

## **JUNE 2019 QUARTER ACTIVITIES REPORT**

### **QUARTERLY ACTIVITIES OVERVIEW**

- ❖ Mining of the Dry River South (DRS) upper levels continued during the quarter with over 50,000 tonnes of ore extracted. Refurbishment of the DRS decline to access lower levels continued during the quarter.
- ❖ Development of the Mount Garnet Deeps decline as well as drive development in ore continued during the quarter.
- ❖ Ore from Mount Garnet Deeps continued during the quarter with small quantities of remnant ore from Mount Garnet upper also mined, in total, over 16,000 tonnes of ore was mined from Mount Garnet.
- ❖ Several processing campaigns were performed by the Mount Garnet Mill during the quarter with over 68,000 tonnes of ore being processed.

### **SUBSEQUENT TO QUARTER END**

- ❖ Mount Garnet Deeps decline and ore drives are continuing to be developed
- ❖ Mt Garnet Mill is progressing towards a steady state of production with prolonged processing campaigns as mining operations continue to ramp up and additional ore is sourced from the Mount Garnet Deeps deposit.

### **OPERATIONS**

Development of the new Mount Garnet Deeps decline continued throughout the quarter in parallel with ore drive development and will continue in the September 2019 quarter. Increasing quantities of development ore will continue to be mined from the Mount Garnet Deeps deposit with stoping ore expected to be mined in the September 2019 quarter.

Continued refurbishment of the DRS decline is progressing in parallel with ore drive refurbishment of existing levels. Mining of ore from the DRS mine is gradually increasing towards a steady state of production.

The Mount Garnet Mill performed several processing campaigns throughout the quarter. It is progressing towards a steady state of production with a significant increase in ore being processed in comparison to the

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

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

### Base Metal Production

|                                  | June 2019 quarter<br>(3 months) | Year to Date<br>(12 months) |
|----------------------------------|---------------------------------|-----------------------------|
| Ore processed                    | 68,052 tonnes                   | 189,069 tonnes              |
| Mill feed grade Zn               | 4.40 %                          | 5.55 %                      |
| Mill feed grade Pb               | 1.33 %                          | 1.66 %                      |
| Mill feed grade Cu               | 1.18 %                          | 0.97 %                      |
| Zn recovery                      | 84.15 %                         | 86.40 %                     |
| Pb recovery                      | 44.55 %                         | 47.50 %                     |
| Cu recovery                      | 62.17 %                         | 53.90 %                     |
| Zn metal produced in concentrate | 2,432 Tonnes                    | 8,726 tonnes                |
| Pb metal produced in concentrate | 389 Tonnes                      | 1,433 tonnes                |
| Cu metal produced in concentrate | 483 Tonnes                      | 951 tonnes                  |

### CORPORATE

During the quarter, the Company finalised two private placements, \$4 million to Mr Tiesong Duan in May 2019 and \$19.95 million to Wealth Pointer Global Limited in June 2019. In total, the Company issued 39,636,133 shares at \$0.605 per share to raise a total of \$23,949,610.

The CSD Board continues to progress the preparation of a Prospectus for reinstatement to trading on ASX and this is expected to be released in the September 2019 quarter. Directors will keep shareholders and the market informed of any developments relating to the reinstatement to trading on the ASX through the issue of further Company announcements as soon as further information becomes available.

## **CASH RESERVES & LOAN FACILITIES**

The Company had \$10,502,315 in cash reserves at the end of the June 2019 quarter.

As reported in the June 2018 Annual Report, Cyan Stone Pty Ltd (Cyan) agreed to provide the Company with two loan facilities totalling \$40 million. The operating loan facility was increased from \$25 million to \$30 million in January 2019 and extended for one year to November 2020.

