

DECEMBER 2015 QUARTER ACTIVITIES AND  
CASHFLOW REPORT

ABN: 57 126 634 606  
Phone: +61 (7) 4032 3319  
[info@csdmin.com.au](mailto:info@csdmin.com.au)  
[www.csdmin.com.au](http://www.csdmin.com.au)

ASX RELEASE

**ASX CODE: CSD****ABOUT CSD**

Consolidated Tin Mines (ASX: CSD) has a significant tin project in advanced stage DFS and manages base metals producing assets

**SHARES ON REGISTER**

279,770,521

**TOP 5 SHAREHOLDERS**

Snow Peak Int'l	22.8%
ARM (NQ) Pty Ltd	11.6%
Ralph De Lacey	5.8%
HSBC Cust Ltd	2.1%
Baoxian Ji	1.9%

**OBJECTIVE**

To become a fully diversified producer of base metals in concentrate and to develop the tin project through to production thus minimising metal price fluctuation risk

**STRATEGY**

To develop and establish tin production and focus on increasing mine life and production profile by developing other tin and base metal production opportunities within the broader Mt Garnet/ Greenvale/Einasleigh region

**Snapshot:**Current **CSD Share Price: \$0.030**Current LME Price **Tin: US\$14,075****Zinc: US\$1,597****Copper: US\$4,507****Lead: US\$1,655****About Consolidated Tin Mines**

Consolidated Tin Mines (ASX: CSD) is finalising the acquisition and transfer of all assets held by Snow Peak Mining Pty Ltd SPM under an Asset Sale Agreement (ASA) set out in a notice of meeting release to the ASX on 1<sup>st</sup> December 2014. When complete, the Company will become a base metals producer, producing Zinc, Lead and Copper concentrates with a Silver co-product. During the transitional period the company manages the SPM operations which produce polymetallic ore with the ore processed at the Mount Garnet concentrator located approximately 140kms south west of Cairns. SPM through a free carry farm-in agreement over SPM's exploration tenures, is actively exploring within the highly prospective Einasleigh/Greenvale areas. The Company is also a focused tin explorer and developer, with its major tin development project, comprising of the Gillian and Pinnacle deposits, located in Mount Garnet. All CSD's projects are located in established mining areas of North Queensland and are in close proximity to SPM's operating concentrating infrastructure.

**December Quarter 2015****Corporate**

On 21 December 2015, CSD requested a trading halt for the purpose of reviewing the Company's operations including the acquisition of the assets of Snow Peak Mining Pty Ltd. Due to the extended time required to undertake the review CSD further requested a voluntary suspension pursuant to ASX Listing Rule 17.2 on 23 December 2015, allowing suspension to the 8 January 2016 or until an announcement is made.

**Activities Post 31 December 2015:**

On 7 January 2016, the company made notification to the ASX that CSD continues to work with SPM and their secured lenders to remove securities attached to the SPM assets, allowing settlement of the Asset Sale Agreement, and in addition, advised that CSD is in advanced discussions to establish additional project finance. The ASX notification requested a further suspension under Listing Rule 17.2 until the earlier of the commencement of trading on Monday 1 February 2016, or an announcement is made.

**Registered Office:**

395 Lake Street,  
Cairns North, QLD, 4870  
Ph: +61 (0) 7 4032 3319

### ASX Listing Rule Waiver

On 22<sup>nd</sup> January 2016 the Australian Securities Exchange (ASX) granted the Company a waiver from Listing Rule 10.13.3, relating to the timing of the issue of securities to related parties pursuant to shareholder approval sought in respect of the asset sale agreement with SPM and Snow Peak International Investments Limited (SPII) (Asset Sale Agreement), such that the securities to be issued pursuant to the Asset Sale Agreement may be issued no later than 12 months after the date of the relevant shareholder meeting.

Pursuant to the terms and conditions of the ASX waiver, the Company confirms that at the date of this report:

1. No securities have been issued to related parties in respect of the terms of the Asset Sale Agreement; and
2. Upon successful completion of the conditions precedent to the Asset Sale Agreement, securities will be issued to related parties as follows:
  - 580,000,000 ordinary fully paid shares and 165,000,000 convertible notes to SPM; and
  - 30,000,000 ordinary fully paid shares to SPII.

