by CSD connection with its proposed reinstatement to the Australian Stock Exchange (the "Offer").

Expressions defined in the Prospectus have the same meaning in this report.

This Investigating Accountant's Report should be read in conjunction with the KPMG Transaction Services Financial Services Guide included in the Prospectus.

#### **Scope**

You have requested KPMG Transaction Services to perform a limited assurance engagement in relation to the Pro Forma Historical Financial Information described below and disclosed in the Prospectus.

The Pro Forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

#### ***Pro Forma Historical Financial Information***

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the Pro Forma Historical Financial Information of CSD (the responsible party) included in the Prospectus.

The pro forma financial information has been derived from the financial statements and the unaudited management accounts and financial records of CSD, after adjusting for the effects of pro forma adjustments described in Section 6 of the Prospectus and consists of:

- CSD's pro forma historical balance sheet as at 31 December 2018;
- CSD's pro forma historical income statements for the years ended 30 June 2016, 30 June 2017, 30 June 2018, 30 June 2019, and half-years ended 31 December 2017 and 31 December 2018; and
- CSD's pro forma historical cash flows for the years ended 30 June 2016, 30 June 2017, 30 June 2018, 30 June 2019 and half-years ended 31 December 2017 and 31 December 2018,

as set out in the Prospectus issued by CSD (collectively the "Pro Forma Historical Financial Information").

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the audited financial statements of CSD for the years ended 30 June 2016, 30 June 2017, and 30 June 2018, the reviewed half-years ended 31 December 2017 and 31 December 2018 and the unaudited management accounts and financial records for the year ended 30 June 2019 and the transactions to which the pro forma adjustments relate, as described in the Prospectus. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective balance sheet, income statement, or cash flows.

The Pro Forma Historical Financial Information has been compiled by CSD to illustrate the impact of the Offer on CSD's balance sheet as at 31 December 2018 and CSD's income statements and cash flows for the periods ended 30 June 2016, 30 June 2017, 30 June 2018, 30 June 2019 and half-years ended 31 December 2017 and 31 December 2018. As part of this process, information about CSD's balance sheet, income statement and cash flows has been extracted by CSD from the audited financial statements for the years ended 30 June 2016, 30 June 2017, 30 June 2018, the reviewed financial statements for half-years ended 31 December 2017 and 31 December 2018, and the unaudited management accounts and financial records for the year ended 30 June 2019.

The historical financial information was audited by KPMG for the years ended 30 June 2016, 30 June 2017, 30 June 2018 and reviewed for the periods ended 31 December 2017 and 31 December 2018 in accordance with Australian Auditing Standards.

In the historical financial information, without qualifying their opinion, KPMG included in their auditor's report an Emphasis of Matter as a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. As such the future going concern of CSD is reliant on future funding and operations becoming cash flow positive. The Directors are confident that the Company will have sufficient working capital to meet its debts as they arise and to continue trading as a going concern. The Pro Forma Historical Financial Information has been prepared on a going concern basis.

For the purposes of preparing this report we have performed limited assurance procedures in relation to Pro Forma Historical Financial Information in order to state whether, on the basis of the procedures described, anything comes to our attention that would cause us to believe that the Pro Forma Historical Financial Information is not prepared or presented fairly, in all material respects, by the directors in accordance with the stated basis of preparation as set out in the Prospectus.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Pro Forma Historical Financial Information is prepared, in all material respects, by the directors in accordance with the stated basis of preparation.

#### **Directors' responsibilities**

The directors of CSD are responsible for the preparation of the Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made, and for properly compiling the Pro Forma Historical Financial Information on the basis stated in Section 6 of the Prospectus.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of Financial Information that is free from material misstatement, whether due to fraud or error.

#### **Conclusions**

##### ***Review statement on the Pro Forma Historical Financial Information***

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in Section 6 of the Prospectus, comprising:

- the pro forma historical income statements of CSD for the years ended 30 June 2016, 30 June 2017, 30 June 2018, 30 June 2019 and half-years ended 31 December 2017 and 31 December 2018;
- the pro forma historical cash flows of CSD for the years ended 30 June 2016, 30 June 2017, 30 June 2018, 30 June 2019 and half-years ended 31 December 2017 and 31 December 2018; and
- the pro forma historical balance sheet of CSD as at 31 December 2018,

is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described in the Prospectus, and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and CSD's accounting policies.



Without modifying our conclusions, we draw attention to Section 6.2 of the Prospectus, which describes the purpose of the Pro Forma Financial Information. As a result, the Pro Forma Historical Financial Information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the Pro Forma Historical Financial Information to which it relates, for any purpose other than that for which it was prepared.

### **Independence**

KPMG Transaction Services does not have any interest in the outcome of the proposed Offer, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG is the auditor of CSD and from time to time, KPMG also provides CSD with certain other professional services for which normal professional fees are received.

### **General advice warning**

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

### **Restriction on use**

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully



Matthew Saunders  
Authorised Representative

## **Financial Services Guide Dated 18 September 2019**

### ***What is a Financial Services Guide (FSG)?***

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Transaction Services is a division) ('**KPMG Transaction Services**'), and Matthew Saunders as an authorised representative of KPMG Transaction Services, authorised representative number 404266 (**Authorised Representative**).

This FSG includes information about:

- KPMG Transaction Services and its Authorised Representative and how they can be contacted
- the services KPMG Transaction Services and its Authorised Representative are authorised to provide
- how KPMG Transaction Services and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Transaction Services and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that KPMG Transaction Services has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Transaction Services. This FSG forms part of an Investigating Accountant's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

### **Financial services that KPMG Transaction Services and the Authorised Representative are authorised to provide**

KPMG Transaction Services holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investments schemes including investor directed portfolio services;

- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Transaction Services to provide financial product advice on KPMG Transaction Services' behalf.

### **KPMG Transaction Services and the Authorised Representative's responsibility to you**

KPMG Transaction Services has been engaged by CSD Limited (**CSD**) to provide general financial product advice in the form of a Report to be included in the Prospectus dated on or around 18 September 2019 prepared by CSD in relation to the initial public offering of shares in CSD on the ASX (**Offer**).

You have not engaged KPMG Transaction Services or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Prospectus. Neither KPMG Transaction Services nor the Authorised Representative are acting for any person other than CSD.

KPMG Transaction Services and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

### **General Advice**

As KPMG Transaction Services has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Prospectus before making any decision in relation to the Transaction.

### **Fees KPMG Transaction Services may receive and remuneration or other benefits received by our representatives**

KPMG Transaction Services charges fees for preparing reports. These fees will usually be agreed with, and paid by, CSD. Fees are agreed on either a fixed fee or a time cost basis. In this instance, CSD has agreed to pay KPMG Transaction Services \$235,000 for preparing the Report. KPMG Transaction Services and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Transaction Services officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Transaction Services' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

### **Referrals**

Neither KPMG Transaction Services nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

### **Associations and relationships**

Through a variety of corporate and trust structures KPMG Transaction Services is controlled by and operates as part of the KPMG Partnership. KPMG Transaction Services' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Transaction Services and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG Transaction Services, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, CSD or has other material financial interests in the transaction.

### **Complaints resolution**

#### Internal complaints resolution process

If you have a complaint, please let either KPMG Transaction Services or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your

complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

#### External complaints resolution process

If KPMG Transaction Services or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website [www.fos.org.au](http://www.fos.org.au) or by contacting them directly at:

Address: Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001

Telephone: 1300 78 08 08  
Facsimile: (03) 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au).

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

#### **Compensation arrangements**

KPMG Transaction Services has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

#### **Contact Details**

You may contact KPMG Transaction Services or the Authorised Representative using the contact details:

KPMG Transaction Services  
A division of KPMG Financial Advisory  
Services (Australia) Pty Ltd

Level 38, Tower Three  
300 Barangaroo Avenue  
Sydney NSW 2000

PO Box H67  
Australia Square  
NSW 1213

Telephone: (02) 9335 7000  
Facsimile: (02) 9335 7200

Matthew Saunders  
C/O KPMG  
PO Box H67  
Australia Square  
NSW 1213

Telephone: (02) 9335 7000  
Facsimile: (02) 9335 7200



18 September 2019

Your Ref:  
Our Ref: MRH:JAL:2535-09  
Contact: Matt Hawtin  
Partner  
mhawtin@steinpag.com.au

The Directors  
Consolidated Tin Mines Limited  
395 Lake Street  
CAIRNS QLD 4870

Dear Sirs

### **SOLICITORS TENEMENT REPORT**

This report has been prepared for inclusion in a prospectus prepared by Consolidated Tin Mines Limited (**Company**) and to be lodged with the Australian Securities and Investments Commission on or around 18 September 2019 for the issue of up to 1,667 fully paid ordinary shares in the capital of the Company) at an issue price of \$0.60 per Share to raise up to \$1,000 (**Prospectus**).

#### **1. SCOPE**

We have been requested to report on certain mining tenements in which the Company has an interest (**Tenements**).

The Tenements are located in northern Queensland, further details of which are set out in the attached schedule which forms part of this report (**Schedule**).

#### **2. SEARCHES**

For the purposes of this report, we have obtained searches and made enquiries in respect of all of the Tenements as follows:

- (a) public resource authority reports from searches of the Queensland Department of Natural Resources, Mines and Energy (the **Department**). These searches were conducted between 31 August 2019 and 4 September 2019. Key details on the status of the Tenements are set out in the Schedule;
- (b) information from the Department My-Mines-Online Mapping system (**Mines Mapping**) obtained on 4 September 2019;



- (c) tenement searches obtained from the Department of Aboriginal and Torres Strait Islander Partnerships (**DATSIP**) on 17 September 2019;
- (d) we have obtained extracts of registered native title claims and native title determinations that apply to all of the Tenements, as determined by the National Native Title Tribunal (**NNTT**). This material was obtained on 5 September 2019. Details of Native Title claims and determinations are set out in section 7 of this report and the Schedule; and
- (e) searches of the Department of the Environment and Science protected matters search tool obtained 11 September 2019;
- (f) environmental authority (**EA**) information obtained from the register maintained by the Department of the Environment and Science (**DES**) on 4 September 2019; and
- (g) searches of the public DES suitable operator register obtained 4 September 2019.

We have not been provided with any current Aboriginal cultural heritage agreements, land access agreements, environmental reports, impact assessments, ecology reports, overlapping tenement documentation, or any other agreements in relation to the Tenements.

### 3. SCOPE OF REPORT

This report relates only to matters raised in the material identified in section 2 above, and is divided into the following sections:

- (a) general tenement information;
- (b) overlapping tenements;
- (c) Native Title;
- (d) Aboriginal cultural heritage;
- (e) environmental issues under the *Environmental Protection Act 1994* (Qld) (**EP Act**);
- (f) matters of national environmental significance under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**);
- (g) land access; and
- (h) the *Regional Planning Interests Act 2014* (Qld) (**RPI Act**).

### 4. OPINION

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out in this report, we are of the view that, as at the date of the relevant searches:

- (a) (**Company's Interest**): this report provides an accurate statement as to the Company's interest in the Tenements; and

- (b) **(Third party interests)**: this report provides an accurate statement as to third party interests, including encumbrances, in relation to the Tenements.

## 5. TENEMENTS

### 5.1 Legislative regime

The *Mineral Resources Act 1989* (Qld) (**MR Act**) establishes a tenure regime that governs the exploration for and production of minerals in Queensland.

### 5.2 Public resource authority reports

The results of the public resource authority reports are summarised in the Schedule to this report.

### 5.3 Exploration Permits Minerals

(a) **General**

Exploration permits allow a holder to use more advanced exploration methods to determine the quantity and quality of minerals present. Different exploration permits are required for minerals (**EPM**) and for coal (**EPC**).

An exploration permit allows a holder to prospect, conduct geophysical surveys, drilling, and sampling and testing of materials.

(b) **Title**

The public resource authority reports confirm that the Company directly and indirectly holds 100% legal and beneficial interest in the EPMs as set out in the Schedule.

It is noted that:

- (i) a number of the EPMs are held by the Company's wholly owned subsidiary CTM Alluvial Mining Pty Ltd (ACN 137 305 947); and
- (ii) a number of the EPMs are held by the Company's wholly owned subsidiary Surveyor Mining Pty Ltd (ACN 601 108 776).

It is also noted that a number of the EPMs set out in the Schedule are held by Snow Peak Mining Pty Ltd (ACN 161 212 504) (**SPM**). On 23 October 2014, the Company executed an asset sale agreement with SPM, Snow Peak International Investments Limited (Company Number 1660120) (a company incorporated in Hong Kong) (**SPII**), Surveyor Mining Pty Ltd (ACN 601 108 776) (**Surveyor**) and Colinacobre Pty Ltd (ACN 601 312 207) (**Colinacobre**), as amended by the First Deed of Reinstatement and Variation between the Parties and Second Deed of Reinstatement and Variation between the Parties (**ASA**). Pursuant to the ASA, the Company and its wholly owned subsidiaries acquired all of SPM's assets including a processing plant, various mines, all associated mining tenements, mining plant and equipment, mineral rights agreements and associated mining information. Completion of the ASA took place on 19 April 2016, however certain of the EPMs have not yet been transferred to the Company. Whilst SPM remains the current holder of the legal title to these Tenements, the Company has full beneficial ownership and control over the EPMs. The transfer of the EPMs is expected to be finalised in the

coming days, and in any event prior to reinstatement of the Company to the Official List of ASX.

(c) **Term**

An EPM can be granted for a period not exceeding five years and can be subsequently renewed at the end of the term. The holder of an EPM must apply for renewal not more than six months and not less than three months (unless permitted by the Minister) prior to the expiration of the current term. Any renewal application lodged late (i.e. within the 3-month window before the expiry date) must be accompanied by justification for the late lodgement. The Department may not accept the late lodgement and therefore the tenement will expire on the expiry date. All efforts should be made to avoid late renewal lodgements.

Details of the terms sought or current term and expiry of each EPM are set out in column 4 of the table in the Schedule.

(d) **Rent**

The holder of an EPM is required to pay annual rent on the tenement.

The amount of rent payable for each year is calculated by multiplying the number of sub-blocks within the EPM by the amount prescribed under a regulation for the year. The rent payable for each sub-block is currently \$164.90.

We have not undertaken any independent investigations with the Department beyond the publicly available reports to verify that the rental payments for the Tenements are paid and up to date.

Details of the rent payable on each EPM is set out in column 5 of the table in the Schedule.

(e) **Security**

Under the MR Act, before an EPM is granted the Minister determines the amount of security payable. The Minister takes into consideration the program of work, or activities proposed when determining the amount of security. An EPM must not be granted or renewed, and a condition of an exploration permit must not be varied, until the applicant for the grant deposits the security decided under this section.

We have not undertaken any independent investigations with the Department beyond the publicly available reports to verify the security held over the Tenements.

(f) **Work program and expenditure**

It is a condition of an EPM that its holder must carry out the program of works and studies for the purposes for which the EPM was granted. The Minister may include as a condition of grant that the holder comply with minimum expenditure requirements during the term of the EPM.

Details of the work programs and expenditure for each EPM is set out in column 5 of the table in the Schedule.

