

13 November 2017

ASX/MEDIA RELEASE

ASX: CSD Share Price: \$0.025 (in trading halt)

ABN: 57 126 634 606

SEPTEMBER 2017 QUARTER ACTIVITIES REPORT

QUARTERLY ACTIVITIES OVERVIEW

- ❖ Recommended mining at the Mt Garnet underground mine on 5 July 2017 with first ore delivered to the ROM on 6 July.
- ❖ Dewatering of the lower levels of Mt Garnet underground mine completed in July.
- ❖ Completed the Mt Garnet Mill refurbishment and commissioning and commenced concentrate production on 24 July.
- ❖ Development work continued at the Dry River South (DRS) project, located 180km south of Mt Garnet at the Surveyor Mine, including:
 - Commissioning of the cased dewatering bore, including a new poly pipeline from the bore to the Balcooma pit, providing the infrastructure necessary to dewater the DRS mine.
 - Establishment of access to the DRS Portal.
 - Commencement of refurbishment of the DRS decline. Once completed, the decline will provide access to the upper production zones of DRS with production from DRS scheduled to commence early next year.
- ❖ Released an updated JORC Resource for Chloe and Jackson deposits at Einasleigh of 3Mt @ 5.3% Zn.
- ❖ Dismissal of Baal Gammon Copper's ("BGC") legal claim against the Company with BGC required to pay costs.
- ❖ \$1.8m payable to BGC under the Baal Gammon settlement agreement paid in full.

SUBSEQUENT TO QUARTER END

- ❖ Commenced trucking of concentrate to Townsville port in October.
- ❖ Released an updated JORC Resource for the Kaiser Bill deposit at Einasleigh of 15.5Mt @ 0.93% Cu.
- ❖ Announced CSD's "Company Roadmap Towards 2021" setting out a 4 year plan to maximise the value of the Company's projects (refer announcement dated 1 November 2017).

OPERATIONS

The Company completed dewatering the Mt Garnet underground mine in July 2017 and recommenced underground mining operations on 5 July 2017, with first ore delivered to the ROM on 6 July 2017.

The Mt Garnet processing plant refurbishment and commissioning has been completed with the first concentrate produced on 24 July 2017. Transporting of concentrate to Townsville Port and sale to an offtake partner began during October.

Base Metal Production for the September quarter

Ore processed	35,938	tonnes
Mill feed grade Zn	2.77	%
Mill feed grade Cu	0.38	%
Zn recovery	73.33	%
Cu recovery	67.73	%
Zn metal produced in concentrate	758	tonnes
Cu metal produced in concentrate	103	tonnes

Construction of a cased dewatering bore hole at the DRS project was completed in July 2017. A specialist submersible pump has been fitted at the bottom of the bore hole and is being used to transfer water from the DRS underground mine to the Balcooma pit, with progress on schedule. Dewatering of the upper levels of the DRS mine is complete.

The Surveyor in-pit dump has been reshaped to allow access to the historic DRS portal. Refurbishment of the DRS portal has been completed and refurbishment of the DRS decline is underway. Production from the upper levels of the DRS mine is scheduled to commence later this year.

EXPLORATION

Drilling at the Einasleigh Project is continuing with drilling programs underway at the **Chloe, Jackson and Kaiser Bill Prospects** (three separate drill rigs). These programs are part of the Company's focused exploration strategy to develop new base metal resources to underpin future production. Drill results from the Chloe drilling program were announced to the market 20 September and analysis of this data resulted in successful identification of extension potential of the known mineralisation footprint.

The following updated JORC Resource were recently announced to the ASX:

- Chloe and Jackson 3Mt @ 5.3% Zn *announced 19 September*
- Kaiser Bill 15.5Mt @ 0.93% Cu *announced 17 October*

The Company has also continued its exploration program targeting additional base metal resources that can be economically transported to the Mt Garnet processing plant, including:

- Completion of the second stage of drilling at the Mt Garnet Deeps project, with a third stage of drilling to be completed during the December quarter. Results of the Stage 2 drilling program were reported in the ASX announcement dated 10 July 2017. The Mt Garnet Deeps Project is a conceptual target parallel to the Mt Garnet underground mine and is being assessed with primary focus on the

economic viability of Area 1 (refer to the 10 July 2017 announcement for further details). A decision on developing this area will be made by the board during the December quarter.

