

30 April 2018

ASX/MEDIA RELEASE

ASX: CSD Share Price: \$0.025 (suspended trade)

ABN: 57 126 634 606

MARCH 2018 QUARTER ACTIVITIES REPORT

QUARTERLY ACTIVITIES OVERVIEW

- ❖ Refurbishment of the Dry River South (DRS) decline was completed mid-April 2018 and was immediately followed by commencement of mining activities in the upper production zones of DRS. DRS is located 180km south of Mt Garnet at the Surveyor Mine.
- ❖ Construction of the Mt Garnet Deeps development drive continued during the quarter.
- ❖ Mill operations at Mt Garnet recommenced late February and continued for 30 days before operations were suspended awaiting delivery of ore from DRS.
- ❖ Exploration drilling programs at Balcooma and Mt Garnet continued during the quarter while drilling at Einasleigh recommenced late April following the end of the wet season.

SUBSEQUENT TO QUARTER END

- ❖ Haulage of ore from DRS to Mt Garnet will commence early May.
- ❖ Mt Garnet mill will recommence operations in early May processing ore from Mt Garnet and DRS.
- ❖ Placement of fill from the Mt Garnet tailings dam into worked out stopes in the Mt Garnet underground mine scheduled to commence early May.

OPERATIONS

Mining of the lower stopes at Mt Garnet underground was completed during the quarter with some remaining remnant ore in the upper levels to be accessed progressively using fill from the tails dam to fill voids left from mining.

Construction of the Mt Garnet Deeps development drive to access the Mt Garnet Deeps ore body continued throughout the quarter and is expected to be completed in the June 2018 quarter. Development ore from this project will supplement production from DRS during the June 2018 quarter.

Refurbishment of the DRS decline was completed in April 2018 with mining activities in the upper levels of the DRS mine commencing shortly after.

Refurbishment of the Surveyor evaporation pond, including placement of a liner, was completed during the quarter. The Surveyor Evaporation Pond is an essential structure within the company's long-term site water and environmental management plan.

Milling operations at Mt Garnet were suspended at the end of March and will recommence early May to process ore from DRS.

Concentrate produced during the quarter has been stockpiled on site and will be sold to CSD's offtake partner during the June quarter.

Base Metal Production

	March 2018 quarter (3 months)	Year to Date (9 months)
Ore processed	32,382 <i>tonnes</i>	87,233 <i>tonnes</i>
Mill feed grade Zn	2.61 %	2.85 %
Mill feed grade Cu	0.33 %	0.34 %
Zn recovery	82.8 %	78.0 %
Cu recovery	63.4 %	66.0 %
Zn metal produced in concentrate	699 <i>tonnes</i>	1,941 <i>tonnes</i>
Cu metal produced in concentrate	68 <i>tonnes</i>	197 <i>tonnes</i>

EXPLORATION

Drilling at Mt Garnet Deeps, Mt Garnet South, Nanyetta and Balcooma continued during the quarter. Drilling at the Einasleigh Project was suspended mid-December prior to the start of the wet season and was restarted in mid-April.

The drilling program at Mt Garnet Deeps is focusing on:

- Testing the depth extension of the high-grade mineralisation intersected in GTD258
 - 38.8m @ 3.95% Zn from 313m includes **7.4m @ 9.59% Zn**
- Providing sufficient drilling to undertake a maiden JORC 2012 compliant Mineral Resource Estimate for the Mt Garnet Deeps area.

Results from the two drill holes received during the quarter returned (*refer ASX announcement 1 February 2018*):

- Hole GTD262:
 - 9.71m at 6.17 % Zn from 343.7m
 - 6.76m at 5.82 % Zn from 381.7m
- Hole GTD263W:
 - 2.7m at 8.07 % Zn from 314.1m
 - 6.2m at 5.00 % Zn from 343.3m
 - 13.4m at 5.72% Zn from 369m

These two holes are part of a larger five-hole program designed to follow up previously announced high grade intersections from the Jasmac mineralised zone, which currently spans a strike length of over 200m and to a depth of approximately 300m. The mineralisation has a moderate plunge to the north, similar to the original Mount Garnet deposit, and is open at depth.

The mineralisation being defined in the Mt Garnet Deeps drill program has the potential to add significant stability to the Mt Garnet operations and provide a solid foundation for further growth and development of the Company's other projects.