A total of 22,489,450 issued Options expired on 31st December 2015.

### Snow Peak Mining Pty Ltd Asset Acquisition

Settlement of the SPM asset acquisition has encountered some unforeseen delays. CSD is actively working with related parties and security holders to allow completion of settlement.

### SPM Base Metals Production

During the December Quarter 109,064 tonnes of ore was produced from SPM Mt Garnet underground mine located adjacent to the Mt Garnet processing plant. The Surveyor Mine transitioned into temporary care and maintenance in early September 2015.

During the Quarter 15,170 DMT of Zinc concentrate, 351 DMT of Lead concentrate and 1,398 DMT tonnes of Copper concentrate was hauled to Townsville Port for export.

The Mt Garnet concentrator continues operating 24/7 with through-put of approximately 1,185 ore tonnes per day.

<b>Mt Garnet Processing Plant</b>		<b>Amount</b>
<b>Oct – Dec 2015</b>		
Average Processed Tonnes Per Hour	(t)	56.9
Average Daily Ore Processed	(DMT)	1,185
Average Daily Concentrate Zn	(DMT)	165
Average Daily Concentrate Pb	(DMT)	1.8
Average Daily Concentrate Cu	(DMT)	13.6
Zn Metal Tonnes Produced	(t)	7,189
Zn Average Feed Grade	%	7.38
Pb Metal Tonnes Produced	(t)	80
Pb Average Feed Grade	%	0.36
Cu Metal Tonnes Produced	(t)	339
Cu Average Feed Grade	%	0.46
Ag Metal Ounces (Troy) Produced	(oz)	18,894
Concentrate Hauled to Townsville Port Oct – Dec 2015	(DMT)	16,919

Three shipments of concentrate were exported in the December Quarter:

- MV King Rice – 2,448 wmt Cu Concentrate
- MV Famagusta – 3,225 wmt Pb Concentrate
- MV Atlantic Spirit – 10,391 wmt Zn Concentrate

### **Mt Garnet Tin Project Definitive Feasibility (DFS) Study Progress**

Practical completion of the Gillian Definitive Feasibility Study (DFS) has been undertaken confirming significant tin recovery improvements from the pre-feasibility study (PFS) (ASX release 30<sup>th</sup> September 2013). Improvements see results of 85% to 95% Sn recovery with a marketable SnO<sub>2</sub> product, compared with previous PFS results of 72% Sn recovery.

Taking into consideration market changes post PFS and the fact that the PFS included both the Gillian and Pinnacles deposits with a nine year mine life, compared to current Gillian only DFS with a comparably shorter mine life the CSD board determined the next appropriate step for the Mt Garnet Tin Project is to progress the DFS to include additional resources to extend the mine life and improve economics. The company is working towards the completion of the combined DFS in the first half of 2016.

### **Exploration Activity – SPM Exploration Tenure**

SPM through a farm-in agreement between SPM and Wanguo International Mining Group (Wanguo) over SPM's Exploration tenures, is actively exploring within the highly prospective Einasleigh/Greenvale areas.

Wanguo commenced drilling programs in July 2015.

Summary of drill results from Kaiser Bill (KB151) and Jackson (JA086B) include:

**KB151** was collared at 186870E, 7948490N (MGA94z55) with an Azimuth of 286 Degrees and targeted the southern, down-dip edge of the deposit. The Kaiser Bill sulphide resource dips south at approximately 30 degrees, and plunges to the west-south-west.

Hole	Northing (m)	Easting (m)	RL (m)	EOH(m)	Dip	Azi	
KB151	7948490N	186870E	478	333.1	-70	286°AMG	
	FROM	TO	INTERVAL	% Cu	g/t Ag	g/t Au	
	300	311	11	1.46	7.9	0.29 uncut	
	300	311	11	1.46	7.9	0.20 cut	

**JA086B** was collared at 815620E, 7939663N (MGA94 55) with an Azimuth of 161 Degrees and targeted the extension of the north-dipping, sheet-like deposit beyond the limits of the currently defined resources.