For further information, please contact:

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

**Table 1: Schedule of Tenements as at 30 June 2019**

| Registered Holder      | Tenement No. | Tenement Name           | Interest at start of quarter | Interest at end of quarter | Status       |
|------------------------|--------------|-------------------------|------------------------------|----------------------------|--------------|
| Consolidated Tin Mines | MDL 38       | Gillian                 | 100%                         | 100%                       | Granted      |
|                        | MDL 381      | Windermere              | 100%                         | 100%                       | Granted      |
|                        | MDL 482      | Jeannie River           | 100%                         | 100%                       | Granted      |
|                        | EPM 14185    | Mt Garnet               | 100%                         | 100%                       | Granted      |
|                        | EPM 15611    | Lynd River              | 100%                         | 100%                       | Granted      |
|                        | EPM 17073    | Mt Garnet Extended      | 100%                         | 100%                       | Granted      |
|                        | EPM 17547    | Tate River Extended     | 100%                         | 100%                       | Granted      |
|                        | EPM 17623    | Mt Garnet West          | 100%                         | 100%                       | Granted      |
|                        | EPM 17753    | Mt Garnet Nth West      | 100%                         | 0%                         | Relinquished |
|                        | EPM 17917    | Smith's Creek Extended  | 100%                         | 100%                       | Granted      |
|                        | EPM 18000    | Mt Garnet East          | 100%                         | 0%                         | Relinquished |
|                        | EPM 18118    | Bolwarra                | 100%                         | 0%                         | Relinquished |
|                        | EPM 18321    | Mt Garnet South         | 100%                         | 0%                         | Relinquished |
|                        | EPM 18795    | Gillian                 | 100%                         | 100%                       | Granted      |
|                        | EPM 19105    | Jimilly North           | 100%                         | 100%                       | Granted      |
|                        | EPM 19204    | Nettle Creek South      | 100%                         | 100%                       | Granted      |
|                        | EPM 19468    | Jeannie River Extended  | 100%                         | 0%                         | Relinquished |
|                        | EPM 19603    | Dinner Creek            | 100%                         | 0%                         | Relinquished |
|                        | EPM 25386    | Spring Creek            | 100%                         | 0%                         | Relinquished |
|                        | EPM 25427    | Nettle Creek            | 100%                         | 100%                       | Granted      |
|                        | EPM 25428    | Reedy Creek             | 100%                         | 100%                       | Granted      |
|                        | EPM 25689    | Twelve Mile             | 100%                         | 100%                       | Granted      |
|                        | EPM 25702    | Soda                    | 100%                         | 100%                       | Granted      |
|                        | EPM 25711    | Brownville              | 100%                         | 100%                       | Granted      |
|                        | EPM 25939    | Torwood                 | 100%                         | 100%                       | Granted      |
|                        | EPM 26087    | Einasleigh Extended     | 0%                           | 100%                       | Granted      |
|                        | EPM 26635    | Einasleigh Upper        | 0%                           | 100%                       | Granted      |
|                        | EPMA 26540   | Silver Valley           | 0%                           | 0%                         | Application  |
|                        | EPMA 27044   | Dead Horse              | 0%                           | 0%                         | Application  |
|                        | EPMA 27167   | Antimony Reward         | 0%                           | 0%                         | Application  |
|                        | EPMA 27188   | Beverly Hills           | 0%                           | 0%                         | Application  |
|                        | EPMA 27226   | Herberton               | 0%                           | 0%                         | Application  |
|                        | EPMA 27227   | Silver Valley           | 0%                           | 0%                         | Application  |
|                        | EPMA 27299   | Maitland East           | 0%                           | 0%                         | Application  |
|                        | MLA 20583    | Mid Battle Creek        | 0%                           | 0%                         | Application  |
|                        | MLA 20585    | Upper Battle Creek      | 0%                           | 0%                         | Application  |
|                        | MLA 20694    | Windermere              | 0%                           | 0%                         | Application  |
|                        | ML 20743     | Gillian                 | 100%                         | 100%                       | Granted      |
|                        | MLA 100022   | Maitland                | 0%                           | 0%                         | Application  |
|                        | MLA 100211   | Einasleigh Copper Mines | 0%                           | 0%                         | Application  |
|                        | MLA 100212   | Kaiser Bill             | 0%                           | 0%                         | Application  |
| CTM Alluvial Pty Ltd   | EPM 26453    | Lynd Regional           | 0%                           | 100%                       | Granted      |
|                        | ML 4069      | Nettle Creek            | 100%                         | 100%                       | Granted      |
|                        | ML 4073      | Nettle Creek            | 100%                         | 100%                       | Granted      |
|                        | ML 4074      | Nettle Creek            | 100%                         | 100%                       | Granted      |
|                        | EPMA 26910   | Tate Lynd               | 0%                           | 0%                         | Application  |
|                        | MLA 20721    | Kangaroo Creek          | 0%                           | 0%                         | Application  |
|                        | MLA 20722    | Martins Terrace         | 0%                           | 0%                         | Application  |
|                        | MLA 20723    | Martins Hill            | 0%                           | 0%                         | Application  |
|                        | MLA 100023   | Boomerang               | 0%                           | 0%                         | Application  |