Drilling results from the 2017 program at Chloe prospect at Einasleigh were released to the ASX on 12 February, with a further announcement covering Chloe and Balcooma (Surveyor) drilling results released on 26 February. These results included:

- Chloe
 - CHRD006 - 44.7m average 7.19%Zn, 3.41%Pb, 0.23%Cu, 31.16g/t Ag
 - CHRD014 - 45.3m average 6.13%Zn, 2.16%Pb, 0.25%Cu, 28.17g/t Ag
- Balcooma
 - BARC013 - 11.0m at 7.31% Zn, 0.21% Cu, 4.46% Pb, 34.14 g/t Ag and 0.17g/t Au from 86.0m

A summary of all drilling activity carried out in 2017 was released to the ASX on 9 April. These results will be used to undertake an independent JORC resource review, expected to be completed during the June 2018 quarter.

CORPORATE

The Company's audited 30 June 2017 annual financial statements and 31 December 2017 half year financial statements were completed and lodged with the ASX during the quarter.

The Notice of Meeting (NoM), including an Independent Experts Report, for the Extraordinary General Meeting (EGM) was sent out to shareholders and lodged with the ASX on 28 March 2018. The Directors will keep shareholders 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 \$1,796,005 in cash reserves at the end of the March 2018 quarter.

As reported in the December 2017 Quarterly Activities Report, 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. In addition, Cyan has provided further funding via 2 facilities totalling \$30m (refer to 31 December 2017 half year report for details of these facilities).

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 31 March 2018

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	Jimbilly North	100%	100%	Granted
	EPM 19204	Nettle Creek South	100%	100%	Granted
	EPM 19323	Kangaroo Creek	100%	0%	Expired
	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	Einisleigh Extended	0%	0%	Application
	EPMA 26540	Silver Valley	0%	0%	Application
	EPMA 26635	Einisleigh 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	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 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	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
	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 Ltd

ABN

57 126 634 606

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter	Year to date
	\$'000	(9 months)
		\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,189	4,397
1.2 Payments for		
(a) mining & processing	(3,647)	(9,588)
(b) staff costs	(4,442)	(10,801)
(c) administration and corporate costs	(2,262)	(7,629)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(16)	(41)
1.6 Income taxes paid	-	-
1.7 Net cash from / (used in) operating activities	(9,177)	(23,662)
2. Cash flows from investing activities		
2.1 Payments to acquire / for:		
(a) exploration & evaluation	(468)	(5,633)
(b) property, plant and equipment	(776)	(776)
(c) mine development	(1,860)	(4,750)
(d) tenements (see item 10)	-	-
(e) other non-current assets	-	-

+ See chapter 19 for defined terms

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

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$'000	\$'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)
2.6	Other - bonds	(1)	(343)
2.7	Net cash from / (used in) investing activities	(3,105)	(11,902)
3. Cash flows from financing activities			
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from borrowings	12,175	36,672
3.3	Repayment of borrowings	(155)	(491)
3.4	Dividends paid	-	-
3.5	Other (provide details if material)	-	-
3.6	Net cash from / (used in) financing activities	12,020	36,181
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	1,658	779
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(9,177)	(23,662)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,105)	(11,902)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	12,020	36,181
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,397	1,397

+ 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	1,397	1,658
5.2 Call deposits		
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)	1,397	1,658

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
277
-

- (i) \$219k – remuneration paid to Directors and associates of the Directors
- (ii) \$36k – 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) \$22k - 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
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
8.1 Loan facilities	88,825	26,825
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. 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.

Additional funding has subsequently been provided by Cyan under 2 facilities whereby individual drawdowns are separately agreed:

- \$10m commencing September 2017 for a 3-year period, fully drawn at quarter end; and
 - \$20m commencing November 2017 for a 2-year period, remaining facility \$3.2m at quarter end.
- These loans incur interest at 6% pa and are secured by a floating charge over all of the Group's assets.

Mining exploration entity and oil and gas exploration entity quarterly report


9.	Estimated cash outflows for next quarter	\$'000
9.1	Exploration and evaluation	(2,177)
9.2	Development	(4,513)
9.3	Mining & processing	(4,640)
9.4	Property, plant & equipment	(187)
9.5	Bonds	-
9.6	Staff costs	(4,217)
9.7	Administration and corporate costs	(751)
9.8	Other (provide details if material)	-
9.9	Total estimated cash outflows	(16,485)

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 19323 Kangaroo Creek	Expired	100%	-
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: 30 April 2018

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.