

### Registered Office:

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## Snapshot:

ASX: **CSD**

Current CSD Share Price: **\$0.052**

Current LME Price **Tin: US\$19,175**

**Zinc: US\$2,090**

**Copper: US\$5,395**

**Lead: US\$1,860**

### December Quarter 2014 Highlights

- **Mt Garnet Tin Project Definitive Feasibility Study Progresses**
  - The Company continues to progress the DFS for the Mt Garnet Tin Project.
  - Further to the information and technology sharing agreement with Yunnan Tin Group signed in August 2014, CSD completed a site visit to Yunnan Tin Group's Operations in China in November.
- **Acquisition of Snow Peak Mining Assets**
  - CSD signed an Asset Sale Agreement with Snow Peak Mining Pty (SPM) in October 2014, following which a Notice of Meeting and an Independent Expert's Report was sent to shareholders in December for an extraordinary general meeting (EGM) at which shareholder approval for the transaction was sought – shareholder approval was received subsequent to the December quarter at an EGM of shareholders held on 12 January 2015, the acquisition of SPM's Mt Garnet processing plant, operating mines and tenements, all plant & equipment and information – all conditions precedent in the Agreement have been completed.
  - The Company assumed the responsibility for all operational and financial matters at SPM's mining and production assets as at 12 January 2015, immediately following Shareholder approval of the proposed acquisition.
- **Mining at Snow Peak Mining's Central Region Projects**
  - The Company continued to manage SPM's mining & processing operations.
  - 90,000 tonnes of ore trucked from Surveyor Mine to Mt Garnet processing plant.
  - 64,000 tonnes of ore extracted from the Mt Garnet Mine.
  - 17,000 tonnes of Zinc concentrate and 3,000 tonnes of lead concentrate were trucked to Townsville Port for export.
- **Exploration Activity**
  - Following the signing on 24 October 2014 of two exploration agreements between SPM and Wanguo International Mining Group (Wanguo) setting out a significant exploration program on SPM tenure – Wanguo commenced on the ground exploration activities in

November and December. These SPM tenures and agreements will be transferred to CSD as part of the SPM Asset Sale Agreement.

### ➤ **Corporate**

- In response to an Option Priority Entitlement Offer, which closed on 10 December 2014, the Company issued 22,489,450 options, exercisable at 20 cents each and expiring on 31 December 2015. The options were quoted on ASX on 18 December 2014. CSD will endeavour to place the 39,185,540 shortfall options.
- The Company entered into a new loan agreement with ARM (NQ) Pty Ltd for \$1 million. At the end of the quarter, \$1 million was available pursuant to this agreement.
- 29,156,140 ordinary fully paid shares were issued, at 7 cents per share, to ARM (NQ) Pty Ltd in satisfaction of a previous loan facility for \$2 million plus accrued interest.

### ➤ **Upcoming Activities**

- The DFS for the Mt Garnet Tin Project is progressing.
- Incorporation of the SPM assets and associated liabilities, subsequent to settlement .
- Wanguo plans to commence drilling activities under the exploration agreements in the coming dry season.

## Mt Garnet Tin Project Definitive Feasibility Study Progresses

Consolidated Tin Mines Limited's (the Company or CSD) flagship development project is the Mt Garnet Tin Project, which is approximately 180km south west of Cairns in Far North Queensland. This Project is comprised of the Gillian and Pinnacles deposits. The Company aims to develop this project into a significant hard rock open pit tin mining operation. The Company's current development priority is to complete the Definitive Feasibility Study (DFS) for the Gillian deposit.

CSD continued its metallurgical testwork program during the quarter, including trial roasting and flotation/deslime tests. Initial work has been undertaken to develop a larger scale batch test program, with design work for a roasting kiln in train. Within the DFS process and testwork program, CSD has identified potential operational and metallurgical process improvement opportunities that will be evaluated accordingly and integrated into the final DFS where possible, with DFS completion planned for mid-calendar year 2015.

CSD has progressed an application for a Mining Lease for Gillian with the Department of Environment and Heritage Protection (DEHP) and was in the final stages of settling the conditions for an Environmental Authority (EA) by the end of December. It is anticipated that DEHP will issue the EA, and subsequent Mining Lease, in the March 2015 quarter.

To assist with its metallurgy testwork, the company signed an agreement with Yunnan Tin, Kunming, China (ASX release 21 August 2014). Under the agreement, Yunnan Tin Australia and Yunnan Tin Group (YTG) will share their modern tin technical information and provide advice and assistance to CSD on geology, metallurgy and reduction roasting/tin fuming technology as currently utilised by YTG in China. CSD senior management undertook an operational review of YTG tin mining, processing and smelting facilities in China in late November 2014, and met with YTG senior management. The preliminary feedback from YTG on CSD's geological, metallurgical testwork and DFS progress was positive and confirmed CSD's approach. CSD anticipates a more detailed review in the first half of 2015. YTG has a 100-year history in tin and is the world's largest tin producer.