Steinepreis Paganin are aware of the understanding that all expenditure commitments have been met for the conditioned periods, as required.

(g) **Security Deposits**

The Department is currently in the process of seeking security deposits from all EPM holders. The standard amount required to be lodged for an EPM is \$500 per tenement.

As at the date of this report, amounts of \$500 are currently held against EPMs 9323, 12510, 13072, 13272, 14626, 15611, 16024, 16072, 17547, 18000, 18093, 18118, 18257, 18284, 18795, 19468, 19603, 25199, 25202, 25211 and 26453. At some point in the next 12 months, the Department will instruct the holders of the remaining EPMs to lodge security deposits. We understand these amounts are expected to be \$500 per Tenement.

(h) **Relinquishment**

Under the MR Act, it is a condition that each holder relinquishes a portion of an EPM area either during the resource authority term or before renewal.

The tenement holder may apply to the Department to vary the standard reduction conditions should it be necessary. Any such application must be made in accordance with the Operational Policy "Application to vary conditions of an exploration permit" and must demonstrate the exceptional circumstances relating to the variation request.

The relinquishment schedule for each EPM outlines when the period reduction in the resource authority area is due to occur.

The approval of the project status for the majority of the EPM allows the tenement holder to spread the reduction requirements for the combined project tenements across the tenement. For example, if there was a requirement to relinquish 10 sub blocks from a certain tenement on a certain date, the project approval request allows the tenement holder to drop the required sub blocks from any other tenement/s in the project grouping. This ability to distribute the reduction requirements across the project tenements also extends to the spreading of work program and expenditure requirements. This provides a significant advantage in the ability of the tenement holder to comply with the individual tenement conditions and to successfully and efficiently complete an exploration program from a true project perspective.

(i) **Dealings**

The public resource authority reports indicate that there are a number of dealings are registered over various EPMs, being:

- (i) Royal Gold Inc – Caveat (EPM 9323) – the Company has agreed to pay a net smelter royalty (**NSR**) of up to 2.5% to Royal Gold, Inc (a company incorporated and existing under the laws of the State of Delaware, USA) out of the revenue derived from the sale of minerals (other than minerals produced from Dry River South deposits and from the Balcooma royalty exclusion zone (between sections 8500N to 8580N, 8740N to 9500N and sections 8580N to 8740N)) produced from tenements ML1393, ML30156 and EPM9323.

- (ii) Glengarry Resources – Caveat (EPM12513) – the Company has agreed to pay a royalty to Glengarry of 1.5% out of revenue derived from the sale of minerals produced from EPM 12513.

## 5.4 Mineral Development Licences

### (a) General

A mineral development licence (MDL) is issued to allow the evaluation of the development potential of the defined resource. An MDL can be granted to the holder of an exploration permit where there is a significant mineral occurrence of possible economic potential.

The MDL allows a holder to conduct geoscientific programs (e.g. drilling, seismic surveys), mining feasibility studies, metallurgical testing and marketing, and environmental, engineering and design studies.

An MDL does not permit mining. A mining lease is required before mining and production may occur.

### (b) Title

The public resource authority reports confirm that the Company holds 100% legal and beneficial interest in the MDLs as set out in the Schedule.

### (c) Term

An MDL can be granted for a period not exceeding five years and can be subsequently renewed at the end of the term for period of up to five years. The holder of an MDL must apply for renewal not more than twelve months and not less than six months (unless permitted by the Minister) prior to the expiration of the current term.

Details of the terms sought, or current term and expiry of each MDL are set out in column 4 of the table in the Schedule.

### (d) Rent

The holder of an MDL is required to pay annual rent on the tenement. Rent for the first year of the term of a MDL (its first rental period) is payable before the granting of the MDL under the MR Act. Rent for the MDL is calculated using the appropriate annual rental rate (currently \$29.90/ha) and including a discount based on the area of the licence.

We have not undertaken any independent investigations with the Department beyond the publicly available reports to verify that the rental payments for the Tenements are paid and up to date.

Details of the rent payable on each MDL is set out in column 5 of the table in the Schedule. All rent has been paid and is up to date on MDLs.

### (e) Security

Under the MR Act, before an MDL is granted the Minister determines the amount of security to be deposited by the holder of that licence as reasonable security (minimum \$2,500 per MDL) for:

- (i) compliance with the conditions of the MDL; and
- (ii) compliance with the provisions of the MR Act; and
- (iii) rectification of any actual damage that may be caused by any person whilst purporting to act under the authority of the MDL to pre-existing improvements for the MDL; and
- (iv) amounts (other than penalties) payable under the MR Act to the state of Queensland.

At some point in the next 12 months, the Department will instruct the holders of the MDLs to lodge security deposits. We understand that these amounts are expected to be \$2,500 per Tenement.

(f) **Work program and expenditure**

If it is proven that it is not economically viable to develop the mineral resource, the Department may specify that no activity need be carried out for the term of the MDL or for a specified period of time. However, if it is determined that the MDL has become economically viable, at renewal of the MDL the Department may require the holder to provide a work program or may prescribe the activities to be undertaken by the holder.

Details of the work programs and expenditure for each MDL is set out in column 5 of the table in the Schedule.

Steinepreis Paganin are of the understanding that all expenditure commitments have been met for the conditioned periods, as required.

(g) **Dealings**

The public enquiry reports do not indicate that there are any encumbrances or other dealings registered over the MDLs.

## 5.5 Mining Leases

(a) **General**

A mining lease (**ML**) allows a holder to conduct larger scale mining operations. MLs can be issued for any specified mineral.

A ML allows a holder to machine-mine for specified minerals and conduct other activities associated with mining or promoting the activity of mining.

(b) **Title**

The public resource authority reports confirm that the Company holds 100% legal and beneficial interest in the MLs as set out in the Schedule.

It is noted that:

- (i) a number of the MLs are held by the Company's wholly owned subsidiary CTM Alluvial Mining Pty Ltd (ACN 137 305 947); and

- (ii) a number of the MLs are held by the Company's wholly owned subsidiary Surveyor Mining Pty Ltd (ACN 601 108 776).

It is noted that a number of the MLs as set out in the Schedule are held by Snow Peak Mining Pty Ltd. As set out in section 5.3(b), whilst SPM remains the current holder of the legal title to these Tenements, the Company has full beneficial ownership and control over the MLs. The transfer of the MLs is expected to be finalised in the coming days, and in any event prior to reinstatement of the Company to the Official List of ASX.

(c) **Term**

The length of time for which a ML can be granted depends on identified reserves and projected mine life and can be subsequently renewed at the end of the term. The holder of an MDL must apply for renewal not more than twelve months and not less than six months (unless permitted by the Minister) prior to the expiration of the current term.

Details of the terms sought, or current term and expiry of each ML are set out in column 4 of the table in the Schedule.

(d) **Rent**

The holder of an ML is required to pay annual rent on the tenement.

Annual rental payments for MLs are due on 31 August each year. Amounts not paid on or before the due date will be subject to a 15% late payment penalty. Holders may also risk suspension or cancellation of tenure if the Department elects to take further action for non-payment of rent.

The annual rental payments for the period 1 September 2019 to 31 August 2020 have been paid.

The amounts due for the 2019/2020 rental period will be similar to the amounts listed in column 5 of the table in the Schedule. It should be noted that the existing amounts are based on the current ML rent rate which is \$63.70/Ha.

We have not undertaken any independent investigations with the Department beyond the publicly available reports to verify that the rental payments for the Tenements are paid and up to date.

Details of the rent payable on each ML is set out in column 5 of the table in the Schedule.

(e) **Security**

The Minister, pursuant to section 277 of the MR Act, may fix an amount of security to be deposited by the ML holder.

It is understood that the Department are in the process of phasing in security deposits for existing MLs. As such, it is expected that the Department will request separate security deposits for each ML at some point in the next 12 months.

Recent experience has shown that the average amount the Department has been requesting in respect of security deposits for MLs under the MR Act is



\$2,500 per ML, however, this may increase due to the specific circumstances of the relevant ML.

(f) **Royalty Matters**

The holder of an ML is required to lodge a royalty return and the associated royalty payment with the Office of State Revenue (OSR). The required return periods are required on a periodic basis, either quarterly or annually.

Royalty returns for 2018-2019 reporting period are due for lodgement by 30 September 2019.

(g) **Dealings**

The public resource authority reports indicate that there are a number of dealings are registered over various MLs, being:

- (i) Royal Gold Inc – Caveat (ML 1393 and ML 30156) – the Company has agreed to pay a net smelter royalty (**NSR**) of up to 2.5% to Royal Gold, Inc (a company incorporated and existing under the laws of the State of Delaware, USA) out of the revenue derived from the sale of minerals (other than minerals produced from Dry River South deposits and from the Balcooma royalty exclusion zone (between sections 8500N to 8580N, 8740N to 9500N and sections 8580N to 8740N)) produced from tenements ML1393, ML30156 and EPM9323.
- (ii) Landowner compensation agreements – each landowner compensation agreement requires payment by a permit holder of compensation to the landowner for the grant or renewal of mining leases and mining claims over their land. The payments required to be made by the permit holders in respect of the MLs and to the relevant landowner pursuant to the landowner compensation agreements are not considered to be material.

## **6. OVERLAPPING TENEMENTS**

### **6.1 Exploration Permit Minerals**

The rights and interests of EPM holders may be affected by overlapping mineral, petroleum, exploration and production tenements.

We have reviewed the Mines Mapping to determine whether the mapping records any tenements held or sought by other parties that overlap the EPMs.

Details of any overlapping permit for each EPM is set out in column 8 of the table in the Schedule. We have not been provided with any correspondence or agreements relevant to the overlap of any Tenements.

### **6.2 Mineral Development Licences**

The rights and interests of MDL holders may be affected by overlapping mineral, petroleum, exploration and production tenements.

We have reviewed the Mines Mapping to determine whether the mapping records any tenements held or sought by other parties that overlap the MDLs.

Details of any overlapping permit for each MDL is set out in column 8 of the table in the Schedule. We have not been provided with any correspondence or agreements relevant to the overlap of any Tenements.

### 6.3 Mining Leases

The rights and interests of ML holders may be affected by overlapping mineral, petroleum, exploration and production tenements.

We have reviewed the Mines Mapping to determine whether the mapping records any tenements held or sought by other parties that overlap the MLs.

Details of any overlapping permit for each EPM is set out in column 8 of the table in the Schedule. We have not been provided with any correspondence or agreements relevant to the overlap of any Tenements.

## 7. NATIVE TITLE

The *Native Title Act 1993* (Cth) (NT Act) recognises the traditional rights and interests of Aboriginal and Torres Strait Islander peoples in Australia.

The NT Act provides:

- (a) for the determination of Native Title rights and interests;
- (b) for the extinguishment of Native Title by certain acts;
- (c) for the validation of certain acts which would otherwise be invalid because of their effect on Native Title;
- (d) that acts that may affect Native Title rights (such as the grant of a mining tenement) carried out after 23 December 1996 must comply with certain requirements of the NT Act to be valid (**Future Act Requirements**); and
- (e) compensation for extinguishment or impairment of Native Title rights and interests.

Native Title processes will not be required where Native Title has been 'extinguished' over the land the subject of the tenement (for example, by an earlier vesting of freehold in the land).

If Native Title has not been extinguished, the proposed grant of a tenement will trigger the need for compliance with the Future Act Requirements.

### 7.2 Pre-Native Title Act

ML 4069, ML 4073, ML 4074, ML 1393, EPM 9323, ML 4042, ML 4043, ML 4044, ML 4130, ML 20016 and ML 20105 were granted before the introduction of the NT Act. As such the Tenements were granted without any specific Native Title conditions. The Tenements can be renewed without the invoking Native Title issues.

### 7.3 Predominantly Exclusive Land

Public searches indicate that MDL 38, EPM 19204, EPM 18795 and ML 20743 have been granted as 'predominately exclusive land'. This suggests that land over which Native Title has not been extinguished is excluded from the area of the Tenements. In that case,

the holder of those tenements does not have the right to access or conduct any activities on the areas of land that have been excluded.

The MR Act provides a process by which the holder of those tenements may apply to have those areas of excluded land included into the tenements, following the relevant Native Title process.

#### **7.4 Native Title Protection Conditions**

The NT Act establishes the 'Expedited Procedure' process for acts that may affect Native Title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**). A Future Act must comply with certain requirements for the Future Act to be valid under the NT Act, including that the Future Acts are:

- (a) not likely to interfere directly with the carrying on of the community or social activities of the persons who are the holders of Native Title in relation to the land or waters concerned;
- (b) not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are the holders of the Native Title in relation to the land or waters concerned; and
- (c) not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land or waters concerned.

The Public searches indicate that MDL 381, MDL 482, EPM 14185, EPM 15611, EPM 17073, EPM 17547, EPM 17623, EPM 17917, EPM 19105, EPM 25427, EPM 25428, EPM 25689, EPM 25702, EPM 25711, EPM 25939, EPM 26453, EPM 26910, EPM 12513, EPM 13229, EPM 13272, EPM 14107, EPM 14626, EPM 16024, EPM 16072, EPM 18558, EPM 25199, EPM 25200, EPM 25202, EPM 25259, EPM 25276, EPM 25277, EPM 25424, EPM 25498, EPM 25498, EPM 26087, EPM 26635, EPM 27167 and EPM 27226 are either granted with, or the application has been made subject to, the 'Native Title Protection Conditions' (**NTPCs**) attached as conditions of grant.

The NTPCs contain specific requirements around notification of exploration activities and timeframes for responses by the Native Title parties.

In addition to allowing grant of the tenement pursuant to the expedited procedures, the NTPCs also establish a regime for the holder of a tenement to manage its legislative Aboriginal cultural heritage obligations. This is discussed further below.

#### **7.5 Indigenous Land Use Agreements**

An Indigenous land use agreements (**ILUA**) is a contractual arrangement governed by the NT Act. Under the NT Act, an ILUA must be negotiated with all registered Native Title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered Native Title claimants and holders of Native Title in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole Native Title claimant group and all holders of Native Title in the area (including future claimants), even though they may not be parties to it.

Public searches indicate that the land under:

- (a) ML 20583 and ML 20585 is subject to an ILUA with the Bar Barrum People;
- (b) EPM 12510, EPM 13072, EPM 18165, EPM 18257, ML 30217, ML 100177, ML 100178, ML 100179 and ML 100180 is subject to an ILUA with the Ewamian People #3; and
- (c) ML 30156 is subject to an ILUA with the Gugu Badhun People #2; and

Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of each ILUA has been obtained in order to confirm who the applicants are.

## **7.6 Right to Negotiate**

The right to negotiate is a process under the NT Act that must be followed to ensure certain future acts are lawfully done. The right to negotiate applies to the grant of exploration and mining tenements (including oil and gas interests) and some compulsory acquisitions, unless the 'expedited procedure' or fast-tracking process applies.

If the right to negotiate applies, then the 'negotiation parties' must negotiate in good faith to get the consent of the 'Native Title party' (i.e. the registered Native Title claimant or registered Native Title body corporate) to the future act being done, with or without conditions applying.