Hole	Northing (m)	Easting (m)	RL (m)	EOH(m)	Dip	Azi	
JA086B	7939663N	815630E	593	228.2	-65	161 °AMG	
	FROM	TO	INTERVAL	% Pb	% Zn	% Cu	Ag g/t
	159	161	2	1.01	5.12	0.04	62
	163	174	11	2.12	4.70	0.16	32.1

Further information in regards to these drill holes is reported in ASX releases dated 8<sup>th</sup> October 2015 ('Results from Einasleigh Exploration Program') and 15<sup>th</sup> October 2015 ('Further Encouraging Results from Einasleigh Exploration').

Planning is ongoing for further ground based IP, magnetic surveys and drilling for known resource areas of Kaiser Bill, Chloe/Jackson, and also within the Surveyor/Balcooma areas.

Costs, environmental and reporting requirements will continue to be funded and managed for all exploration activities by Wanguo International Mining Group, through the farm-in agreement with Snow Peak Mining Pty Ltd. This agreement will transfer to CSD upon completion of the Asset Sale Agreement, the details of which were set out in the Notice of Meeting dated 1<sup>st</sup> December 2014.

### Upcoming Activities

- Mining and Processing of base metals at Mt Garnet will continue.
- The DFS for the Mt Garnet Tin Project is progressing and being funded by revenue from the management of the SPM production assets
- Exploration drilling within the Einasleigh Project area will continue
- Finalisation of the SPM assets transfer and settlement is being progressed to completion.

## 1 SECURITY HOLDERS

Total ordinary shares on issue 279,970,521.

### Top 5 Shareholders at 31 December 2015

Shareholder	% Of Issued Capital
Snow Peak International Investments Ltd	22.75
ARM (NQ) Pty Ltd	11.56
De Lacey Ralph + Ryan M	5.80
HSBC Custody Nom Aust Ltd	2.13
Jl Baoxian	1.89

## 2 CASH RESERVES & LOAN FACILITIES

The Company had AUD 0.364 million in cash reserves at the end of the December quarter. As at 31 December 2015, the Company had available the \$1million loan facility from ARM (NQ) Pty Ltd, an entity associated with Mr Ralph De Lacey and Alex Tsoi Co-Executive Chairpersons of the Company, and Mr Martin Cai, Executive Director and CFO of the Company. The ARM loan facility remains undrawn at the end of the December quarter.

For further information, please contact:

Cairns Corporate Headquarters  
 Phone: +61 (0) 7 4032 3319  
 Website: [www.csdtin.com.au](http://www.csdtin.com.au)  
 Email: [admin@csdtin.com.au](mailto:admin@csdtin.com.au)

The information extracted from previous ASX announcements contained in this announcement are available to view on [www.csdtin.com.au](http://www.csdtin.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement 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. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

**Table 1: Schedule of Tenements**

Registered Holder	Tenement No.	Tenement Name	Interest at start of quarter	Interest at end of quarter	Status
Consolidated Tin Mines	MDL 38	Gillian	100%	100%	Granted
	MDL 381	Windermere	100%	100%	Granted
	MDL 448	Herberton Deep Lead	100%	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 17548	Petford East	100%	100%	Granted
	EPM 17550	Herberton Extended	100%	100%	Granted
	EPM 17551	Smiths Creek	100%	100%	Granted
	EPM 17623	Mt Garnet West	100%	100%	Granted
	EPM 17753	Mt Garnet Nth West	100%	100%	Granted
	EPM 17875	Lynd River Extended	100%	100%	Granted
	EPM 17917	Smith's Creek Extended	100%	100%	Granted
	EPM 18000	Mt Garnet East	100%	100%	Granted
	EPM 18118	Bolwara	100%	100%	Granted
	EPM 18321	Mt Garnet South	100%	100%	Granted
	EPM 18795	Gillian	100%	100%	Granted
	EPM 19105	Jimilly North	100%	100%	Granted
	EPM 19204	Nettle Creek South	100%	100%	Granted
	EPM 19323	Kangaroo Creek	100%	100%	Granted
	EPM 19468	Jeannie River Extended	100%	100%	Granted
	EPM 19603	Dinner Creek	100%	100%	Granted
	EPM 25386	Spring Creek	100%	100%	Granted
	EPM 25427	Nettle Creek	100%	100%	Granted
	EPM 25428	Reedy Creek	100%	100%	Granted
	EPM 25689	Twelve Mile	100%	100%	Granted
	EPM 25702	Soda	100%	100%	Granted
	EPMA 25711	Brownville	0%	0%	Application
	EPM 25939	Torwood	0%	100%	Granted
	EPMA 26087	Einisleigh Extended	0%	0%	Application
	MLA 20583	Mid Battle Creek	0%	0%	Application
	MLA 20584	Nettle Creek Extended	0%	0%	Application
MLA 20585	Upper Battle Creek	0%	0%	Application	
MLA 20693	Pinnacles	0%	0%	Application	
MLA 20694	Windermere	0%	0%	Application	
ML 20743	Gillian	100%	100%	Granted	
MLA 100022	Maitland	0%	0%	Application	