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

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

## Appendix 5B

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

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

### Name of entity

Consolidated Tin Mines Ltd

### ABN

57 126 634 606

### Quarter ended ("current quarter")

30 June 2019

| Consolidated statement of cash flows                      | Current quarter<br>\$'000 | Year to date<br>(12 months)<br>\$'000 |
|---|---------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                           |                                       |
| 1.1 Receipts from customers                               | 6,117                     | 25,730                                |
| 1.2 GST refunds   | -                         | 682                                   |
| 1.3 Payments for  |                           |                                       |
| (a) mining & processing                                   | (3,423)                   | (11,239)                              |
| (b) staff costs   | (6,667)                   | (19,408)                              |
| (c) administration and corporate costs                    | (1,401)                   | (3,066)                               |
| (d) other suppliers                                       | (2,183)                   | (8,615)                               |
| 1.4 Dividends received (see note 3)                       | -                         | -                                     |
| 1.5 Interest received                                     | 8                         | 9                                     |
| 1.6 Interest and other costs of finance paid              | (118)                     | (226)                                 |
| 1.7 Income taxes paid                                     | -                         | -                                     |
| <b>1.8 Net cash from / (used in) operating activities</b> | <b>(7,667)</b>            | <b>(16,133)</b>                       |
| <b>2. Cash flows from investing activities</b>            |                           |                                       |
| 2.1 Payments to acquire / for:                            |                           |                                       |
| (a) exploration & evaluation                              | (477)                     | (1,826)                               |
| (b) property, plant and equipment                         | (542)                     | (2,92)                                |
| (c) mine development                                      | (5,672)                   | (11,346)                              |
| (d) tenements (see item 10)                               | -                         | -                                     |

+ See chapter 19 for defined terms

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter</b> | <b>Year to date<br/>(12 months)</b> |
|---|--|------------------------|-------------------------------------|
|   |  | <b>\$'000</b>          | <b>\$'000</b>                       |
|   | (e) other non-current assets   | -                      | -                                   |
| 2.2   | Proceeds from the disposal of:   |                        |                                     |
|   | (a) property, plant and equipment  | -                      | -                                   |
|   | (b) tenements (see item 10)  | -                      | -                                   |
|   | (c) other non-current assets   | -                      | -                                   |
| 2.3   | Cash flows from loans to other entities                                      | -                      | -                                   |
| 2.4   | Dividends received (see note 3)  | -                      | -                                   |
| 2.5   | Other  | -                      | -                                   |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b>                        | <b>(6,691)</b>         | <b>(15,464)</b>                     |
| <b>3.</b>                                   | <b>Cash flows from financing activities</b>                                  |                        |                                     |
| 3.1   | Proceeds from issues of shares   | 23,950                 | 34,389                              |
| 3.2   | Proceeds from borrowings   | 1,283                  | 12,866                              |
| 3.3   | Repayment of borrowings  | (390)                  | (5,501)                             |
| 3.4   | Dividends paid   | -                      | -                                   |
| 3.5   | Other (provide details if material)  | -                      | -                                   |
| <b>3.6</b>                                  | <b>Net cash from / (used in) financing activities</b>                        | <b>24,843</b>          | <b>41,754</b>                       |
| <b>4.</b>                                   | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |                        |                                     |
| 4.1   | Cash and cash equivalents at beginning of period                             | 17                     | 345                                 |
| 4.2   | Net cash from / (used in) operating activities (item 1.8 above)              | (7,667)                | (16,133)                            |
| 4.3   | Net cash from / (used in) investing activities (item 2.6 above)              | (6,991)                | (15,464)                            |
| 4.4   | Net cash from / (used in) financing activities (item 3.6 above)              | 24,843                 | 41,754                              |
| 4.5   | Effect of movement in exchange rates on cash held                            | -                      | -                                   |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b>                            | <b>10,502</b>          | <b>10,502</b>                       |

