

18 August 2017

ASX/MEDIA RELEASE

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

ABN: 57 126 634 606

DECEMBER 2016 QUARTER ACTIVITIES REPORT

QUARTERLY ACTIVITIES OVERVIEW

- ❖ All mine sites continued on Care and Maintenance for the December quarter
- ❖ Voluntary Administrators, Hall Chadwick, remained appointed in accordance with Section 436A of the *Corporations Act 2001*, with the convening period extended until 18 November 2016
- ❖ A share subscription agreement was entered into between Consolidated Tin Mines Limited (the Company)(ASX:CSD) and Cyan Stone Pty Ltd (Cyan) on 10 November 2016
- ❖ A joint Deed of Company Arrangement (DOCA) was presented to Administrators, by CSD, Snow Peak Mining Pty Ltd (SPM) and Cyan, for the consideration of creditors
- ❖ A second meeting of creditors was held on 23 November 2016, whereby creditors of CSD and SPM resolved to execute the joint DOCA
- ❖ The joint DOCA was executed on 8 December 2016
- ❖ FIRB approval, as conditioned within the joint DOCA, was received 21 December 2016

CORPORATE

Mr Blair Pleash and Ms Kathleen Vouris of Hall Chadwick continued to act as Voluntary Administrators of the Company during the quarter with the convening period extended until 18 November 2016.

During this period, discussions continued between the directors of the Company, SPM and Cyan, with a share subscription agreement proposed between the Company and Cyan, and presented to the Administrators as part of a joint DOCA proposal.

The share subscription agreement was subsequently executed by the Company and Cyan on 10 November 2016.

The joint DOCA proposal was presented to creditors at a second meeting of creditors held in Cairns on 23 November 2016. The creditors voted to accept the joint DOCA proposal and the Deed was executed on 8 December 2016. The Voluntary Administration was removed with authority returned to the Directors, subject to the Deed of Company Arrangement as per the ASX announcement dated 12 December 2016.

The DOCA proposed a number of conditions subsequent that required shareholder approval by 23 January 2017. On 12 December 2016, a Notice of Meeting (NOM) and Independent Experts Report (IER) was lodged with the ASX for review. ASX advised that due to a new ASX policy, the Company must release the latest audited financial accounts before the NOM and IER can be released.

Included in the conditions of the DOCA, was the requirement for approval to be sought from the Foreign Investment Review Board (FIRB) due to the foreign ownership structure of Cyan and the proposal that may

result in Cyan holding voting power in the Company. This approval was received from FIRB on 21 December 2016 (ASX Announcement 17 January 2017).

CARE AND MAINTENANCE SITES

All sites remained on a Care and Maintenance during the quarter, with the Administrators continuing employment of limited staff across all sites for the purpose of maintenance, environmental compliance and security.

Upon return of the Company to the Directors, subject to the Deed, on 8 December, key management positions were recruited to begin the planning of the exploration program and the reestablishment of mining and processing as a priority.

SUBSEQUENT TO QUARTER END

Due to the requirement by ASX to release the audited financial accounts before the Extraordinary General Meeting can be held, satisfaction of the conditions subsequent could not be met by 23 January 2017. Cyan agreed to waive the conditions subsequent resulting in the DOCA being “effectuated” from 12 January 2017, with a creditors trust being established and to be applied by the Administrators pursuant to the terms of the DOCA.

The DOCA proposes a significant restructure of the Company subject to shareholder approval at an Extraordinary General Meeting. The main points of the proposal were set out in the ASX announcement dated 17 January 2017, with full details of the proposed restructure to be explained in the Notice of Meeting and Independent Expert Report to be provided to Shareholders 30 days before the meeting is held.

Funding for working capital requirements is provided from Cyan Stone by way of pre-payments of subscriptions funds, which will allow the company to instigate the restart of mining and processing operations. As advised in the ASX announcement dated 17 January 2017, in the event that shareholders do not approve the issue of shares to Cyan Stone in accordance with the subscription agreement, the total amount that has been prepaid by Cyan Stone will be converted into an interest bearing loan.

The Company has recommenced operations at the Mt Garnet and Surveyor Mines with a view to recommence mining and processing at the Mt Garnet Processing Plant in early financial year 2017-18. The Company has also commenced exploration activities on a number of near mine targets and existing resources.

CASH RESERVES & LOAN FACILITIES

The Company had A\$2,552,936 in cash reserves at the end of the December 2016 quarter.

As advised above, Cyan Stone Pty Ltd has agreed to provide the Company with pre-payments of subscription funds to fund the Company’s ongoing working capital requirements. 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:
Cairns Corporate Headquarters
Phone: +61 (0) 7 4032 3319
Website: www.csdtin.com.au
Email: admin@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 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 31 December 2016

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	Bolwarra	100%	100%	Granted
	EPM 18321	Mt Garnet South	100%	100%	Granted
	EPM 18795	Gillian	100%	100%	Granted
	EPM 19105	Jimbilly 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 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

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	Einasleyh	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 18806	Mt Garnet	100%	100%	Granted	CSD
	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	Einasleyh	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 LIMITED

ABN

57 126 634 606

Quarter ended ("current quarter")

31 DECEMBER 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	482
1.2 Payments for		
(a) exploration & evaluation	(587)	(587)
(b) development	-	-
(c) care & maintenance	(601)	(860)
(d) staff costs	(632)	(1,765)
(e) administration and corporate costs	(308)	(666)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	20	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – Administrator costs	(358)	(494)
1.9 Net cash from / (used in) operating activities	(2,466)	(3,870)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other - bonds	(1,010)	(1,010)
2.6	Net cash from / (used in) investing activities	(1,010)	(1,010)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	4,113	6,338
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	4,113	6,338

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,916	1,095
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,466)	(3,870)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,010)	(1,010)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,113	6,338
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,553	2,553

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 \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,507	860
5.2 Call deposits	46	1,056
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)	2,553	1,916

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 \$A'000
88
-

\$88k Remuneration paid to Directors and associates of the Directors

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 \$A'000
-
-

8. Financing facilities available

Add notes as necessary for an understanding of the position

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.

The Company entered into a formal agreement with Beijing Huacheng Dadi Investments Limited (BHDI) to secure a loan guarantee facility of US\$20million. BHDI will provide the Company with a guarantee to facilitate a US\$20million loan from a Chinese Commercial Bank. The Company is seeking a loan facility with a term of 2 years and interest fixed at approximately 4% per annum. Upon drawdown from the loan guaranteed by BHDI, the Company will be liable to pay BHDI a guarantee fee of US\$350,000 per quarter. The Company discontinued its pursuit of this facility in November 2016.

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 \$33,213,744. 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.

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

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Mining/care & maintenance	(2,785)
9.4 Staff costs	(825)
9.5 Administration and corporate costs	(1,060)
9.6 Disposal of Baal Gammon rehab obligations	(800)
9.7 Other – Bonds	(250)
9.8 Other (provide details if material)	(100)
9.9 Total estimated cash outflows	(5,820)

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	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