Registered Holder	Tenement No.	Tenement Name	Interest at start	Interest at end	Status
CTM Alluvial Pty Ltd	ML 4069	Nettle Creek	100%	100%	Granted
	ML 4073	Nettle Creek	100%	100%	Granted
	ML 4074	Nettle Creek	100%	100%	Granted
	MLA 20544	Return Creek	0%	0%	Application
	MLA 20721	Kangaroo Creek	0%	0%	Application
	MLA 20722	Martins Terrace	0%	0%	Application
	MLA 20723	Martins Hill	0%	0%	Application
	MLA 100023	Boomerang	0%	0%	Application

## Appendix 5B

### Mining exploration entity 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, 01/05/2013

Name of entity

CONSOLIDATED TIN MINES LIMITED

ABN

57 126 634 606

Quarter ended ("current quarter")

31 December 2015

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Proceeds received on behalf of SPM	12,937	28,998
1.2 Payments for		
(a) exploration & evaluation	(451)	(952)
(b) development	-	-
(c) payments to suppliers on behalf of SPM on the operation of Mt Garnet	(12,326)	(26,275)
(d) administration	(850)	(2,633)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(50)	-
<b>Net Operating Cash Flows</b>	<b>(740)</b>	<b>(859)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(3)	(3)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)	-	3
<b>Net investing cash flows</b>	<b>(3)</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(743)</b>	<b>(859)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(743)	(859)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(743)	(859)
1.20	Cash at beginning of quarter/year to date	1,107	1,223
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>364</b>	<b>364</b>

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	831
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

(i)	\$342k – Remuneration paid to Directors and associates of the Directors
(ii)	\$ 15k – Office rent and motor vehicle expenses paid to NQ Mining Enterprise Pty Ltd an entity owned by Mr Ralph De Lacey
(iii)	\$ 24k – hire of accommodation for staff, paid to ARM (NQ) Pty Ltd an entity associated with Messers Ralph De Lacey, Martin Cai and Alex Tsoi
(iv)	\$450k – labour hire expenses paid to Workforce One Pty Ltd, an entity associated with Messers Ralph De Lacey, Martin Cai, Alex Tsoi and John Banning

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

+ See chapter 19 for defined terms.

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

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	1,000	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

4.1 Exploration and evaluation	\$A'000
	(221)
4.2 Development	-
4.3 Net cash flow from management of SPM Mt Garnet Operations	1,289
4.4 Administration	(1,125)
<b>Total</b>	<b>(57)</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	364	1,107
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>364</b>	<b>1,107</b>

+ See chapter 19 for defined terms.

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	EPM 25939	0%	100%

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	-	-		
7.2	-	-		
7.3	279,970,521	279,970,521		
7.4	-	-		
7.5	-	-		

+ See chapter 19 for defined terms.

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

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -		
7.7	<b>Options</b> (description and conversion factor)	-	-		
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	2,200,000 22,489,450	- 22,489,450	Exercise price 40 cents 20 cents	Expiry date 31/12/2015 31/12/2015
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (totals only)	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Managing Director)

Date: 29 January 2016

Print name: John Banning

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

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- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.