

17 March 2016

Cairns Corporate Headquarters:
395 Lake Street, Cairns Qld 4870
Phone: +61 (7) 4032 3319
Email: info@cstdtin.com.au
Web: www.cstdtin.com.au

CONSOLIDATED TIN MINES LIMITED

ABN: 57 126 634 606 ASX: CSD



Current Share Price: \$0.030

COMPANY UPDATE

Consolidated Tin Mines Limited (ASX: CSD) (Company) is pleased to provide a summary review of the positive steps to advance the Company to where it is today.

COMPANY ESTABLISHED

Established in 2007 and listed on the ASX in February 2008. The Company's goal being to develop the known tin bearing Mount Garnet skarn deposits, with the main challenge being the separation of cassiterite (tin ore or SnO₂) from the ironstone. Three areas were identified as key deposits, Gillian, Pinnacles and Windermere. Tin recovery/metallurgy and Resource definition drilling commence immediately in 2008. The Company reported a major JORC Resource Update in June 2013 (ASX announcement 26 June 2013) and released the highly positive Pre-feasibility study in September 2013 (ASX announcement 30 September 2013).

CORNERSTONE INVESTOR

Snow Peak International Investments Pty Ltd (SPII) invested in CSD in February 2012 with a share placement to support the advancement and development of the Mt Garnet Tin Project and provide working capital. The share Placement resulted in SPII becoming CSD's major shareholder. In ASX announcement 14 February 2012, Mr De Lacey stated that *"preliminary discussions were also held with SPII in regards to funding of the central mill construction and development costs"*.

SNOW PEAK MINING PTY LTD

In December 2012, Ralph De Lacey, Martin Cai and Alex Tsoi formed the company Snow Peak Mining Pty Ltd (SPM). SPM entered into an Asset Sale Agreement to acquire the Kagara Central Regional Project, after Kagara Ltd was placed in administration. The Central Regional Project consisted of a 1Million ton per annum (1Mtpa) capacity processing mill and mining and exploration projects of Mount Garnet, Surveyor, Maitland, Einasleigh and a Mineral Rights Agreement at Baal Gammon mine. (ASX Release 18 December 2012).

The acquisition by SPM was considered of strategic value and importance for CSD, most importantly the 1Mtpa mill adjacent the developing CSD tin project and the potential to convert this mill to tin recovery. CSD commenced managing and operating the Mt Garnet Project on behalf of SPM. The acquisition of the assets was completed and announced in ASX release 30 January 2013.

14 March 2016

BASE METAL PRODUCTION

CSD on behalf of SPM was successful in bringing mining and processing back into production with commencement of the Mt Garnet concentrator production on Friday 7th March 2014. (ASX release 10 March 2014).

Mining continued to ramp up from the Surveyor Mines site, as well as the Baal Gammon Mine site, which commenced mining from 14 March 2014 (ASX release 17 March 2014). The two sites were mined concurrently to provide ore feed to the Mount Garnet concentrator, operating continuously at a throughput of 50 tonne per hour.

Mining and processing has continued on a 24/7 basis since production started in 2014. Current through-put is planned at 70 tonne per hour.

Currently the Baal Gammon Mine remains on Care and Maintenance and the Surveyor Mine is on temporary Care and Maintenance. Mining continues from Mount Garnet Underground Mine only, which is located adjacent to the Mt Garnet processing plant. Concentrate is trucked via road to Townsville Port and shipped to overseas destinations. Staffing numbers currently total 91, across mining, processing and administration.

MT GARNET IRONSTONE SKARN TIN DEPOSITS

The Company continues to maintain focus on development of its flagship tin project at Mount Garnet.

The Pre-feasibility study completed in September 2013 was then followed by Feasibility Studies in 2014 on the Gillian and Pinnacles deposits and 2015 on the Gillian deposit only, as a stand-alone Project.

Significant steps have been made in metallurgy and recovery of tin, including the establishment of a test facility at Mount Garnet, a pilot test program conducted in Green Bay, USA, full Gillian mine design optimisation, process plant design and the purchase of freehold property surrounding the Gillian mining lease. Unfortunately during this period the tin price decreased from over USD 22,000 per tonne to lows of around USD 14,000 per tonne significantly reducing the potential project cashflows.

The 2015 Feasibility Study resulted in the decision that the Gillian deposit as a standalone Project would require additional tonnes (mine life) based on the prevailing tin prices. It was believed that the best economic option was to complete further development and feasibility study work on the Pinnacles deposit and add this resource base to the initial Gillian project. (ASX Release 3rd December 2015.) The Pinnacles deposit, although a significant Resource, has slightly different metallurgical characteristics that will require minor changes in recovery methods and equipment

Further work has been done to evaluate other nearby deposits with Gillian type mineralisation to increase Resources and further information will be announced as these options are reassessed in detail.