The right to negotiate gives Native Title parties a chance to discuss the effect of the proposed future act, with the aim of reaching agreement about the act.

If the Government party thinks that the right to negotiate might apply to a proposed future act, it must give notice of its intention to do that act in the way required by the NT Act.

If a person or group thinks they hold Native Title on the future act area, but do not have a registered claim or determination, they can lodge a Native Title application with the Federal Court within three months from the notification day specified in the notice.

The Native Title Registrar must then endeavour to apply a registration test (a set of conditions in the Native Title Act which must be met) to that application. If the application passes the registration test, it is then placed on the Register of Native Title Claims (**RNTC**). The application must be on the RNTC within four months of the notification date for the applicants to secure the right to negotiate.

Public searches indicate that the land under:

- (a) ML 20694 is subject to a right to negotiate with the Jirrbal People #4;
- (b) ML 100022, ML 100211 and ML 100212 is subject to a right to negotiate with the Ewamian People #3;

- (c) ML 20721, ML 20722, ML 20723 and ML 100023 is subject to a right to negotiate with the Wakaman People #5; and
- (d) ML 100001 and ML 100023 is subject to a right to negotiate, although no registered claimant currently exists.

## **7.7 Current Native Title applications**

We have undertaken a search of the register maintained by NNTT in relation to the Tenements.

The results received on 4 September 2019 indicate that registered Native Title claims and determinations currently overlap Tenements as set out in columns 11 and 12 of the table in the Schedule.

## **8. ABORIGINAL CULTURAL HERITAGE**

The *Aboriginal Cultural Heritage Act 2003* (Qld) (ACHA) recognises, protects, and conserves Aboriginal cultural heritage. In part, it achieves this protection by providing that any person who undertakes an activity has a 'Duty of Care' to take all reasonable and practicable measures to ensure that the activity does not harm Aboriginal cultural heritage.

Under the ACHA, the 'Duty of Care' can be discharged in a number of ways, including:

- (a) at a minimum, adhering to the Duty of Care Guidelines (which form part of the ACHA);
- (b) entering into a voluntary cultural heritage management agreement with an 'Aboriginal Party' for the given area pursuant to section 23(3)(a)(iii) ACHA; or
- (c) entering into a cultural heritage management plan under Part 7 ACHA.

Penalties apply for failing to comply with the 'Duty of Care' of up to \$126,150 for an individual and \$1,261,500 for a corporation.

## **8.2 Aboriginal Parties**

Search results obtained from DATSIP indicate that the Aboriginal Parties for the Tenements are the:

- (a) Bar-Barrum People # 3 (NNTT number: QC2001/018);
- (b) Bar Barrum People # 3 (NNTT number: QCD2016/003);
- (c) Jirrbal People #4 (NNTT number: QC2015/014);
- (d) Cape York United Number 1 Claim (NNTT number: QC2014/008);
- (e) Bar-Barrum People (NNTT number: QCD2001/007);
- (f) Bar-Barrum People # 2 (NNTT number: QC2001/017);
- (g) Bar Barrum People # 7 (NNTT number: QC2001/035);
- (h) Bar Barrum People # 6 (NNTT number: QC2016/010);

- (i) Wakaman People # 3 (NNTT number: QC2015/011);
- (j) Bar Barrum People # 8 (NNTT number: QC2015/012);
- (k) Wakaman People # 5 (NNTT number: QC2018/001);
- (l) Bar Barrum Rivers Claim (NNTT number: CCD2017/009);
- (m) Bar Barrum People #4 (NNTT file number: QCD2016/004);
- (n) Bar Barrum People #5 (NNTT file number: QCD2016/015);
- (o) Ewamian People #3 (NNTT file number: QCD2013/007);
- (p) Gugu Badhun People #2 (NNTT file number: QCD2012/002); and
- (q) Ewamian People #2 (NNTT file number: QCD2013/006).

### **8.3 Recorded Aboriginal cultural heritage**

DATSIP maintains a register of recorded Aboriginal cultural heritage sites.

Searches obtained on 17 September 2019 indicate that a number of Aboriginal cultural heritage sites have been recorded in the area of the Tenements and within a two kilometre radius.

### **8.4 Agreements**

We have not been provided with any cultural heritage agreements that apply to the Tenements.

As discussed at section 7.4 above, many of the Tenements are either granted with, or the application has been made subject to, the NTPCs.

The ACHA provides that acting in compliance with the NTPCs will constitute compliance with the ACHA 'Duty of Care'.

## **9. ENVIRONMENTAL ISSUES — STATE**

### **9.1 Legislative regime**

Applications for all mining tenements in Queensland trigger environmental approval processes administered by DES under the EP Act.

Resource activities are classified as environmentally relevant activities (ERAS) under the EP Act, for which an environmental approval (EA) must be obtained.

### **9.2 Environmental Approvals for the Tenements**

On 5 September 2019, DES's public EA register indicated that:

- (a) EA number EPSL02943315, granted but not effective, applies to ML100022, and is only held by the Company;
- (b) EA number EPSX00742813, dated 5 August 2019, applies to MDL482 and is held by the Company;

- (c) EA number EPSX00887413, dated 3 July 2019, applies to EPM14185; EPM15611; EPM17073; EPM17547; EPM17623; EPM17753; EPM17875; EPM17917; EPM18000; EPM18118; EPM18321; EPM18795; EPM19105; EPM19204; EPM19323; EPM19603; EPM25386; EPM25427; EPM25428; EPM25711; EPM25939; EPM27167; EPM27226; EPM27227, MDL38; MDL381; MDL448 and is held by the Company;
- (d) EA number EPSX02365914, dated 12 March 2019, applies to EPM25689; EPM25702; EPM26635; EPM27044; EPM27045; EPM27068; EPM27069; EPM27188 and is held by the Company;
- (e) EA number EPSX03641515, dated 24 June 2019, applies to EPM26087 and is held by the Company;
- (f) EA number EPML01917914, dated 1 December 2016, applies to ML20743 and is held by the Company;
- (g) EA number EPPR00750613, suspended, applies to Lot 4594/PH1586 and is held by the Company;
- (h) EA number EPML00974913, dated 12 April 2017, applies to ML100001; ML1393; ML20016; ML30156; ML4042; ML4043; ML4044; ML4130 and is held by SPM;
- (i) EA number EPSL00269213, granted but not effective, applies to ML20105 and is held by SPM;
- (j) EA number EPSL00269513, granted but not effective, applies to ML20005 and is held by SPM;
- (k) EA number EPSL00269613, granted but not effective, applies to ML20007 and is held by SPM;
- (l) EA number EPSX00384613, dated 14 February 2014, applies to EPM18558 and is held by SPM;
- (m) EA number EPSX00747813, dated 16 December 2013, applies to EPM18257 and is held by SPM;
- (n) EA number EPSX00838413, dated 16 December 2013, applies to EPM18165 and is held by SPM;
- (o) EA number EPSX00866313, dated 18 April 2016, applies to EPM12510; EPM12513; EPM13229; EPM14107; EPM9323 and is held by SPM;
- (p) EA number EPSX00896713, dated 18 April 2016, applies to EPM13272; EPM14626; EPM16024; EPM16072; EPM18806 and is held by SPM;
- (q) EA number EPSX00926213, suspended, applies to EPM18093 and is held by SPM;
- (r) EA number EPSX00962813, dated 5 February 2016, applies to EPM13072 and is held by SPM;
- (s) EA number EPSX01094313, dated 26 July 2019, applies to EPM25199; EPM25200; EPM25202; EPM25259; EPM25276; EPM25424; EPM25451; EPM25498; EPM25522 and is held by SPM;



- (t) EA number EPSX01355113, dated 8 April 2014, applies to EPM25277 and is held by SPM;
- (u) EA number EPSL00963213, dated 18 March 2016, applies to ML4069; ML4073; ML4074 and is held by CTM Alluvial Mining Pty Ltd (ACN 137 305 947); and
- (v) EA number EPSL01342413, dated 4 June 2018, applies to EPM26453; EPM26910; ML100023; ML20721; ML20722; ML20723 and is held by CTM Alluvial Mining Pty Ltd (ACN 137 305 947).

Each EA is subject to the standard conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects* (Code). These conditions must be complied with in carrying out activities on the Tenements.

### 9.3 Compliance

Compliance issues relevant to the EAs may relate to:

- (a) transitional environmental programs;
- (b) environmental protection orders;
- (c) environmental evaluations;
- (d) environmental audits under sections 280 or 322 EP Act; or
- (e) environmental investigations or reports.

We have not undertaken any investigations in respect of compliance with the EAs.

### 9.4 Registered suitable operator

A registered suitable operator is a person or corporation who has been registered by DES as being suitable to carry out an ERA under the EP Act.

Consolidated Tin Mines Ltd, CTM Alluvial Mining Pty Ltd (ACN 137 305 947), Surveyor Mining Pty Ltd (ACN 601 108 776) and SPM are all registered as a suitable operator under the EP Act.

### 9.5 Financial assurance

The Code requires that financial assurance (**FA**) for the cost of rehabilitation must be provided to DES.

DES provides an online 'FA calculator' which can be used to determine the required amount of FA based on the maximum area of disturbance operations.

The amount of FA held can be reviewed by DES at any time, including when the EA is amended.

The amount of FA provided by Company — whether in relation to the Tenements or any other tenements — is not publicly available. We have not undertaken any investigations in relation to the provision of financial assurance for the Tenements.

## 9.6 Environmentally Sensitive Areas

On 11 September 2019, Mines Mapping indicated the presence of 'environmentally sensitive areas' (**ESAs**) within the Tenements.

The mapping indicates that:

- (a) EPM 16072, EPM 26087, ML 4044, ML 30217 and ML 100211 have a "Category B" ESA within its boundary;
- (b) EPM 19204 has a "Category B" ESA partially within its boundary;
- (c) EPM 13072, EPM 25199, EPM 26635, ML 4069, ML 100177, ML 100178, ML 100179 and ML 100180 lie partially or wholly within a "Category C" ESA; and
- (d) EPM 25427 has a "Category C" ESA within its boundary.
- (e) A number of permits are affected by the Canyon Resources Reserve (RA404) as per the tenement schedule below - This RA restricts the application for mining and geothermal tenements under the Mineral Resources Act 1989 and the Geothermal Energy Act 2010.

The conditions of the EAs will dictate any restrictions on activities in these areas. For example, under condition 13 of the Code:

- (a) activities must not be carried out in a Category A or B ESA;
- (b) activities involving machinery must not be carried out within one kilometre of a Category A ESA or 500 metres of a Category B ESA; and
- (c) prior to carrying out activities in a Category C ESA, the holder must consult with the Environmental Protection Agency.

Unless the EAs are amended, carrying out activities in contravention of the above limitations (and all other limitations set out in the Code) would be an offence under the EP Act. A penalty of \$567,675 applies under the EP Act for contravention of the conditions of an EA, increasing to \$788,437.50 or five years imprisonment for a wilful contravention.

## 10. ENVIRONMENTAL ISSUES — FEDERAL

### 10.1 Matters of national environmental significance

Commonwealth government approval under the EPBC Act will be required where proposed activities constitute a 'controlled action'. This turns on whether or not the activities are likely to have a significant impact on matters of national environmental significance (**MNES**).

Online searches indicate that some MNES may exist in the general area of the Tenements.

We have not been provided with any environmental reports, impact assessments, or ecology reports regarding the potential impact of activities under the Tenements on MNES. To our knowledge, there has been no assessment as to whether development within the area of the Tenements may trigger the need for EPBC Act approval.

## 10.2 Land access

In order to access private land to explore under a tenement, the holder is required to provide a notice of intention to enter the land (Entry Notice) and, depending on the level of impact of the exploration activity, enter into a conduct and compensation agreement (**CCA**) with each owner and occupier of the land.

The Land Access Code, made under the *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld) (**MERCP Act**), also imposes certain mandatory conditions concerning the conduct of authorised activities under tenements on private land.

The requirement to enter into a CCA relates to any activities which are likely to have more than a minimal impact on the land or the owner or occupier's business operations. These are known as advanced activities. Most ground-disturbing works will fall into this category, including clearing access tracks or drill pads, drilling and geotechnical surveys.

If the activities will involve no or minimal impact to the land or the owner or occupier's business, the tenement holder is still required to provide an Entry Notice to the owner and occupier unless the owner and occupier have otherwise agreed to waive that requirement.

If a CCA cannot be reached with the owner and occupier, there is a statutory negotiation process set out in the MR Act with ultimate recourse to the Land Court in the event that agreement cannot be reached.

We have not been provided with any CCAs or Entry Notices that apply to the Tenements. The holder of the Tenements will need to comply with the requirements of the Land Access Code, MR Act, and MERCP Act prior to carrying out activities on the Tenements.

## 11. REGIONAL PLANNING INTERESTS

### 11.1 Areas of regional interest

Four areas of regional interest are established under the RPI Act:

- (a) priority agriculture areas;
- (b) priority living areas;
- (c) strategic environmental areas; and
- (d) strategic cropping areas.

Unless an exemption applies, persons who conduct 'resource activities' in any of these areas of regional interest are required to obtain a Regional Interests Development Approval (RIDA) prior to carrying out the activity.

On 4 September 2019, Mines Mapping indicated that a number of tenements may be affected by areas of regional interest. To our knowledge, there has been no assessment as to whether development within the area of the Tenements may trigger the need for RIDA approval.

## **11.2 Exemption — short term activities**

Section 23 of the RPI Act exempts a resource activity from a RIDA requirement where the activity finishes within 12 months of the start of activities under the tenement on that particular property.

Any proposed exploration activities that:

- (a) are to be carried out on properties that have not previously been the subject of activities under the Tenements; and
- (b) will be complete in less than 12 months,

are exempt from acquiring a RIDA.

## **11.3 Exemption — landowner agreement**

Section 22 of the RPI Act exempts resource activities from a RIDA requirement where there is either:

- (a) a statutory CCA (which has not been Court ordered); or
- (b) a voluntary agreement,

in place with the landowner whose property underlies the regional interest; and

- (a) the activities are not likely to have a significant impact on the strategic cropping area or priority agricultural area; and
- (b) the activities do not impact land owned by a person other than the landowner, in that it does not impact:
  - (i) for land in a priority agricultural area — the suitability of the neighbouring land to be used for a priority agricultural land use; or
  - (ii) for land in a strategic cropping area — the soil, climate and landscape features of the neighbouring land that make it suitable for cropping.

## **11.4 RIDA application**

If a relevant exemption does not apply, the holders of the Tenements will be required to apply for a RIDA prior to commencing activities in an area of regional interest. The RIDA application will be assessed to determine the extent of the expected impacts of the activities on the relevant area of regional interest.

For a RIDA application to be approved, the applicant must be able to demonstrate that the proposed activity will meet the required outcomes and address the prescribed solutions contained in the *Regional Planning Interests Regulation 2014* (Qld) for the area of regional interest.

Otherwise, the RIDA application will likely be refused — which would (potentially permanently) sterilise the resource.

If the holders of the Tenements are unable to obtain a RIDA to authorise resource activities in the areas of regional interest that overlap the Tenements, the future production of resources from the Tenements will be compromised.