### Acquisition of Snow Peak Mining Assets

CSD signed a formal Asset Sale Agreement (ASA) with SPM in late October 2014 for the acquisition of all SPM's assets, including the operating Mt Garnet Processing Plant, the Surveyor-Balcooma mine, the Mt Garnet Mine, the Einasleigh and Maitland projects, all associated mining tenements, mining plant and equipment, Wanguo Exploration Agreements, mineral rights agreements and associated mining information; the ASA included the replacement of environmental bonds and liability, and the transfer of all existing SPM employees to CSD.

Relevant information, including an Independent Expert's Report, was sent to shareholders in early December with a Notice of Meeting – the EGM was held subsequent to the end of the quarter, on 12 January 2015, and the Company is pleased to confirm that shareholder approval was received for the acquisition of SPM's assets. As announced to ASX on 15 January 2015, CSD took immediate control of the SPM operations following the general meeting, and in so doing transitioned from a junior explorer with 13 employees to an operating miner and producer with active development projects and 134 employees.

In consideration for the assets, CSD will: issue to SPM 580,000,000 fully paid ordinary CSD shares (Consideration Shares); issue a convertible note for \$16.5 million which will be convertible into 165,000,000 ordinary shares 12 months after the date of issue; and pay SPM A\$500,000 per calendar quarter for four quarters (A\$2 million in total) from completion. SPM have agreed the Consideration Shares would be held in voluntary escrow for two years. In addition, CSD will issue 30,000,000 fully paid ordinary CSD shares to Snow Peak International Investment (SPII) as repayment of a \$3 million advance payment made to CSD as per the Heads of Agreement signed 18 April 2012 (refer ASX release 3 May 2012), which will also be held in voluntary escrow for two years. Upon issue of the Consideration and Repayment Shares and convertible notes, SPM/SPII will hold 79.51% of the Company's shares.

### Mining at Snow Peak Mining's Central Region Projects

During the December Quarter the Company continued to manage Snow Peak Mining's operations, including mining operations at Surveyor-Balcooma Mine and the Mt Garnet Mine, and concentrator operations at Mt Garnet.

In the Quarter, 89,796 tonnes of ore was trucked from Surveyor Mine to the Mt Garnet processing plant, together with 64,225 tonnes mined from the Mt Garnet Mine. 16,982 tonnes of Zinc concentrate and 3,018 tonnes of lead concentrate were trucked to Townsville Port for export.

The Mt Garnet concentrator is operating continuously with a through-put of approximately 1,450 ore tonnes per day. Surveyor Mine is continuing to operate 24/7, while the Mt Garnet Mine was put on care and maintenance in late December for the 2014/15 wet season with plans to recommence mining after the wet season.

### Exploration Activity

Two exploration agreements between SPM and Wanguo International Mining Group (Wanguo), setting out a significant exploration program on SPM tenure, were signed on 24 October 2014. Wanguo commenced on the ground exploration activities in November and December. These SPM tenures and agreements transfer to CSD as part of the SPM Asset Sale Agreement.

The agreements cover two separate exploration areas, as follows:

- o Part A. Regional Project: includes the Einasleigh region, and that part of the Surveyor-Balcooma region which is outside the granted Mining Leases ML 1393 and ML 30156. Wanguo will undertake a minimum of 150,000 metres of exploration drilling within three years in return for a stake in the Regional Project – earning up to a maximum 50%.
- o Part B. Near Mine Project: includes tenures located near Mt Garnet, the Maitland project, and that part of the Surveyor-Balcooma region which is inside the granted Mining Leases ML 1393 and ML 30156. Wanguo will develop or upgrade a minimum of 200,000 tonnes per year to JORC Reserve category in return for a Net Smelter Return (NSR) in respect of each separate deposit within the Near Mine Project in which a JORC Reserve is defined by Wanguo. The NSR payable will be 3% for the first one million tonnes mined and processed from each deposit, and 1.5% thereafter.

Wanguo will resume exploration and ramp up drilling activities after the 2014/15 wet season.

Wanguo is a Hong Kong listed public company and is principally engaged in the business of mining, with an operating copper mine in the Jiangxi Province. Wanguo will fund and manage both the Near Mine and Regional Projects, as well as be responsible for all costs, environmental and reporting requirements relating to the specific tenures explored.

### Corporate

#### 1 SECURITY HOLDERS

Total ordinary shares on issue 279,770,521.

Total options on issue 24,689,450.

On 31 December 2014, 2,200,000 unlisted options exercisable at 30 cents each were cancelled on expiry.

22,489,450 listed options were issued during the December quarter pursuant to a priority entitlement offer (see section 3 below).