ALLUVIAL TIN

The company holds extensive alluvial tin deposits in two broad areas, the Mount Garnet area (the historic dredging tin field), and the Lynd/Tate area, which is on the western watershed, south of the town of Chillagoe in North Queensland. The Company is currently assessing the potential of developing a small company owned alluvial tin mine on the Lynd/Tate project. The Company is also actively looking for JV or

14 March 2016

tribute mining opportunities in partnership with local experienced alluvial miners for the Mt Garnet alluvial tin deposits.

EINASLEIGH-SURVEYOR EXPLORATION

Following a Memorandum of Understanding between SPM and Wanguo International Mining Group (Wanguo) in July 2014 (ASX release 14 July 2014), two formal agreements were entered into in October 2014 (ASX release 24 October 2014) setting out substantial exploration investment by Wanguo on SPM exploration tenures.

The two agreements are distinguished between Regional Projects and Near Mine Projects, with Wanguo funding and managing exploration programs pursuant to both agreements, as well as being responsible for all environmental and reporting requirements relating to the specific exploration tenures.

The two SPM-Wanguo Exploration Agreements will transfer to CSD under the CSD-SPM Asset Sale agreement.

Wanguo have been active in 2014 and 2015 within the Einasleigh and Surveyor regions. ASX releases dated 8 October 2015, 15 October 2015 and 23 February 2016, show very positive drilling results achieved within the Einasleigh District.

Due to the North Queensland wet season, exploration is currently on hold with expectations to recommence in April 2016. Ongoing drilling is planned for Kaiser Bill, Chloe and Jackson resource extensions as well as infill drilling, with a focus on potential high grade and Resource expansion.

ASSET SALE AGREEMENT SPM TO CSD

A Memorandum of Understanding was entered into between SPM and CSD (ASX Release 7 July 2014) and a further agreement reached, outlining the proposed acquisition of all SPM assets including the operating Mount Garnet concentrator, Surveyor mine, Einasleigh and Maitland projects, all associated mining tenements, mining plant and equipment, mineral rights agreements and associated mining information (Asset Sale Agreement) (ASX release 27 October 2014). On 1 December 2014 a Notice of General Meeting was issued for a meeting to be held 12 January 2015. (ASX Release 1 December 2014) The resolutions as set under the Notice of General Meeting were passed by majority of shareholders (ASX Release 12 January 2015) and the process began to transfer the assets from SPM to CSD as set out in the Asset Sale Agreement.

Due to circumstances beyond the control of CSD, the timeframe allocated to finalise the asset transfer went beyond that allowable under the ASX Listing Rules. For this reason a second Notice of General Meeting was issued on 1 March 2016 (ASX Release 3 March 2016) with the date of the second meeting set as 5 April 2016. The resolutions included in this Notice of Meeting relating to the Asset Sale Agreement, reflect the original intent as agreed by Shareholders at the first meeting held on 12 January 2015.

Upon receiving Shareholder approval on 5 April 2016, the companies will work to complete the Asset Sale Agreement within a timely manner, bringing closure to the agreement by which CSD manages the SPM assets and allow CSD to move forward as the owner and operator of the mining and processing assets.

FUTURE FUNDING AGREEMENT

14 March 2016

To support the Company's working capital requirements, future planning and continued development of the combined assets, significant funding has been arranged through a funding facility, guaranteed by Beijing Huacheng Dadi Investments Limited. This company will provide CSD with a guarantee to facilitate a US\$20 loan from a Chinese Commercial Bank. (ASX release 29 February 2016).

Following shareholder approval of the resolution as set out in the Notice of Meeting dated 1 March 2016, and on receipt of funding, Beijing Huacheng Dadi Investments will be issued 200 million options which can be exercised anytime within two years at a payment price of AUD\$0.10c.

The funding will strengthen the position of CSD by allowing consolidation of debt, working capital to restart mining at Surveyor Mine, associated mining and processing improvements, continuing expansion plans within the highly prospective exploration projects and continuing the tin project development.

DIVERSIFICATION

The Company has a declared objective to become a fully diversified producer of base metals and 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.

The Company's current strategy is to focus on the continuation of viable mining and processing, and to investigate and develop exploration potential from within current Company owned exploration/mining tenures.

The company has no acquisitions currently under consideration, however will actively investigate any opportunities that present.

MANAGING DIRECTORS COMMENTS

Mr De Lacey states *"Consolidated Tin Mines Limited is continuing to push through barriers, with resolve and perseverance. The Company thanks the patience of all staff and shareholders and we look forward to the Settlement of the Asset Sale Agreement following the General Meeting of Shareholders on 5th April and to see the Company become the owner and operator of the combined assets and move forward with clear direction and confidence."*

~ENDS~