## 12. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;
- (b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;
- (f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (g) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (h) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- (i) references in this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (j) the information in this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (k) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;
- (l) we have not conducted searches of the Environmental Management Register (EMR) and the Contaminated Land Register (CLR) of Queensland;

- (m) Native Title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that Native Title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of Native Title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that Native Title claims could be made in the future; and
- (n) Aboriginal heritage sites or objects (as defined in the Aboriginal Cultural Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Queensland Heritage Register or is the subject of a declaration under the Commonwealth Heritage Act other than the searches of the Queensland Heritage Register. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

### 13. CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



**STEINEPREIS PAGANIN**

## PART I

### TENEMENT SCHEDULE

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAP PING TENEMENT S	ENVIRON MENTALLY SENSITIVE AREAS	REGION AL INTERES TS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTEC TED MATTER S	DEALINGS OR AGREEMENTS ON TITLE
MDL 38	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted 22/11/1991	Term: 3 years Expiry: 30/11/2017 Renewal Lodged	2019 Rent: \$11,271.75  2019 Works Program awaiting acceptance from DNRME as part of the renewal process	Antimony Ore, Bismuth Ore, Copper Ore, Gold, Indium, Lead Ore, Molybdenum Ore, Nickel Ore, Silver Ore, Tin Ore, Tungsten Wolfram Scheelite, Zinc Ore	399 ha	EPM 18795 EPM 13272 EPM 16024 ML 20743	Category : Nil	Nil	Native Title Category: 100% Exclusive Land Native Title Party: N/a	N/a	Nil	Nil
MDL 381	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 17/08/2010	Term: 3 years Expiry: 31/08/2019 Renewal Lodged	2019 Rent: \$9802.75  2019 Works Program awaiting acceptance from DNRME as part of the renewal process	Antimony Ore, Bismuth Ore, Copper Ore, Gold, Indium, Lead Ore, Molybdenum Ore, Nickel Ore, Silver Ore, Tin Ore, Tungsten Wolfram Scheelite, Zinc Ore	347 ha	EPM 26536 EPM 14185	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Claimant - Jirrbal People #4	Jirrbal People #4	Nil	Nil
MDL 482	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 22/01/2015	Term: 3 years Expiry: 31/01/2018 Renewal Lodged	2019 Rent: \$49296.25  2019 Works Program awaiting acceptance	Cobalt Ore, Copper Ore, Gold, Indium, Lead Ore, Manganese Ore, Silver Ore, Tin Ore, Tungsten Wolfram	1745 ha	Nil	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party:	Cape York United Number 1 claim	Nil	Nil



PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
				from DNRME as part of the renewal process	Scheelite, Zinc Ore					Claimant - Cape York United Number 1 claim			
EPM 14185	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 13/08/2007	Term: 5 years Expiry: 12/08/2020	2019 Rent: \$9399.30  2019 Work Program/Expenditure Commitment : \$350,000	All Minerals other than Coal	57 sub blocks	ML 20723 ML 20547 ML 20625 ML 4157 ML 20174 ML 20140 ML 20694 MDL 381 ML 20583 ML 20585	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Claimant - Wakaman People #5 And Jirrbal People #4 And Bar-Barrum People	Wakaman People #5 And Jirrbal People #4 And Bar-Barrum People	Nil	Nil
EPM 15611	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 21/09/2007	Term: 5 years Expiry: 20/09/2017 Renewal Lodged	2019 Rent: \$1649.00  2019 Works Program awaiting acceptance from DNRME as part of the renewal process	All Minerals other than Coal	10 sub blocks	ML 100023 ML 5136 ML 20721 ML 5134 ML 5115 ML 5135	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Claimant - Wakaman People #5	Wakaman People #5	Nil	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAP PING TENEMENT S	ENVIRON MENTALLY SENSITIVE AREAS	REGION AL INTERES TS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTEC TED MATTER S	DEALINGS OR AGREEMENTS ON TITLE
EPM 17073	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 21/11/2011	Term: 5 years Expiry: 20/11/2021	2019 Rent: \$824.50  2019 Work Program/Expenditure Commitment : \$15,000	All minerals other than coal	5 sub blocks	Nil	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Jirrbal People #4	Jirrbal People #4	Nil	Nil
EPM 17547	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 15/06/2010	Term: 2 years Expiry: 14/06/2017 Renewal Lodged	2019 Rent: \$824.50  2019 Work Program/Expenditure Commitment : \$10,000	All Minerals other than Coal	5 sub blocks	ML 20722	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Claimant - Wakaman People #5	Wakaman People #5	Nil	Nil
EPM 17623	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 04/08/2010	Term: 5 years Expiry: 03/08/2020	2019 Rent: \$494.70  2018 Work Program/Expenditure Commitment : \$20,000	All Minerals other than Coal	3 sub blocks	Nil	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Determinati on - Bar Barrum #4	Bar Barrum #4	Nil	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
EPM 17917	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 20/12/2011	Term: 3 years Expiry: 19/12/2017 Renewal lodged	2019 Rent: \$329.80  2019 Works Program awaiting acceptance from DNRME as part of the renewal process	All Minerals other than Coal	2 sub blocks	Nil	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Nil	Nil	Nil	Nil
EPM 18795	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 21/07/2011	Term: 5 years Expiry: 20/07/2016 Renewal lodged	2019 Rent: \$329.80  2019 Works Program awaiting acceptance from DNRME as part of the renewal process	All Minerals other than Coal	2 sub blocks	MDL 38 ML 20743	Category : Nil	Nil	Native Title Category: 100% Exclusive Native Title Party: Nil	Nil	Nil	Nil
EPM 19105	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 15/01/2015	Term: 5 years Expiry: 14/01/2020	2019 Rent: \$329.80  2029 Work Program/Expenditure Commitment : \$10,000	All Minerals other than Coal	2 sub blocks	Nil	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Claimant - Jirrbal People #4 And Bar-Barrum People	Jirrbal People #4 And Bar-Barrum People	Nil	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
EPM 19204	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 27/11/2014	Term: 5 years Expiry: 26/11/2019	2019 Rent: \$824.50  2019 Work Program/Expenditure Commitment : \$150,000	All Minerals other than Coal	5 sub blocks	ML 4073 ML 4074	Category : B	Nil	Native Title Category: Exclusive Land Conditions Native Title Party: Claimant - Jirrbal People #4	Jirrbal People #4	Nil	Nil
EPM 25427	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 06/02/2015	Term: 5 years Expiry: 05/02/2020	2019 Rent: \$1319.20  2019 Work Program/Expenditure Commitment : \$10,000	All Minerals other than Coal	8 sub blocks	ML 4069 ML 4073	Category : C	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Claimant - Jirrbal People #4	Jirrbal People #4	Nil	Nil
EPM 25428	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 23/06/2014	Term: 5 years Expiry: 22/06/2019 Renewal Lodged	2019 Rent: \$2473.50  2019 Work Program/Expenditure Commitment : \$30,000	All Minerals other than Coal	15 sub blocks	Nil	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Claimant - Wakaman People #5	Wakaman People #5	Nil	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAP PING TENEMENT S	ENVIRON MENTALLY SENSITIVE AREAS	REGION AL INTERES TS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTEC TED MATTER S	DEALINGS OR AGREEMENTS ON TITLE
EPM 25689	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 07/04/2015	Term: 5 years Expiry: 06/04/2020	2019 Rent: \$8080.10  2019 Work Program/Exp enditure Commitment : \$61,000	All Minerals other than Coal	49 sub blocks	Nil	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Determinati on - Ewamian People #3	Ewamian People #3	Nil	Nil
EPM 25702	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 09/07/2015	Term: 5 years Expiry: 08/07/2020	2019 Rent: \$494.70  2019 Work Program/Exp enditure Commitment : \$20,000	All Minerals other than Coal	3 sub blocks	Nil	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Determinati on - Ewamian People #3	Ewamian People #3	Nil	Nil
EPM 25711	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 21/03/2016	Term: 5 years Expiry: 20/03/2021	2019 Rent: \$1813.90  2019 Work Program/Exp enditure Commitment : \$17,000	All Minerals other than Coal	11 sub blocks	Nil	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Determinati on - Bar-Barrum People and Bar Barrum People#3	Bar-Barrum People And Bar Barrum People #3	Nil	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAP PING TENEMENT S	ENVIRON MENTALLY SENSITIVE AREAS	REGION AL INTERES TS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTEC TED MATTER S	DEALINGS OR AGREEMENTS ON TITLE
EPM 25939	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 24/12/2015	Term: 5 years Expiry: 23/12/2020	2019 Rent; \$4947.00  2019 Work Program/Exp enditure Commitment : \$85,000	All Minerals other than Coal	30 sub blocks	Nil	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Claimant - Wakaman People #5	Wakaman People #5	Nil	Nil
EPM 26087	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 24/06/2019	Term: 5 years Expiry: 23/06/2024	2019 Rent; \$989.40  2020 Work Program/Exp enditure Commitment : \$30,000	All Minerals other than Coal	6 sub blocks	Nil	Category : B	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Determinati on Ewamian People #2 & #3	Ewamian People #2 & #3	Nil	Nil
EPM 26635	Party: Consolidated Tin Mines Limited  Percentage: 100%	Granted: 24/06/2019	Term: 5 years Expiry: 23/06/2024	2019 Rent; \$989.40  2020 Work Program/Exp enditure Commitment : \$12,000	All Minerals other than Coal	6 sub blocks	Nil	Category : RA404 Canyon Resource s Reserve	Canyo n Resour ces Reserve	Native Title Category: Native Title Protection Conditions Native Title Party: Determinati on - Ewamian People #3	Ewamian People #3	Canyon Resourc es Reserve	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAP PING TENEMENT S	ENVIRON MENTALLY SENSITIVE AREAS	REGION AL INTERES TS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTEC TED MATTER S	DEALINGS OR AGREEMENTS ON TITLE
EPM 27167 (2 <sup>nd</sup> priority)	Party: Consolidated Tin Mines Limited  Percentage: 100%	Application lodged: 19/05/2008	Term Sought: 5 years	Rent: n/a until granted  First year of grant: Work Program/Exp enditure Commitment :	All Minerals other than Coal	10 sub blocks	EPM 27168 (1 <sup>st</sup> priority)	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Determinati on - Bar Barrum People #4 And Bar Barrum Rivers Claim	Bar Barrum People #4 And Bar Barrum Rivers Claim	Nil	Nil
EPM 27226 (2 <sup>nd</sup> Priority)	Party: Consolidated Tin Mines Limited  Percentage: 100%	Application lodged: 19/05/2008	Term Sought: 5 years	Rent: n/a until granted  First year of grant: Work Program/Exp enditure Commitment :	All Minerals other than Coal	46 sub blocks	EPM27223 (1 <sup>st</sup> Priority)	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Determinati on - Bar Barrum People #4 And Bar Barrum People And Claimant – Jirrbal People #4	Bar Barrum People #4 And Bar Barrum People And Claimant – Jirrbal People #4	Nil	Nil



PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
ML 20583	Party: Consolidated Tin Mines Limited  Percentage: 100%	Application lodged: 19/05/2008	Term sought: 20 years	Rent: n/a until granted  Work program/expense not required on MLs	Copper ore, fluorite fluorspar, garnet, gold, iron ore, lead ore, manganese ore, rare earths, silver ore, tin ore, tungsten wolfram scheelite, zinc ore, zircon	127 ha	EPM 14185	Category : Nil	Nil	Native Title Category: Private ILUA Native Title Party: Nil claimants	ILUA entered into with Bar-Barrum People	Nil	Landowner Compensation Agreement – to commence upon grant
ML 20585	Party: Consolidated Tin Mines Limited  Percentage: 100%	Application lodged: 19/05/2008	Term sought: 20 years	Rent: n/a until granted  Work program/expense not required on MLs	Copper ore, fluorite fluorspar, garnet, gold, iron ore, lead ore, manganese ore, rare earths, silver ore, tin ore, tungsten wolfram scheelite, zinc ore, zircon	82 ha	EPM 14185	Category : Nil	Nil	Native Title Category: Private ILUA Native Title Party: Nil Claimants	ILUA entered into with Bar-Barrum People	Nil	Nil
ML 20694	Party: Consolidated Tin Mines Limited  Percentage: 100%	Application lodged: 30/11/2011	Term sought: 10 years	Rent: n/a until granted  Work program/expense not required on MLs	Cobalt ore, copper ore, fluorite fluorspar, gold, indium, iron ore, lead ore, rare earths, silver ore, tin ore, tungsten wolfram scheelite, zinc ore, zircon	279 ha	EPM 26536 MDL 381 EPM 14185	Category : Nil	Nil	Native Title Category: Right to Negotiate Native Title Party: Claimant - Jirrbal People #4	Jirrbal People #4	Nil	Nil
ML 20743	Party: Consolidated Tin Mines Limited  Percentage:	Granted: 09/07/2015	Term: 20 years Expiry: 31/07/2035	2019 Rent: \$27645.80  Work program/expense not	Building stone – marble, cobalt ore, copper ore, fluorite fluorspar, garnet, gold, indium, iron ore, lead ore, lime limestone,	433 ha	EPM 18795 MDL 38 EPM 16024	Category : Nil	Nil	Native Title Category: Exclusive Land Conditions	Nil	Nil	Landowner compensation agreement

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
	100%			required on MLs	manganese ore, rare earths, silica silicon rock crystal, silver ore, tin ore, tungsten wolfram scheelite, zinc ore, zircon		EPM 13272			Native Title Party: Nil			
ML 100022	Party: Consolidated Tin Mines Limited  Percentage: 100%	Application lodged: 16/02/2015	Term sought: 15 years	Rent: n/a until granted  Work program/exp enditure not required on MLs	Chalcopyrite, cobalt ore, copper ore, gold, lead ore, molybdenum ore, quartz quartzite silica, rare earths, silver ore, tin ore, tungsten wolfram scheelite, waste rock riprap zinc ore	180 ha	EPM 12513	Category : Nil	Nil	Native Title Category: Right to Negotiate Native Title Party: Determination - Ewamian People #3	Ewamian People #3	Nil	Landowner compensation agreement – to commence upon grant
ML 100211	Party: Consolidated Tin Mines Limited  Percentage: 100%	Application lodged: 16/02/2015	Term sought: 25 years	Rent: n/a until granted  Work program/exp enditure not required on MLs	Chalcopyrite, chromite, cobalt ore, copper ore, garnet, gold, gravel, iron ore, iron-magnetite, lead ore, molybdenum ore, nickel ore, rare earths, rock-crushed/screened, sand, silver ore, sulphur, talc/soapstone, waste rock/riprap, zinc ore	238 ha	EPM 13072	Category : B	Nil	Native Title Category: Right to Negotiate Native Title Party: Determination - Ewamian People #3	Ewamian People #3	Nil	