- RC drilling of the Kingston and Clinker projects and the Balcooma deposit, all located near the Surveyor Mine.
- Drilling of the Gillian Zinc prospect, located 9 km south of Mt Garnet, which is targeting potential Zinc at depth beneath the Gillian tin project.
- Drilling of a multi-element (Pb, Zn, As, Cu) soil anomaly at the Nanyetta prospect, located three kilometres along strike to the north of the Mt Garnet mine.

The Company completed due diligence on the Muldiva prospect (refer CSD's ASX announcements dated 19 July and 30 October 2017). The results of this work indicated a potential prospect though did not meet the Company's expectation to add the anticipated tonnes and grade of ore to the Mt Garnet mill in a short timeframe and consequently the Board decided not to proceed with this acquisition.

CORPORATE

BGC's legal claim against the Company has been dismissed and BGC have been ordered to pay costs. Prior to this verdict the Company completed its obligation to pay \$1.8m to BGC under the Baal Gammon settlement agreement.

The Company's audited financial statements for the year ended 30 June 2016 were lodged with ASX on 18 July 2017 and the December 2016 half-year financial statements were lodged on 17 August 2017. Quarterly reports for June, September & December 2016 and March 2017 were lodged on 18 August 2017 and the June 2017 Quarterly report was lodged on 25 August. The audit of the Company's 30 June 2017 financial statements is expected to be completed during the December quarter. The Directors will keep shareholders informed of any developments relating to the reinstatement to trading on ASX through the issue of further Company announcements as soon as further information becomes available.

CASH RESERVES & LOAN FACILITIES

The Company had \$651,185 in cash reserves at the end of the September 2017 quarter.

As reported in the March 2017 Quarterly Activities Report dated 18 August 2017, Cyan Stone Pty Ltd (Cyan) has agreed to provide the Company with pre-payments of the subscription funds to fund the Company's working capital requirements and exploration activities. Whilst this is not a loan facility, should shareholders not approve the issue of shares to Cyan, the amounts prepaid will be converted into an interest-bearing loan.

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 September 2017

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 17623	Mt Garnet West	100%	100%	Granted
	EPM 17753	Mt Garnet Nth West	100%	100%	Granted
	EPM 17875	Lynd River Extended	100%	100%	Granted
	EPM 17917	Smith's Creek Extended	100%	100%	Granted
	EPM 18000	Mt Garnet East	100%	100%	Granted
	EPM 18118	Bolwarra	100%	100%	Granted
	EPM 18321	Mt Garnet South	100%	100%	Granted
	EPM 18795	Gillian	100%	100%	Granted
	EPM 19105	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
	EPM 25711	Brownville	100%	100%	Granted
	EPM 25939	Torwood	100%	100%	Granted
	EPMA 26087	Einasleigh Extended	0%	0%	Application
	EPMA 26540	Silver Valley	0%	0%	Application
	EPMA 26635	Einasleigh Upper	0%	0%	Application
	MLA 20583	Mid Battle Creek	0%	0%	Application
	MLA 20584	Nettle Creek Extended	0%	0%	Application
	MLA 20585	Upper Battle Creek	0%	0%	Application
	MLA 20693	Pinnacles	0%	0%	Application
	MLA 20694	Windermere	0%	0%	Application
	ML 20743	Gillian	100%	100%	Granted
	MLA 100022	Maitland	0%	0%	Application
Registered Holder	Tenement No.	Tenement Name	Interest at start	Interest at end	Status
CTM Alluvial Pty Ltd	EMPA 26453	Lynd Regional	0%	0%	Application
	ML 4069	Nettle Creek	100%	100%	Granted
	ML 4073	Nettle Creek	100%	100%	Granted
	ML 4074	Nettle Creek	100%	100%	Granted
	MLA 20721	Kangaroo Creek	0%	0%	Application
	MLA 20722	Martins Terrace	0%	0%	Application
	MLA 20723	Martins Hill	0%	0%	Application
	MLA 100023	Boomerang	0%	0%	Application