+ See chapter 19 for defined terms

| <b>5. Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$'000</b> | <b>Previous quarter<br/>\$'000</b> |
|--|-----------------------------------|------------------------------------|
| 5.1 Bank balances  | 10,502                            | 17                                 |
| 5.2 Call deposits  | -                                 | -                                  |
| 5.3 Bank overdrafts  | -                                 | -                                  |
| 5.4 Other (provide details)  | -                                 | -                                  |
| <b>5.5 Cash and cash equivalents at end of quarter<br/>(should equal item 4.6 above)</b>   | <b>10,502</b>                     | <b>17</b>                          |

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

- 6.1 Aggregate amount of payments to these parties included in item 1.3
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$'000**

639

-

\$120,000 paid to ARM (NQ) Pty Ltd being for property rent  
\$73,920 paid to NQ Mining Enterprises being for office rent  
\$445,333 paid to the directors being for salaries and directors fees

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

- 7.1 Aggregate amount of payments to these parties included in item 1.3
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$'000**

-

-



| <b>8. Financing facilities available</b>   | <b>Total facility amount at<br/>quarter end<br/>\$'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$'000</b> |
|--|--|---|
| <i>Add notes as necessary for an understanding of the position</i>   |  |   |
| 8.1 Loan facilities  | 40,000   | 39,305  |
| 8.2 Credit standby arrangements  | -  | -   |
| 8.3 Other (please specify)   | -  | -   |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |  |   |

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

- \$10m commencing September 2017 for a 3-year period, fully drawn at quarter end; and
  - \$30m commencing November 2017 for a 3-year period, remaining facility \$695k at quarter end.
- These loans incur interest at 6% p.a. and are secured by a floating charge over all of the Group's assets.

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$'000</b> |
|--|---------------|
| 9.1 Exploration and evaluation                     | 900           |
| 9.2 Development                                    | 2,911         |
| 9.3 Mining & processing                            | 3,826         |
| 9.4 Property, plant & equipment                    | -             |
| 9.5 Bonds  | -             |
| 9.6 Staff costs                                    | 5,484         |
| 9.7 Administration and corporate costs             | 1,384         |
| 9.8 Finance lease                                  | 1,216         |
| 9.8 Other (provide details if material)            | -             |
| <b>9.9 Total estimated cash outflows</b>           | <b>15,722</b> |

| 10.  | Changes in tenements (items 2.1(b) and 2.2(b) above)                                  | Tenement reference and location   | Nature of interest  | Interest at beginning of quarter         | Interest at end of quarter           |
|------|---|---|---|--|--------------------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | EPM 17753 - Mt Garnet Nth West<br>EPM 18000 - Mt Garnet East<br>EPM 18118 - Bolwarra<br>EPM 18321 - Mt Garnet South<br>EPM 19468 - Jeannie River Extended<br>EPM 19603 - Dinner Creek<br>EPM 25386 - Spring Creek<br><br>-----<br>EPM 18093 - Newcastle<br>EPM 18284 - Nine Mile<br>EPM 25211 - Tooth Dam | Legal holder<br><br><br><br><br><br><br><br>Beneficial interest | 100%<br><br><br><br><br><br><br><br>100% | 0%<br><br><br><br><br><br><br><br>0% |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased           | EPM 26087 - Einasleigh Extended<br>EPM 26635 - Einasleigh Upper<br><br>-----<br>EPM 26453 - Lynd Regional   | Legal holder<br><br><br><br>Held by wholly owned subsidiary     | 0%<br><br><br><br>0%                     | 100%<br><br><br><br>100%             |

## Compliance statement

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

Sign here: \_\_\_\_\_  
(Director)

Date: 31 July 2019

Print name: Ze Huang Cai

**Notes**

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