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
ML 100212	Party: Consolidated Tin Mines Limited  Percentage: 100%	Application lodged: 16/02/2015	Term sought: 25 years	Rent: n/a until granted  Work program/expense not required on MLs	Bismuth ore, calcite/aragonite, chalcopyrite, cobalt ore, copper ore, feldspar, fluorite/fluorspar, garnet, gold, gravel, iron ore, iron-magnetite, lead ore, malachite, manganese ore, molybdenum ore, nickel ore, platinum, pyrite, quartz/quartzite/silica, rare earths, rock-crushed/screened, sand, silver ore, sulphur, tin ore, titanium ore, tungsten/wolfram/scheelite, waste rock/riprap, zinc ore	1070 ha	EPM 13072	Category : Nil	Nil	Native Title Category: Right to Negotiate Native Title Party: Determination - Ewamian People #3	Ewamian People #3	Nil	
EPM 26453	Party: CTM Alluvial Mining Pty Ltd  Percentage: 100%	Granted: 24/06/2019	Term: 5 years Expiry: 23/06/2024	2019 Rent: \$329.80  2020 Work Program/Expense Commitment : \$5,000	All Minerals other than Coal	2 sub blocks	ML 5115 ML 5134	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Claimant - Wakaman People #5	Wakaman People #5	Nil	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
EPM 26910	Party: CTM Alluvial Mining Pty Ltd  Percentage: 100%	Application lodged: 01/05/2018	Term sought: 5 years	Rent n/a until granted  First year of grant: Work Program/Expenditure Commitment : \$16,000	All Minerals other than Coal	14 sub blocks	Nil	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Claimant - Wakaman People #5	Wakaman People #5	Nil	Nil
ML 4069	Party: CTM Alluvial Mining Pty Ltd  Percentage: 100%	Granted: 31/08/1964	Term: 10 years Expiry: 31/03/2021	2019 Rent: \$637.00  Work program/exp enditure not required on MLs	Antimony ore, Bismuth ore, Copper ore, gold, lead ore, palladium, platinum, silver ore, tantalum tantalite, Tin ore, tungsten wolfram scheelite, zinc ore	9.4 ha	EPM 25427	Category : C	Nil	Pre-Native Title	n/a	n/a	Landowner compensation agreement
ML 4073	Party: CTM Alluvial Mining Pty Ltd  Percentage: 100%	Granted: 11/02/1986	Term: 10 years Expiry: 31/07/2017 Renewal lodged	2019 Rent: \$9236.50  Work program/exp enditure not required on MLs	Antimony ore, Bismuth ore, Copper ore, gold, lead ore, palladium, platinum, silver ore, tantalum tantalite, Tin ore, tungsten wolfram scheelite, zinc ore	144.5 ha	EPM 25427 EPM 19204	Category : Nil	Nil	Pre-Native Title	n/a	n/a	Landowner compensation agreement
ML 4074	Party: CTM Alluvial Mining Pty Ltd	Granted: 11/02/1986	Term: 10 years Expiry: 31/07/2017	2019 Rent: \$6370.00	Antimony ore, Bismuth ore, Copper ore, gold, lead ore, palladium,	99.1 ha	EPM 19204	Category : Nil	Nil	Pre-Native Title	n/a	n/a	Landowner compensation agreement

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
	Percentage: 100%		Renewal Lodged	Work program/expense not required on MLs	platinum, silver ore, tantalum tantalite, Tin ore, tungsten wolfram scheelite, zinc ore								
ML 20721	Party: CTM Alluvial Mining Pty Ltd  Percentage: 100%	Application lodged: 17/06/2013	Term sought: 20 years	2019 Rent: n/a until granted  Work program/expense not required on MLs	Cobalt ore, copper ore, fluorite fluorspar, garnet, gold, indium, iron ore, lead ore, manganese ore, rare earths, silver ore, tin ore, tungsten wolfram scheelite, zinc ore, zircon	713.4 ha	EPM 15611	Category : Nil	Nil	Native Title Category: Right to Negotiate Native Title Party: Claimant – No Registered Claimant	n/a	Nil	Landowner compensation agreement – to commence upon grant
ML 20722	Party: CTM Alluvial Mining Pty Ltd  Percentage: 100%	Application lodged: 17/06/2013	Term sought: 20 years	Rent: n/a until granted  Work program/expense not required on MLs	Cobalt ore, copper ore, fluorite fluorspar, garnet, gold, indium, iron ore, lead ore, manganese ore, rare earths, silver ore, tin ore, tungsten wolfram scheelite, zinc ore, zircon	290.6 ha	EPM 17547	Category : Nil	Nil	Native Title Category: Right to Negotiate Native Title Party: Claimant – No Registered Claimant	n/a	Nil	Landowner compensation agreement – to commence upon grant
ML 20723	Party: CTM Alluvial Mining Pty Ltd  Percentage: 100%	Application lodged: 17/06/2013	Term sought: 20 years	Rent: n/a until granted  Work program/expense not required on MLs	Cobalt ore, copper ore, fluorite fluorspar, garnet, gold, indium, iron ore, lead ore, manganese ore, rare earths, silver ore, tin ore, tungsten wolfram scheelite, zinc ore, zircon	277.7 ha	EPM 14185	Category : Nil	Nil	Native Title Category: Right to Negotiate Native Title Party: Claimant – No Registered Claimant	n/a	Nil	Landowner compensation agreement – to commence upon grant

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
				required on MLs	ore, tin ore, tungsten wolfram scheelite, zinc ore, zircon					Claimant – No Registered Claimant			
ML 100023	Party: CTM Alluvial Mining Pty Ltd  Percentage: 100%	Application lodged: 16/02/2015	Term sought: 15 years	Rent: n/a until granted  Work program/expense not required on MLs	Cobalt ore, copper ore, fluorite fluorspar, garnet, gold, indium, iron ore, lead ore, manganese ore, rare earths, silver ore, tin ore, tungsten wolfram scheelite, zinc ore, zircon	503.1 ha	EPM 15611 EPM 27370	Category : Nil	Nil	Native Title Category: Right to Negotiate Native Title Party: Claimant – No Registered Claimant	n/a	Nil	Landowner compensation agreement – to commence upon grant
EPM 9323	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 13/04/1993	Term: 5 years Expiry: 12/04/2016 Renewal lodged	2019 Rent: \$8245.00  2019 Works Program awaiting acceptance from DNRME as part of the renewal process	All Minerals other than Coal	50 sub blocks	ML 1393 ML 30156	Category : Nil	Nil	Pre-Native Title	n/a	Nil	Caveat: Royal Gold Inc - indefinite
EPM 12510	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 10/05/2005	Term: 3 years Expiry: 09/05/2018 Renewal lodged	2019 Rent: \$494.70  2019 Works Program awaiting acceptance from DNRME as part of the	All Minerals other than Coal	3 sub blocks	Nil	Category : Nil	Nil	Native Title Category: Private ILUA Native Title Party: Determination - Ewamian People #3	Ewamian People #3	Nil	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
				renewal process									
EPM 12513	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 05/10/2004	Term: 5 years Expiry: 04/10/2019	2019 Rent: \$4032.50  2019 Work Program/Expenditure Commitment : \$50,000	All Minerals other than Coal	25 sub blocks	ML 100022	Category : Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Determination - Ewamian People #3	Ewamian People #3	Nil	Caveat: Glengarry Resources – indefinite
EPM 13072	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 23/12/2002	Term: 5 years Expiry: 22/12/2017 Renewal lodged	2019 Rent: \$1202.60  2019 Works Program awaiting acceptance from DNRME as part of the renewal process	All Minerals other than Coal	74 Sub blocks	ML 100177 ML 100178 ML 100179 ML 100180 ML 30217 ML 100211 ML 100212	Category : RA 404 Canyon Resources Reserve	Canyon Resources Reserve	Native Title Category: Private ILUA Native Title Party: Determination - Ewamian People #2 And Ewamian People #3	Ewamian People #2 And Ewamian People #3	Canyon Resources Reserve	Nil
EPM 13229	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 06/04/2001	Term: 5 years Expiry: 05/04/2019 Renewal Lodged	2019 Rent: \$164.30  2019 Work Program/Expenditure Commitment : \$5,000	All Minerals other than Coal	1 sub block	Nil	Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party:	Gugu Badhun People #2	Nil	Nil



PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
										Determination - Gugu Badhan People #2			
EPM 13272	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 09/03/2001	Term: 2 years Expiry: 08/03/2017 Renewal lodged	2019 Rent: \$322.60  2019 Works Program awaiting acceptance from DNRME as part of the renewal process	All Minerals other than Coal	2 sub blocks	MDL 38 ML 20743 ML 4104	Nil	Small section Strategic Cropping	Native Title Category: Native Title Protection Conditions Native Title Party: Nil	Nil	Nil	Nil
EPM 14107	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 26/08/2004	Term: 5 years Expiry: 25/08/2019 Renewal Lodged	2019 Rent: \$494.70  2019 Works Program awaiting acceptance from DNRME as part of the renewal process	All Minerals other than Coal	3 sub blocks	Nil	Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Nil	Nil	Nil	Nil
EPM 14626	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 27/06/2005	Term: 3 years Expiry: 26/06/2018 Renewal lodged	2019 Rent: \$494.70  2019 Work Program/Expenditure Commitment : \$15,000	All Minerals other than Coal	3 sub blocks	ML 100001	Nil	Small section Strategic cropping	Native Title Category: Native Title Protection Conditions Native Title Party: Nil	Nil	Nil	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
EPM 16024	Party: Snow Peak Mining Pty Ltd Percentage: 100%	Granted: 25/06/2008	Term: 5 years Expiry: 24/06/2018 Renewal lodged	2019 Rent: \$329.80  2019 Works Program awaiting acceptance from DNRME as part of the renewal process	All Minerals other than Coal	2 sub blocks	MDL 38 ML 4103 ML 4104 ML 20743	Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Nil	Nil	Nil	Nil
EPM 16072	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 21/02/2008	Term: 3 years Expiry: 20/02/2016 Renewal lodged	2019 Rent: \$824.50  2019 Works Program awaiting acceptance from DNRME as part of the renewal process	All Minerals other than Coal	5 sub blocks	Nil	Category : B	Section of Strategic Cropping	Native Title Category: Native Title Protection Conditions Native Title Party: Nil	Nil	Nil	Nil
EPM 18165	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 18/03/2010	Term: 5 years Expiry: 17/03/2020	2019 Rent: \$659.60  2019 Work Program/Expenditure Commitment : \$20,000	All Minerals other than Coal	4 sub blocks	ML100212	Nil	Nil	Native Title Category: Private ILUA Native Title Party: Determination - Ewamian People #3	Ewamian People #3	Nil	Nil
EPM 18257	Party: Snow Peak Mining Pty Ltd	Granted: 19/03/2010	Term: 3 years	2019 Rent: \$494.70	All Minerals other than Coal	3 sub blocks	Nil	Nil	Nil	Native Title Category: Private ILUA	Ewamian People #3	Nil	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
	Percentage: 100%		Expiry: 18/03/2018 Renewal lodged	2019 Works Program awaiting acceptance from DNRME as part of the renewal process						Native Title Party: Determination - Ewamian People #3			
EPM 18558	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 16/08/2012	Term: 5 years Expiry: 15/08/2017 Renewal lodged	2019 Rent: \$659.60  2019 Works Program awaiting acceptance from DNRME as part of the renewal process	All Minerals other than Coal	4 sub blocks	ML100211	Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Determination - Ewamian People #2	Ewamian People #2	Nil	Nil
EPM 25199	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 07/01/2014	Term: 5 years Expiry: 06/01/2019 Renewal Lodged	2019 Rent: \$3792.70  2019 Work Program/Expenditure Commitment : \$75,000	All Minerals other than Coal	23 sub blocks	Nil	Category : RA 404 Canyon Resources Reserve	Canyon Resources Reserve	Native Title Category: Native Title Protection Conditions Native Title Party: Determination - Ewamian People #3	Ewamian People #3	Canyon Resources Reserve	Nil
EPM 25200	Party: Snow Peak Mining Pty Ltd  Percentage:	Granted: 03/03/2014	Term: 5 years Expiry: 02/03/2019	2019 Rent: \$4782.10  2019 Work Program/Expenditure	All Minerals other than Coal	29 sub blocks	Nil	Nil	Nil	Native Title Category: Native Title Protection Conditions	Ewamian People #3	Nil	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAP PING TENEMENT S	ENVIRON MENTALLY SENSITIVE AREAS	REGION AL INTERES TS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTEC TED MATTER S	DEALINGS OR AGREEMENTS ON TITLE
	100%		Renewal Lodged	Commitment : \$52,000						Native Title Party: Determinati on - Ewamian People #3			
EPM 25202	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 21/01/2014	Term: 5 years Expiry: 20/01/2019 Renewal Lodged	2019 Rent: \$8574.80  2019 Work Program/Exp enditure Commitment : \$75,000	All Minerals other than Coal	52 sub blocks	Nil	Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Determinati on - Ewamian People #2 And Ewamian People #3	Ewamian People #2 And Ewamian People #3	Nil	Nil
EPM 25259	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 08/04/2014	Term: 5 years Expiry: 07/04/2019 Renewal Lodged	2019 Rent: \$3627.80  2019 Work Program/Exp enditure Commitment : \$60,000	All Minerals other than Coal	22 sub blocks	Nil	Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Determinati on - Gugu Badhun People #2	Gugu Badhun People #2	Nil	Nil
EPM 25276	Party: Snow Peak Mining Pty Ltd	Granted: 08/04/2014	Term: 5 years Expiry:	2019 Rent: \$824.50	All Minerals other than Coal	5 sub blocks	Nil	Nil	Nil	Native Title Category:	Ewamian People #3	Nil	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAP PING TENEMENT S	ENVIRON MENTALLY SENSITIVE AREAS	REGION AL INTERES TS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTEC TED MATTER S	DEALINGS OR AGREEMENTS ON TITLE
	Percentage: 100%		07/04/2019 Renewal Lodged	2019 Work Program/Exp enditure Commitment : \$4,500						Native Title Protection Conditions Native Title Party: Determinati on - Ewamian People #3			
EPM 25277	Party: [insert] Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 08/04/2014	Term: 5 years Expiry: 07/04/2019 Renewal Lodged	2019 Rent: \$329.80  2019 Work Program/Exp enditure Commitment : \$4,000	All Minerals other than Coal	2 sub blocks	Nil	Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Nil	Nil	Nil	Nil
EPM 25424	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 17/07/2014	Term: 5 years Expiry: 16/07/2019 Renewal Lodged	2019 Rent: \$989.40  2019 Work Program/Exp enditure Commitment : \$40,000	All Minerals other than Coal	6 sub blocks	Nil	Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party: Nil	n/a	Nil	Nil
EPM 25498	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 11/11/2014	Term: 5 years Expiry: 10/11/2019	2019 Rent: \$3298.00  2019 Work Program/Exp enditure Commitment : \$75,000	All Minerals other than Coal	20 sub blocks	Nil	Nil	Nil	Native Title Category: Native Title Protection Conditions Native Title Party:	Gugu Badjun People #2	Nil	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAP PING TENEMENT S	ENVIRON MENTALLY SENSITIVE AREAS	REGION AL INTERES TS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTEC TED MATTER S	DEALINGS OR AGREEMENTS ON TITLE
										Determinati on - Gugu Badhun People #2			
ML 1393	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 27/05/1976	Term: 21 years Expiry: 31/05/2018 Renewal lodged	2019 Rent: \$8153.60  Work program/exp enditure not required on MLs	Copper ore, gold, lead ore, silver ore, zinc ore	128 ha	EPM 9323	Nil	Nil	Pre- Native Title	n/a	n/a	Caveat: Royal Gold Inc – Indefinite  Landowner compensatio n agreement
ML 4042	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 25/10/1973	Term: 21 years Expiry: 31/10/2012 Renewal lodged	2019 Rent: \$3057.60  Work program/exp enditure not required on MLs	Cadmium ore, Cobalt ore, copper ore, lead ore, molybdenum ore, silver ore, zinc ore	47.6 ha	EPM 16072	Nil	Nil	Pre-Native Title	n/a	n/a	Landowner compensatio n agreement
ML 4043	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 20/09/1973	Term: 20 years 4 months Expiry: 31/01/2012 Renewal lodged	2019 Rent: \$2165.80  Work program/exp enditure not required on MLs	Cadmium ore, Cobalt ore, copper ore, lead ore, molybdenum ore, silver ore, zinc ore	33.6 ha	EPM 16072. EPM 25352	Nil	Nil	Pre-Native Title	n/a	n/a	Landowner compensatio n agreement
ML 4044	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 06/10/1977	Term: 15 years Expiry: 31/10/1992 Renewal lodged x 2	2019 Rent: \$6242.60  Work program/exp enditure not	Cadmium ore, Cobalt ore, copper ore, lead ore, molybdenum ore, silver ore, zinc ore	97.1 ha	EPM 16072	Category : B	Nil	Pre-Native Title	n/a	n/a	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAP PING TENEMENT S	ENVIRON MENTALLY SENSITIVE AREAS	REGION AL INTERES TS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTEC TED MATTER S	DEALINGS OR AGREEMENTS ON TITLE
				required on MLs									
ML 4130	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 13/02/1975	Term: 21 years Expiry: 28/02/2017 Renewal lodged	2019 Rent: \$4140.50  Work program/exp enditure not required on MLs	Cadmium ore, Cobalt ore, copper ore, lead ore, molybdenum ore, silver ore, zinc ore	64.7 ha	EPM 16072	Nil	Nil	Pre-Native Title	n/a	n/a	Landowner compensation agreement
ML 20016	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 30/07/1992	Term: 15 years Expiry: 31/07/2022	2019 Rent: \$1592.50  Work program/exp enditure not required on MLs	Arsenic ore, bauxite, bismuth ore, cadmium ore, copper ore, gold, iron ore, lead ore, manganese ore, silica silicon rock crystal, silver ore, tungsten wolfram scheelite, zinc ore	24.3 ha	EPM 16072	Nil	Nil	Pre-Native Title	n/a	n/a	Landowner compensation agreement
ML 20105	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Application lodged: 27/09/1991	Term sought: 3 years	Rent: n/a until granted  Work program/exp enditure not required on MLs	Copper ore, gold, iron ore, lead ore, silver ore, tin ore, zinc ore	77.0 ha	EPM 16072 EPM 25352 EPM 14626	Nil	Nil	Pre-Native Title	n/a	n/a	Nil
ML 30156	Party: Snow Peak Mining Pty Ltd  Percentage:	Granted: 24/04/2003	Term: 21 years Expiry: 30/04/2024	2019 Rent: \$78605.80  Work program/exp	Cobalt ore, copper ore, gold, iron ore, lead ore, silver ore, tin ore, tungsten wolfram	1233.7 ha	EPM 9323	Nil	Nil	Native Title Category: Private ILUA Native Title Party:	Gugu Badhun People #2	Nil	Caveat: Royal Gold In – indefinite



PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
	100%			enditure not required on MLs	scheelite, zinc ore					Determination - Gugu Badhun People #2			Landowner compensation agreement
ML 30217	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Application lodged: 29/05/2008	Term sought: 20 years	Rent: n/a until granted  Work program/expenditure not required on MLs	Bismuth ore, calcite, aragonite, chalcopyrite, copper ore, feldspar, fluorite, fluorspar, garnet, gold, iron ore, iron magnetite, lead ore, malachite, manganese ore, molybdenum ore, nickel ore, platinum, pyrite, quartz, quartzite, silica, rare earths, silver ore, sulphur, tin ore, titanium ore, tungsten, wolfram, scheelite, zinc ore	380.3 ha	EPM 13072	Category : RA404 Canyon Resources Reserve	Canyon Resources Reserve	Native Title Category: Private ILUA Native Title Party: Determination - Ewamian People #3	Ewamian People #3	Canyon Resources Reserve	Nil
ML 100001	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Granted: 05/09/2018	Term: 15 years Expiry: 30/09/2033	2019 Rent: \$5350.80  Work program/expenditure not required on MLs	Cobalt ore, copper ore, gold, iron ore, lead ore, silver ore, tin ore, tungsten, wolfram, scheelite, zinc ore	83.4 ha	EPM 16072 EPM 14626	Nil	Nil	Native Title Category: Right to Negotiate Native Title Party: No Registered Claimant	Nil	Nil	Landowner compensation agreement

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
ML 100177	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Application lodged: 15/12/2017	Term sought: 15 years	Rent: n/a until granted  Work program/expense not required on MLs	Bismuth ore, calcite, aragonite, chalcopryrite, copper ore, feldspar, fluorite, fluorspar, garnet, gold, iron ore, iron magnetite, lead ore, malachite, manganese ore, molybdenum ore, nickel ore, platinum, pyrite, quartz, quartzite, silica, rare earths, silver ore, sulphur, tin ore, titanium ore, tungsten, wolfram, scheelite, zinc ore	562.1 ha	EPM 13072	Category : RA404 Canyon Resources Reserve	Canyon Resources Reserve	Native Title Category: Private ILUA Native Title Party: Determination - Ewamian People #3	Ewamian People #3	Canyon Resources Reserve	Nil
ML 100178	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Application lodged: 15/12/2017	Term sought: 15 years	Rent: n/a until granted  Work program/expense not required on MLs	Bismuth ore, calcite, aragonite, chalcopryrite, copper ore, feldspar, fluorite, fluorspar, garnet, gold, iron ore, iron magnetite, lead ore, malachite, manganese ore, molybdenum ore, nickel ore, platinum, pyrite, quartz, quartzite	422.1 ha	EPM 13072	Category : RA404 Canyon Resources Reserve	Canyon Resources Reserve	Native Title Category: Private ILUA Native Title Party: Determination - Ewamian People #3	Ewamian People #3	Canyon Resources Reserve	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAPPING TENEMENTS	ENVIRONMENTALLY SENSITIVE AREAS	REGIONAL INTERESTS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTECTED MATTERS	DEALINGS OR AGREEMENTS ON TITLE
					silica, rare earths, silver ore, sulphur, tin ore, titanium ore, tungsten wolfram scheelite, zinc ore								
ML 100179	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Application lodged: 15/12/2017	Term sought: 15 years	Rent: n/a until granted  Work program/expense not required on MLs	Bismuth ore, calcite, aragonite, chalcopryrite, copper ore, feldspar, fluorite, fluorspar, garnet, gold, iron ore, iron magnetite, lead ore, malachite, manganese ore, molybdenum ore, nickel ore, platinum, pyrite, quartz, quartzite, silica, rare earths, silver ore, sulphur, tin ore, titanium ore, tungsten wolfram scheelite, zinc ore	650.8 ha		Category : RA404 Canyon Resources Reserve	Canyon Resources Reserve	Native Title Category: Private ILUA Native Title Party: Determination - Ewamian People #3	Ewamian People #3	Canyon Resources Reserve	Nil
ML 100180	Party: Snow Peak Mining Pty Ltd  Percentage: 100%	Application lodged: 15/12/2017	Term sought: 15 years	Rent: n/a until granted  Work program/expense not required on MLs	Bismuth ore, calcite, aragonite, chalcopryrite, copper ore, feldspar, fluorite, fluorspar, garnet, gold, iron ore, iron magnetite, iron	455.8 ha	EPM 13072	Category : RA404 Canyon Resources Reserve	Canyon Resources Reserve	Native Title Category: Private ILUA Native Title Party: Determination -	Ewamian People #3	Canyon Resources Reserve	Nil

PERMIT ID	HOLDER	STATUS & LODGEMENT DATE OR GRANT DATE	TERM SOUGHT OR CURRENT TERM & EXPIRY	RENT, WORK PROGRAM & EXPENDITURE	PURPOSE	AREA	OVERLAP PING TENEMENT S	ENVIRON MENTALLY SENSITIVE AREAS	REGION AL INTERES TS	NATIVE TITLE CATEGORY/ PARTY	ABORIGINAL PARTY	EPBC ACT PROTEC TED MATTER S	DEALINGS OR AGREEMENTS ON TITLE
					lead ore, malachite, manganese ore, molybdenum ore, nickel ore, platinum, pyrite, quartz quartzite silica, rare earths, silver ore, sulphur, tin ore, titanium ore, tungsten wolfram scheelite, zinc ore					Ewamian People #3			

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## 9. BOARD, MANAGEMENT AND INTERESTS

### 9.1 Directors and key personnel

The Board of the Company consists of:

- (a) Mr Morris Iemma, Non-Executive Chairman;
- (b) Mr Ralph De Lacey, Managing Director;
- (c) Mr Ze Huang Cai, Executive Director;
- (d) Mr Yaden Wan, Executive Director; and
- (e) Ms Teresa Dyson, Non-Executive Director.

The biographies for the Directors are contained in Section 3.11.

In addition, Ms Sinead Teague is appointed as Company Secretary. The biography for Ms Sinead Teague is set out Section 3.11. The Company is aware of the need to have sufficient management to properly supervise its interests and operations. The Board will continually monitor the management roles in the Company. As the Company's Projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's Project.

### 9.2 Disclosure of Interests

#### (a) Interests in Securities

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a Director. As at the date of this Prospectus, the Directors have relevant interests in the securities of the Company as follows:

Director	Shares	Options <sup>4</sup>
Morris Iemma	Nil	6,000,000
Ralph De Lacey	5,582,806 <sup>1</sup>	6,000,000
Ze Huang Cai	42,630,326 <sup>2</sup>	6,000,000
Yading Wan	352,927,775 <sup>3</sup>	6,000,000
Teresa Dyson	Nil	6,000,000

Notes:

- 1. Includes 3,535,963 held by Ralph De Lacey ATF The Ralph De Lacey Super Fund and 2,046,843 Shares held by NQ Mining Enterprises Pty Ltd (ACN 122 171 573) (NQME).
- 2. Includes 41,116,921 Shares held by Snow Peak Mining Pty Ltd, an entity associated with Mr Ze Huang (Martin) Cai.
- 3. Includes 352,927,775 Shares held by Cyan Stone, an entity associated with Mr Yading Wan.
- 4. Comprising 2,000,000 Class A Incentive Options and 4,000,000 Class B Incentive Options to be issued to each of the Directors after close of the Offer following Shareholder approval which was obtained at the General Meeting held on 13 September 2019. The terms and conditions of the Options are summarised in Section 12.3 of this Prospectus.

(b) Remuneration

Details of the Directors' remuneration for the previous two completed and the current financial year (on an annualised basis) are set out in the table below:

Director	Remuneration for the financial year ended 30 June 2017	Remuneration for the financial year ended 30 June 2018	Proposed remuneration for current financial year
Ralph De Lacey	\$401,080	\$401,080	\$460,000
Ze Huang Cai	\$373,538	\$373,538	\$460,000
Morris lemma <sup>1</sup>	N/A	N/A	\$273,500
Yaden Wan <sup>1</sup>	N/A	N/A	\$54,750
Teresa Dyson <sup>2</sup>	N/A	N/A	\$50,000

Notes:

1. Mr Morris lemma and Mr Yading Wan were appointed as Directors on 29 August 2018.
2. Ms Teresa Dyson was appointed as a Director on 24 January 2019.

The Company's constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for Non-Executive Directors is \$400,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

### 9.3 Agreements with Directors and Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

### 9.4 Executive Contracts of Employment

The Company has entered into executive contracts of employment with Directors, Messrs Ralph De Lacey and Mr Ze Huang (Martin) Cai. Summaries of these agreements are set out in Sections 11.1 and 11.2 of this Prospectus.

### 9.5 Non-executive Director Appointment Letters

The Company has entered into letters of appointment with each of the Non-Executive Directors, Mr Morris lemma, Mr Yading Wan, and Ms Teresa Dyson.

Summaries of these letters of appointment are set out in Sections 11.3 to 11.5 of this Prospectus.

#### 9.6 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

#### 9.7 Tenancy and Lease Agreements

The Company has entered into a:

- (a) commercial tenancy agreement with NQ Mining Enterprises Pty Ltd (ACN 122 171 573) (NQME) for the rent of **Company's registered office** located at 395 Lake Street, Cairns **Queensland**, on **standard arm's length** commercial terms. NQME is an entity associated with Director, Mr Ralph De Lacy; and
- (b) property lease agreement with ARM NQ Pty Ltd (ACN 161 602 151) (ARM NQ) in relation to the rent of residential properties located at Mount Garnet, Queensland on **standard arm's length** commercial terms. ARM NQ is an entity associated with Directors, Mr Ze Huang (Martin) Cai and Mr Ralph De Lacey.
- (c) a licence agreement with Cyan Stone in relation to the use by the Company of an office located at Level 16, 5 Martin Place, Sydney, NSW. Cyan Stone is an entity associated with Director, Mr Yading Wan.

Summaries of the agreements with NQME, ARM NQ and Cyan Stone are set out in Sections 11.8 to 11.10 of this Prospectus.



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## 10. CORPORATE GOVERNANCE

### 10.1 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (Recommendations).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website ([www.csdtin.com.au](http://www.csdtin.com.au)).

### 10.2 Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) leading and setting the strategic direction and objectives of the Company;
- (b) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of Executives and the Company Secretary and the determination of their terms and conditions including remuneration and termination;
- (c) overseeing the Executive's implementation of the Company's strategic objectives and performance generally;
- (d) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (e) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit (satisfying itself financial

statements released to the market fairly and accurately reflect the Company's financial position and performance);

- (f) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (g) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (h) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

### 10.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto:

- (a) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (b) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives of the Company.

The Board consists of five Directors two of whom are non-executive Directors, both of which are considered to be independent, being Mr Morris lemma and Ms Teresa Dyson. The Board considers the proposed balance of skills and expertise is appropriate for the Company for its currently planned level of activity.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors which allows new directors to participate fully and actively in Board decision-making at the earliest opportunity, and enable new Directors to gain an understanding of the Company's policies and procedures.

### 10.4 Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

#### 10.5 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

#### 10.6 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

#### 10.7 Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

#### 10.8 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its Directors, officers, employees and contractors. The policy generally provides that Directors are unable to trade in the **Company's securities where advised** by the Chairman that they are precluded from doing so.

#### 10.9 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

#### 10.10 Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

#### 10.11 Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's departures from the Recommendations will also be announced prior to re-admission to the official list of the ASX.