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

*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 September 2017

Consolidated statement of cash flows	Current quarter \$'000	Year to date (3 months) \$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,647)	(1,647)
(b) development	(2,185)	(2,185)
(c) mining & processing	(3,658)	(3,658)
(d) staff costs	(2,455)	(2,455)
(e) administration and corporate costs	(625)	(625)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Net cash from / (used in) operating activities	(10,569)	(10,569)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(28)	(28)
(b) tenements (see item 10)	-	-
(c) other non-current assets	-	-

+ See chapter 19 for defined terms

Consolidated statement of cash flows		Current quarter \$'000	Year to date (3 months) \$'000
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	Disposal of Baal Gammon rehab obligations	(400)	(400)
2.6	Other - bonds	(1,045)	(1,045)
2.7	Net cash from / (used in) investing activities	(1,473)	(1,473)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from borrowings	11,857	11,857
3.3	Repayment of borrowings	-	-
3.4	Dividends paid	-	-
3.5	Other (provide details if material)	-	-
3.6	Net cash from / (used in) financing activities	11,857	11,857
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	836	836
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,569)	(10,569)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,473)	(1,473)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11,857	11,857
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	651	651

+ See chapter 19 for defined terms

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$'000	Previous quarter \$'000
5.1 Bank balances	605	790
5.2 Call deposits	46	46
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	651	836

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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
258
-

- (i) \$219k— remuneration paid to Directors and associates of the Directors
- (ii) \$24k – paid to ARM (NQ)Pty Ltd, an entity associated with Messers Ralph De Lacey, Martin Cai and Alex Tsoi for rent on the Mt Garnet residential properties
- (iii) \$15k - occupancy costs paid to NQ Mining Enterprises Pty Ltd, an entity associated with Mr Ralph De Lacey

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

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$'000
-
-

8. Financing facilities available	Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
<i>Add notes as necessary for an understanding of the position</i>		
8.1 Loan facilities	-	-
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.		

Pursuant to the Asset Sale Agreement (ASA) with Snow Peak Mining Pty Ltd (SPM), the Group acquired assets and assumed the liabilities of SPM. The assumed liabilities included a \$10m loan from Snow Peak Global Company Limited (SPGC). The loan accrued interest at 10%, expired in October 2016 and \$10.75m (including unpaid interest) remains owing, and due and payable at call at the date of signing of this report. The amount outstanding does not continue to accrue interest.

Pursuant to the ASA, the Company issued 165m convertible notes with a face value of \$16.5m to SPM. The Administrators of SPM redeemed the convertible notes on 28 July 2016 and the convertible notes became a liability that was due and payable immediately from that date. \$16,816,438 is owing, and due and payable at call at the date of signing of this report. The amount outstanding does not continue to accrue interest.

Ming Huang Trading Limited provided the Company with a loan to fund care and maintenance operations during the voluntary administration of the Company. As at the date of signing this report, Ming Huang Trading Limited had provided \$2,723,913. This loan is not interest bearing and is due and payable at call.

Pursuant to a share subscription agreement and prepayment agreement, Cyan Stone Pty Ltd (Cyan) provided the Company with a loan to fund care and maintenance operations during the voluntary administration of the Company, to provide funds for the establishment of a creditors trust pursuant to the Deed of Company Arrangement executed by the Company, SPM and Cyan on 8 December 2016 and effectuated on 12 January 2017, to fund the Company's working capital requirements to recommence mining and processing operations and to fund the Company's exploration activities. As at the date of signing of this report, Cyan has prepaid the Company \$33,913,744. This prepayment is not interest bearing and will be converted into equity subject to shareholder approval. Should shareholder approval be not forthcoming, the prepayment will convert into a secured interest bearing loan, accruing interest at a rate of 10% per annum and will be due and payable immediately.

9. Estimated cash outflows for next quarter	\$'000
9.1 Exploration and evaluation	(3,870)
9.2 Development	(4,775)
9.3 Mining & processing	(5,903)
9.4 Property, plant & equipment	(66)
9.5 Bonds	(2,116)
9.6 Staff costs	(2,624)
9.7 Administration and corporate costs	(783)
9.8 Other (provide details if material)	-
9.9 Total estimated cash outflows	(20,137)

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

Compliance statement

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



Sign here:
(Company secretary)

Date: 13 November 2017

Print name: Ze Huang Cai (Martin)

Notes

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