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## 11. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

### 11.1 Contract of Employment - Mr Ralph De Lacey

The Company has entered into an employment agreement with Mr Ralph De Lacey pursuant to which Mr De Lacey is appointed as "Managing Director" commencing on 29 August 2018. The material terms of the employment agreement are as follows:

- (a) (Term): Mr De Lacey's employment will continue until the employment agreement is validly terminated in accordance with its terms.
- (b) (Termination without reason): The Company may at its sole discretion terminate the employment of Mr De Lacey by giving 12 month's written notice.
- (c) (Termination with reason): The Company may at its sole discretion terminate the employment of Mr De Lacey in the following manner:
  - (i) by giving not less than 12 months written notice if at any time Mr De Lacey:
    - (A) becomes incapacitated by illness or injury which prevents him from performing his duties for 9 consecutive months or an aggregate of 9 months in any period of 12 months; or
    - (B) is or becomes of unsound mind; or
  - (ii) by giving one month written notice if at any time Mr De Lacey:
    - (A) breaches any provision of the employment agreement in any material respect that is not remedied;
    - (B) in the reasonable opinion of the board, is absent in or demonstrates incompetence with regard to performance of his duties, provided that Mr De Lacey:
      - (I) has been counselled on at least three separate occasions on the specific matters; and
      - (II) after each such occasion has been provided with a reasonable opportunity of at least a month to remedy the specific matters complained of by the board.
    - (C) commits or becomes guilty of any gross misconduct; or
    - (D) refuses or neglects to comply with any lawful reasonable direction or order given to him by the Company;

- (E) breaches the email policy of the Company; or
  - (F) wilfully discloses, communicates, uses or misuses price sensitive information without the prior written consent of the board.
- (iii) summarily without notice:
  - (A) if at any time Mr De Lacey is convicted with any major criminal offence which brings the Company or any of its Related Bodies Corporate into lasting disrepute by giving notice of termination effective immediately. All payments and benefits will cease on termination under this clause; or
- (d) (Termination in lieu of notice): The Company may at its sole discretion dispose with the written notice period and immediately terminate the employment of Mr De Lacey by making a payment to him equal to the salary payable for 12 months.
- (e) (Fixed Remuneration): Mr De Lacey will receive a salary of \$460,000 per annum (inclusive of superannuation) payable in equal monthly instalments.
- (f) (Performance based bonuses): The Company may at any time during the Term pay Mr De Lacey a performance-based bonus over and above the salary. In determining the bonuses, the Company shall take into consideration the key performance indicators of the Managing Director and the Company and any other matter deemed appropriate.
- (g) (Expenses): The Company will pay for all business-related travel and accommodation expenses on the provision of documentary evidence. In addition, Mr De Lacey will be reimbursed for out-of-pocket expenses properly incurred by Mr De Lacey in performing his duties under the employment agreement and for which prior approval has been obtained. The Company will also reimburse Mr De Lacey for appropriate and reasonable professional association membership and subscription costs.
- (h) (Other benefits): The Company will provide Mr De Lacey with a vehicle for business use that is maintained by the Company.
- (i) (Change of control): If there is a change of control of the Company and within one month Mr De Lacey elects in writing not to remain with the Company or the Company advises Mr De Lacey in writing that it no longer wishes to retain him as Managing Director, Mr De Lacey will become **immediately entitled to receive 12 months' salary, any accrued STI and any vested and non-vested options (LTI).**

Control means the direct or indirect power to direct the management or policies of the Company, whether or not the power has statutory, legal or equitable force or is based on statutory, legal or equitable rights and whether or not it arises by means of trusts, agreements, arrangements, understandings, practices, the ownership of interest in shares or stock of the Company or otherwise.

The employment agreement contains other terms and conditions that are considered standard for agreements of this nature (including confidentiality and post-employment restraints).

## 11.2 Contract of Employment - Mr Ze Huang (Martin) Cai

The Company has entered into an employment agreement with Mr Ze Huang (Martin) Cai pursuant to which Mr Cai is appointed as "Chief Financial Officer" commencing on 29 August 2018. The material terms of the employment agreement are as follows:

- (a) (Term): Mr Cai's employment will continue until the employment agreement is validly terminated in accordance with its terms.
- (b) (Termination without reason): The Company may at its sole discretion terminate the employment of Mr Cai by giving 12 month's written notice.
- (c) (Termination with reason): The Company may at its sole discretion terminate the employment of Mr Cai in the following manner:
  - (i) by giving not less than 12 months written notice if at any time Mr Cai:
    - (A) becomes incapacitated by illness or injury which prevents him from performing his duties for 9 consecutive months or and aggregate of 9 months in any period of 12 months; or
    - (B) is or becomes of unsound mind; or
  - (ii) by giving one month written notice if at any time Mr Cai:
    - (A) breaches any provision of the employment agreement in any material respect that is not remedied;
    - (B) in the reasonable opinion of the board, is absent in or demonstrates incompetence with regard to performance of his duties, provided that Mr Cai:
      - (I) has been counselled on at least three separate occasions on the specific matters; and
      - (II) after each such occasion has been provided with a reasonable opportunity of at least a month to remedy the specific matters complained of by the board;
    - (C) commits or becomes guilty of any gross misconduct; or
    - (D) refuses or neglects to comply with any lawful reasonable direction or order given to him by the Company;
    - (E) breaches the email policy of the Company; or
    - (F) wilfully discloses, communicates, uses or misuses price sensitive information without the prior written consent of the board.



(iii) summarily without notice:

(A) if at any time Mr Cai is convicted with any major criminal offence which brings the Company or any of its Related Bodies Corporate into lasting disrepute by giving notice of termination effective immediately. All payments and benefits will cease on termination under this clause; or

- (d) (Termination in lieu of notice): The Company may at its sole discretion dispose with the written notice period and immediately terminate the employment of Mr Cai by making a payment to him equal to the salary payable for 12 months.
- (e) (Fixed Remuneration): Mr Cai will receive a salary of \$460,000 per annum (inclusive of superannuation) payable in equal monthly instalments.
- (f) (Performance based bonuses): The Company may at any time during the Term pay Mr Cai a performance-based bonus over and above the salary. In determining the bonuses, the Company shall take into consideration the key performance indicators of the Chief Financial Officer and the Company and any other matter deemed appropriate.
- (g) (Expenses): The Company will pay for all business-related travel and accommodation expenses on the provision of documentary evidence. In addition, Mr Cai will be reimbursed for out-of-pocket expenses properly incurred by Mr Cai in performing his duties under the employment agreement and for which prior approval has been obtained. The Company will also reimburse Mr Cai for appropriate and reasonable professional association membership and subscription costs.
- (h) (Other benefits): The Company will provide Mr Cai with a vehicle for business use that is maintained by the Company.
- (i) (Change of control): If there is a change of control of the Company and within one month Mr Cai elects in writing not to remain with the Company or the Company advises Mr Cai in writing that it no longer wishes to retain him, Mr Cai will become immediately entitled to receive 12 months' salary, any accrued STI and any vested and non-vested options (LTI).

Control means the direct or indirect power to direct the management or policies of the Company, whether or not the power has statutory, legal or equitable force or is based on statutory, legal or equitable rights and whether or not it arises by means of trusts, agreements, arrangements, understandings, practices, the ownership of interest in shares or stock of the Company or otherwise.

The employment agreement contains other terms and conditions that are considered standard for agreements of this nature (including confidentiality and post-employment restraints).

### 11.3 Letter of Appointment - Mr Morris lemma

The Company has entered into an appointment letter with Mr Morris lemma pursuant to which Mr lemma is appointed a non-executive Director of the Company on the following terms:

- (a) (Fees): Directors fees of \$273,500 per annum (inclusive of superannuation) are payable by the Company to Mr lemma commencing on the date of

Mr lemma's appointment. Mr lemma is also entitled to fees or other amounts as the board determines for the performance of special duties.

- (b) (Term): The term of Mr lemma's appointment is subject to satisfactory performance and provisions of the Constitution and the Corporations Act relating to retirement by rotation and re-election of directors and will automatically cease at the end of any meeting at which Mr Wan is not re-elected as a director by Shareholders. Mr lemma's appointment will also cease if he becomes bankrupt or of unsound mind.
- (c) (Expenses): The Company will reimburse Mr lemma for all reasonable out-of-pocket expenses incurred by Mr lemma in performing his duties as a director and for which prior approval has been obtained.

The appointment letter otherwise contains terms and conditions that are considered standard for agreements of this nature.

#### 11.4 Letter of Appointment - Mr Yading Wan

The Company has entered into an appointment letter with Mr Yading Wan pursuant to which Mr Wan is appointed a non-executive Director of the Company on the following terms:

- (a) (Fees): Directors fees of \$54,750 per annum (inclusive of superannuation) are payable by the Company to Mr Wan commencing on the date of Mr Wan's appointment. Mr Wan is also entitled to fees or other amounts as the board determines for the performance of special duties.
- (b) (Term): The term of Mr Wan's appointment is subject to satisfactory performance and provisions of the Constitution and the Corporations Act relating to retirement by rotation and re-election of directors and will automatically cease at the end of any meeting at which Mr Wan is not re-elected as a director by Shareholders. Mr Wan's appointment will also cease if he becomes bankrupt or of unsound mind.
- (c) (Expenses): The Company will reimburse Mr Wan for all reasonable out-of-pocket expenses incurred by Mr Wan in performing his duties as a director and for which prior approval has been obtained.

The appointment letter otherwise contains terms and conditions that are considered standard for agreements of this nature.

#### 11.5 Letter of Appointment - Ms Teresa Dyson

The Company has entered into an appointment letter with Ms Teresa Dyson pursuant to which Ms Dyson is appointed a non-executive Director of the Company on the following terms:

- (a) (Fees): Directors fees of \$50,000 per annum (inclusive of superannuation) are payable by the Company to Ms Dyson commencing on the date of Ms Dyson's appointment. Ms Dyson is also entitled to participate in board incentive schemes, fees or other amounts as the board determines for the performance of special duties.
- (b) (Term): The term of Ms Dyson's appointment is subject to satisfactory performance and provisions of the Constitution and the Corporations Act relating to retirement by rotation and re-election of directors and will automatically cease at the end of any meeting at which Ms Dyson is not

re-elected as a director by Shareholders. Ms Dyson's appointment will also cease if she becomes bankrupt or of unsound mind.

- (c) (Expenses): The Company will reimburse Ms Dyson for all reasonable out-of-pocket expenses incurred by Ms Dyson in performing her duties as a director or any special duties and for which prior approval has been obtained.

The appointment letter otherwise contains terms and conditions that are considered standard for agreements of this nature.

#### 11.6 Mandate to act as Financial Adviser – Patersons Securities Limited

On or about 27 March 2019, as amended on 27 June 2019, the Company and Patersons Securities Limited (ACN 008 896 311) (Patersons) entered into a mandate pursuant to which Patersons agreed to act as financial adviser to the Company (Financial Adviser) in support of the Company's acquisition strategy (Mandate). As noted in Section 3.8 above, the Company's current intention is to consider acquisition opportunities for base metal exploration and mining projects located in North Queensland, proximate to the Company's existing projects.

The material terms of the Mandate are as follows:

- (a) (Fees): The Company agrees to pay Patersons the following fees (exclusive of GST):
  - (i) (Retainer Fee): a retainer fee of \$20,000 per month. The Retainer Fee will apply from the date of acceptance of the Mandate until termination of the Mandate. The Retainer Fee is fully rebateable against any applicable M&A Advisory Fee or Capital Raising Fee (each defined below); and
  - (ii) (M&A Advisory Fee): a fixed fee of \$750,000 payable upon the successful completion of any acquisition by the Company in accordance with the terms of the Mandate.
- (b) (Interest): amounts outstanding pursuant to invoices for fees, commissions or expenses shall incur interest at the rate of 10% per annum and shall be calculated daily in arrears from the due date of payment of the outstanding amount.
- (c) (Expenses): All reasonable travel and other expenses incurred by Patersons in the provision of its services under the Mandate will be reimbursed by the Company. Patersons must seek the Company's approval before incurring any individual expenses in excess of \$2,000 in any one transaction or series of similar transactions.
- (d) (Termination): The Company or Patersons may terminate the Mandate by the giving of one (1) month's written notice. All accrued rights and liabilities of the parties under the Mandate shall survive and remain in full force and effect, notwithstanding any termination or expiry of the Mandate.

In the event that an acquisition opportunity arises and the Company elects to fund the potential acquisition by way of debt, hybrid or equity capital funding (or a combination of the three) (Acquisition Capital Raising), the Mandate provides that Patersons will act as lead manager of the Acquisition Capital Raising (Lead Manager). In these circumstances Patersons will be entitled

to the following fees associated with the Acquisition Capital Raising (if applicable):

- (a) (Lead Manager Fee): a lead manager fee of 1% for all equity capital raised by the Company and third parties for the Company under the Acquisition Capital Raising (if applicable).
- (b) Capital Raising Fee): a capital raising fee of 6% for all equity capital raised by the company and third parties for the Company under the Acquisition Capital Raising (as applicable).

The Mandate otherwise contains terms and conditions considered standard for an agreement of its nature.

#### 11.7 Offtake Agreements

In 2017, the Company entered into exclusive offtake agreements with an international trading house (Trader) pursuant to which the Company agreed to supply and deliver to the Trader 100% of all copper, zinc and lead concentrates produced by the Company (Material) (Offtake Agreements).

The purchase price per dmt of the Material is at market price and includes the sum of the payments less standard industry deductions as specified within the Offtake Agreements.

The Offtake Agreements contain terms and conditions that are considered standard for agreements of this nature and will continue until such time that all delivery and financial obligations have been fulfilled by both parties (expected within the next 12 months).

The Company is currently soliciting offers from international trading houses for the Company's future zinc concentrate production to commence following completion of delivery obligations under the current zinc offtake agreement and expects to execute a new contract in the near future.

The Company also expects to solicit offers for the Company's future lead concentrate production in the near term.

#### 11.8 Property Lease Agreement – ARM NQ

On 1 January 2019, the Company and ARM (NQ) Pty Ltd (ACN 161 602 151) (ARM NQ) entered into a property lease where it was agreed that ARM NQ would rent the following residential properties to the Company:

- (a) Forrest House, Rutile Street (Lot 2 on MPH25019);
- (b) Hewlett House, 1 Rutile Street (Lot 6 on MPH2667);
- (c) 1 Silver Street (Lot 15 on MPH24972);
- (d) 7 Silver Street (Lot 18 on SP181645);
- (e) 8 Monazite Street, House (Lot 29 on MPH24972);
- (f) 8 Monazite Street, Block of land (Lot 30 on MPH24972);
- (g) White House, 9 Hay Street (Lot 25 on RP843441);

- (h) Brown House, 11 – 13 Hay Street (Lot 26 on RP847003);
- (i) Assay House, Rutile Street (Lot 1 on MPH24925); and
- (j) Rutile Street (Lot 31 on SP207611).

The material terms and conditions of the property lease are as follows:

- (a) (Term): The term of the lease is two (2) years;
- (b) (Total annual rent): The Company agreed to pay \$144,000.00 per annum to ARM NQ (consisting of twelve monthly payments of \$12,000 each paid in advance), with annual CPI adjustments on 1 January;
- (c) (Special conditions): The Company must maintain the properties in good condition including all maintenance and repairs (including electrical and plumbing), cleaning, gardening, painting (as required or instructed), breakages and replacing any worn or missing items;
- (d) (Outgoings): The Company must pay outgoings including:
  - (i) all council rates, charges and fees;
  - (ii) all services including all electricity, phone, water, gas and any other services; and
  - (iii) all insurance (as reimbursed to ARM NQ by the Company).

The property lease otherwise contains terms and conditions that are considered standard for agreements of this nature.

#### 11.9 Commercial Tenancy Agreement – NQME

On 1 January 2019, the Company and North Queensland Mining Enterprises Pty Ltd (NQME) entered into a commercial tenancy agreement for the Company's registered office located at 395 Lake Street, Cairns Queensland. The material terms of the commercial tenancy agreement are as follows:

- (a) (Term): the term of the lease is two (2) years;
- (b) (Annual Rent): The Company agreed to pay \$80,640.00 per annum to NQME (consisting of twelve (12) monthly payments of \$6,720 each paid in advance), with annual CPI adjustments on 1 January; and
- (c) (Special conditions): The Company must maintain the properties in good condition including all maintenance and repairs (including electrical and plumbing), cleaning, gardening, painting (as required or instructed), breakages and replacing any worn or missing items;
- (d) (Outgoings): The Company must pay outgoings including:
  - (i) all council rates, charges and fees;
  - (ii) all services including all electricity, phone, water, gas and any other services; and
  - (iii) all insurance (as reimbursed to NQME by the Company).

The commercial tenancy agreement otherwise contains terms and conditions standard for an agreement of this nature.

#### 11.10 Licence of Office Space

The Company has entered into a licence agreement with Cyan Stone under which Cyan Stone grants a licence to the Company for use of the office located at Level 16, 5 Martin Place, Sydney, NSW. The material terms of the licence agreement are as follows:

- (a) (Term): the licence has no term and can be terminated at any time and for any reason by the parties.
- (b) (Licence Fee): the Company has agreed to pay a fee of \$110,000 per annum (inclusion of GST) for use of the office space (which is payable in equal monthly instalments in advance).

The licence agreement otherwise contains terms and conditions standard for an agreement of this nature.

#### 11.11 Operating Agreements

The Company has entered into a number of standard operating agreements including a haulage contract for the transport of ore stockpiles and financial leases in respect of various pieces of equipment **used in the Company's** exploration and mining activities. These operating agreements are entered into **on arm's length commercial terms with parties** of good standing.

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## 12. ADDITIONAL INFORMATION

### 12.1 Litigation

Other than as set out in this Prospectus, as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### 12.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### (a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

#### (b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### (c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the



amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the

holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

12.3 Incentive Option Terms

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.25 (Exercise Price).

(c) Exercise Period and Expiry Date

Class A Incentive Options

The Class A Incentive Options shall vest on the date that is one (1) year after the date that the Incentive Options are granted (Class A Vesting Date).

The Class A Incentive Options are exercisable during the period from the Class A Vesting Date to the date that is one (1) year after the Class A Vesting Date (Class A Expiry Date).

Any Class A Incentive Option not exercised before the Class A Expiry Date will automatically lapse on the Class A Expiry Date.

Class B Incentive Options

Class B Incentive Options shall vest in monthly increments, commencing on the date that is thirteen (13) months after the date that the Incentive Options are granted. The date that the relevant tranche of Class B Incentive Options vests is referred to as the Class B Vesting Date.

The Class B Incentive Option are exercisable at any time during the period from their relevant Class B Vesting Date to the date that is one (1) year after their relevant Class B Vesting Date (Class B Expiry Date).

Any Class B Incentive Option not exercised before their relevant Class B Expiry Date will automatically lapse on their relevant Class B Expiry Date.

(d) Cessation of Engagement

Upon the resignation of a holder, dismissal of a holder with cause or should the holder no longer be eligible to be a Director of the Company, all unvested Incentive Options shall lapse immediately.

Should a holder's engagement be terminated by the Company without cause or be made redundant, all unvested Incentive Options shall vest immediately.

(e) Notice of Exercise

The Options may be exercised during the relevant Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the

Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are not transferable.

## 12.4 Incentive Option Scheme

(a) Eligibility and Grant of Options

The Board may grant Options to:

- (i) a Director (whether executive or non-executive) of any Group Company;
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
- (iv) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under clauses (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Options under the Incentive Option Scheme.

(b) Consideration

Unless the Options are quoted on the ASX, Options issued under the Incentive Option Scheme will be issued for no more than nominal cash consideration.

(c) Exercise Price and Expiry Date

The exercise price and expiry date for Options granted under the Incentive Option Scheme will be determined by the Board prior to the grant of the Options. To the extent the ASX Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the ASX Listing Rules.

(d) Vesting Conditions

An Option may be made subject to Vesting Conditions as determined by the Board in its discretion and as specified in the Offer for the Option.

An Option granted under the Scheme will not vest and be exercisable unless the Vesting Conditions (if any) attaching to the Option have been satisfied and the Board has notified the Participant of that fact.

(e) Acceptance Time Period

An Eligible Participant (or permitted Nominee) may only accept an Offer no later than the Closing Date set out in the Offer Document.

(f) Number of Options

Subject to Rule 4.13 of the Incentive Option Scheme, the number of Options (if any) to be offered to an Eligible Participant from time to time will be determined by the Board in its discretion and in accordance with the Rules and applicable law and the ASX Listing Rules.

Each Option will entitle the holder to subscribe for and be allotted one Share.

(g) Limitations on Issues

The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offer made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by ASIC Class Order 14/1000 or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

(h) Quotation of Options

Options will not be quoted on the ASX, except as provided for by the Incentive Option Scheme or unless the Offer provides otherwise.

(i) Lapsing of Options

An Option will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Option occurring, as governed by Rule 6.3(c) of the Incentive Option Scheme;
- (ii) a Vesting Condition in relation to the Option is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Option under Rule 7.2 (*Vesting Condition Exceptions*) or clause 10.1(c)(ii) of the Incentive Option Scheme applies;

- (iii) in respect of unvested Options only, a holder ceases to be an Eligible Participant, unless the Board:
    - (A) exercises its discretion to vest the Option under Rule 7.2 (Vesting Condition Exceptions) of the Incentive Option Scheme; or
    - (B) in its absolute discretion, resolves to allow the unvested Options to remain unvested after the holder ceases to be an Eligible Participant;
    - (C) in respect of vested Options only, a holder ceases to be an Eligible Participant and the Option granted in respect of that holder is not exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant;
  - (iv) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under Rule 10.2 of the Incentive Option Scheme (*Fraud and Related Matters*);
  - (v) the Company undergoes a Change of Control or a winding up resolution or order is made, and the Option does not vest in accordance with Rule 7.2 (Vesting Condition Exceptions) of the Incentive Option Scheme; and
  - (vi) the Expiry Date of the Option.
- (j) Personal Offer
- Subject to Rule 4.4 of the Incentive Option Scheme, an Offer is personal and is not assignable.
- (k) Exchange Due to Change of Control
- If a company (Acquiring Company) obtains control of the Company as a result of a Change of Control and both the Company and the Acquiring Company agree, a Participant may, in respect of any vested Options that are exercised, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Options.
- (l) Participation in Rights Issues and Bonus Issues
- There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (m) Reorganisation
- If at any time the capital of the Company is reorganised, the terms of the Options will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(n) Overriding Restrictions on Issue and Exercise

Notwithstanding the Rules or the terms of any Option, no Option may be offered, granted or exercised and no Share may be issued under the Incentive Option Scheme if to do so:

- (i) would contravene the Corporations Act, the ASX Listing Rules or any other applicable law; or
- (ii) would contravene the local laws or customs of an Eligible Participant's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical

12.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director of the Company holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director of the Company:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

12.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (b) promoter of the Company,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;



- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts, other than as disclosed in this Prospectus, have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Mining One Pty Ltd has acted as Independent Technical Expert to the Company and has prepared the Independent Geologists Report included in Section 5. The Company estimates it will pay Mining One Pty Ltd a total of \$37,920 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Mining One Pty Ltd has not received any fees from the Company for any other services.

KPMG Financial Advisory Services (Australia) Pty Ltd has acted as Investigating Accountant to the Company and has prepared the Limited Assurance **Investigating Accountant's Report** which is included in Section 7. The Company estimates it will pay KPMG a total of \$235,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, KPMG has received \$42,878 in fees from the Company for services other than for acting as Investigating Accountant to the Company and audit services.

KPMG has acted as auditor to the Company in relation to the Offer and has prepared the audited historical financial information which is included in Section 6. The Company estimates it will pay KPMG a total of \$151,524 (excluding GST) for audit services in relation to the FY19 financial statement audit. During the 24 months preceding lodgement of this Prospectus with the ASIC, KPMG has received \$466,118 in fees from the Company for audit services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer and has prepared the **Solicitor's Tenement Report** which is included in Section 8. The Company estimates it will pay Steinepreis Paganin \$150,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received \$293,854 in fees for legal services provided to the Company.

## 12.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section 12.7:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section 12.7; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 12.7.

Mining One Pty Ltd has given its written consent to being named as Independent Technical Expert to the Company in this Prospectus and to the inclusion of the Independent Geologists Report in Section 5 in the form and context in which the report is included and the inclusion of statements contained in the Investment Overview and Section 3 in the form and context in which those statements are included. Mining One Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

KPMG Financial Advisory Services (Australia) Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the **Limited Assurance Investigating Accountant's Report** in Section 7 in the form and context in which the report is included. KPMG has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

KPMG has given its written consent to being named as auditor in this Prospectus and to the inclusion of the audited historical financial information of the Company in Section 6, in the form and context in which the information is included. KPMG has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Tenement Report in Section 8 in the form and context in which the report is included. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Security Transfer Australia Pty Ltd (ACN 008 894 488) has given its written consent to being named as the share registry to the Company in this Prospectus. Security Transfer Australia Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Patersons Securities Limited (ACN 008 896 311) has given its written consent to being named as financial adviser to the Company in this Prospectus. Patersons Securities Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 12.8 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$875,553 and are expected to be applied towards ASIC fees, ASX fees, legal fees, independent expert fees and other miscellaneous fees and expenses.

## 12.9 Continuous disclosure obligations

The Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) following re-admission to the Official List and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any

information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to the ASX. In addition, the Company posts this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

#### 12.10 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at [www.csdin.com.au](http://www.csdin.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### 12.11 Financial Forecasts

**Given the current status of the Company's Projects** and the speculative nature of mineral exploration and development, the Directors do not consider it is appropriate to forecast future earnings.

Any forecast or projection information could contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.

#### 12.12 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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13. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

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Chairman  
For and on behalf of  
Consolidated Tin Mines Limited

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14. GLOSSARY

Where the following terms are used in this Prospectus, they have the following meanings:

\$ means an Australian dollar.

AEST means Australian Eastern Standard Time as observed in Sydney New South Wales Australia.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

Asset Sale Agreement means the asset sale agreement entered into by the Company with SPM, SPII, Surveyor and Colinacobre on 23 October 2014 as amended by the First Deed of Reinstatement and Variation and Second Deed of Reinstatement and Variation.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Colinacobre means to Company's wholly owned subsidiary Colinacobre Pty Ltd (ACN 601 312 207).

Company means Consolidated Tin Mines Limited (ACN 126 634 606).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

General Meeting means the Company's annual general meeting for the financial year ended 30 June 2018 held on 13 September 2019.

Notice of Meeting means the notices of annual general meetings of the Company dated 13 August 2019.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 2.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

SPM means Snow Peak Mining Pty Ltd (ACN 161 212 504).

SPII means Snow Peak International Investments Limited (Company Number 1660120) (a company incorporated in Hong Kong).

Surveyor means the Company's wholly owned subsidiary Surveyor Mining Pty Ltd (ACN 601 108 776).

Tenements means the mining tenements (including applications) in which the Company has an interest as described in the **Solicitor's Tenement Report** set out in Section 8 or any one of them as the context requires.

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## ANNEXURE A – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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### 1. Basis of preparation

The Financial Information has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), including Australian Accounting Interpretations and the Corporations Act 2001.

The Financial Information are presented in Australian dollars.

The Financial Information complies with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

### 2. Basis of consolidation

The Financial Information incorporates all of the assets, liabilities and results of the Company and all of its subsidiaries (or referred to as the Group). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transaction, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

### 3. Going concern basis for preparation of financial statements

In the financial statements across the FY16, FY17, FY18, FY19, HY18 and HY19, without qualifying their opinion, KPMG included in their auditor's report an Emphasis of Matter as a material uncertainty existed that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether the Company will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. As such the future going concern of the Company is reliant on future funding and operations becoming cash flow positive. The Directors are confident that the Company will have sufficient working capital to meet its debts as they arise and/or to continue trading as a going concern. The Financial Information has been prepared on a going concern basis.

At 30 June 2019 the Group had a cash balance of \$10.5 million (31 December 2018: \$486,964), a working capital deficiency of \$38.5 million (31 December 2018: \$36.2 million) and incurred net operating cash outflows of \$19.6 million (half year to 31 December 2018: \$12.8 million).

Should there be deficiencies in the achievement of the operations plans the Group will be required to enter into additional capital raising activities via private



placements or source additional financial support in addition to the debt financing.

4. Historical cost convention

The Financial Information has been prepared on a historical cost basis.

5. Critical accounting estimates and judgements

The preparation of Financial Information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

6. Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company has contracts for the sale of mineral concentrates in parcel sizes ranging from 500 wet metric tonnes (wmt) to 10,000 wmt. Final revenue determined for each sale is dependent upon the final assays received from internationally recognised third party laboratories and exchanged with buyers and final prices. Final prices are determined as the monthly average price of the relevant commodity over a quotational period. The quotational period is determined following delivery of a full parcel to port or domestic smelter and is typically the month following delivery or the third month following delivery of the parcel.

Metal sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of shipping costs and foreign exchange movements.

7. Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying value of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

## 8. Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of **the asset's recoverable amount**. **An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value.** In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in profit or loss unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has **been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.** If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at re-valued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods **to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.**

## 9. Fair value estimation

A number of the Company's accounting policies require the determination of fair value. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

- (a) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the group.
- (b) Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.
- (c) The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using

the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

- (d) In measuring fair value, the group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

#### 10. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of mining inventories is determined using a weighted average basis. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory.

#### 11. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the written down value method or straight-line method to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Asset Class	Depreciation Rate
Mount Garnet Processing Plant	Straight line – estimated useful life for different components between 2 to 8.5 years
Buildings	5% straight line
Office equipment and fittings	20% written down value
Motor vehicles	20% written down value
Site equipment	20% written down value

Mining tenements and exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Balances classified as mining tenements represent the accumulated exploration and evaluation expenditure incurred in relation to areas of interest in which mining of a mineral resource is planned to or has commenced.

Accumulated expenditure in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated expenditure for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward expenditure in relation to that area of interest.

In respect of mining tenements, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## 12. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.