#### Top 5 Shareholders at 31 December 2014

Shareholder	% Of Issued Capital
Snow Peak International Investments Ltd	22.77
ARM (NQ) Pty Ltd	10.42
De Lacey Ralph + Ryan M	5.81
Beacon Minerals Ltd	4.98
Geocrystal Ltd	2.14

#### 2 CASH RESERVES & LOAN FACILITIES

The Company had \$338,000 in cash reserves at the end of the December quarter. As at 31 December 2014, the Company had available the \$1 million loan facility from ARM (NQ) Pty Ltd, an entity associated with Mr Ralph De Lacey, Executive Chairman of the Company, and Mr Martin Cai, alternate Director of the Company.

The ARM (NQ) Pty Ltd loan is convertible, subject to shareholder approval at a general meeting of the Company, into ordinary fully paid shares in CSD at a deemed price of 7 cents per share (see ASX announcement on 12 November 2014 for further details of the loan agreement).

This new loan facility is in addition to the \$2 million loan previously advanced to the company by ARM (NQ) Pty Ltd. The repayment of this loan and accrued interest was satisfied by the issue of 29,156,140 ordinary fully paid shares, following shareholder approval at the Annual General Meeting held on Monday 17 November 2014 (see ASX announcement on 1 December 2014).

The Company continues to review its near and longer term capital requirements.

### 3 OPTION PRIORITY ENTITLEMENT OFFER

A priority entitlement offer (Offer) was approved by Shareholders on 17 November 2014 (refer prospectus released to ASX on 18 November 2014) and closed on 10 December 2014. Pursuant to the Offer, the Company issued 22,489,450 options, exercisable at 20 cents each and expiring on 31 December 2015. The options were quoted on ASX on 18 December 2014.

The Company intends to place the 39,185,540 shortfall options pursuant to the terms of the Offer prospectus.

### Upcoming Activities

During the March Quarter 2015 the Company anticipates that it will complete the acquisition of assets from SPM to CSD following the approval by shareholders on 12 January 2015 of all resolutions relating to the acquisition of SPM's assets.

It is anticipated that the mining and processing operations will continue seamlessly as CSD takes all responsibility for operational and financial matters, from the date that Shareholder approval was received, being 12 January 2015.

The Mt Garnet Tin Project DFS work will continue in the next quarter. Further testwork on flotation and reduction roasting/tin fuming will be performed to refine optimal operating conditions for the final plant design.

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.*

Table 1: Schedule of Tenements

Registered Holder	Tenement No.	Tenement Name	Interest at beginning of Qtr	Interest at end of Qtr	Status
Consolidated Tin Mines	MDL 38	Gillian	100%	100%	Granted
	MDL 381	Windermere	100%	100%	Granted
	MDL 448	Herberton Deep Lead	100%	100%	Granted
	MDLA 482	Jeannie River	0%	0%	Application
	EPM 14185	Mt Garnet	100%	100%	Granted
	EPM 14580	Jeannie River	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
	EPMA 19105	Jimbilly North	0%	0%	Application
	EPMA 19204	Nettle Creek South	0%	100%	Granted
	EPM 19323	Kangaroo Creek	100%	100%	Granted
	EPM 19468	Jeannie River Extended	100%	100%	Granted
	EPM 19603	Dinner Creek	100%	100%	Granted
	EPMA 25212	Bolwarra Extended	0%	0%	Application
	EPM 25386	Spring Creek	100%	100%	Granted
	EPMA 25427	Nettle Creek	0%	0%	Application
	EPM 25428	Reedy Creek	100%	100%	Granted
	EPMA 25688	Munderra	0%	0%	Application
	EPMA 25689	Twelve Mile	0%	0%	Application
	EPMA 25702	Soda	0%	0%	Application
	EPMA 25711	Brownville	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 20653	Central Mill	0%	0%	Application	
MLA 20693	Pinnacles	0%	0%	Application	
MLA 20694	Windermere	0%	0%	Application	
MLA 20743	Gillian	0%	0%	Application	

**Table 1: Schedule of Tenements cont.**

Registered Holder	Tenement No.	Tenement Name	Interest at beginning of Qtr	Interest at end of Qtr	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

### About Consolidated Tin Mines

Consolidated Tin Mines (ASX: CSD) is a base metal producing company with current production over 300 wet metric tonnes per day of Zinc, Lead and Copper concentrates with a Silver co-product. The company operates two mines, with the ore processed at Mt Garnet located approximately 180km south west of Cairns in northern Queensland. The company is also actively exploring within the highly prospective Einasleigh /Greenvale area in north Queensland through a free carry farm in agreement. The company is also a focused tin explorer and developer. Its major tin development project comprised of the Gillian and Pinnacles deposits is also located at Mt Garnet in north Queensland. All CSD projects are located in established mining areas, in close proximity to the company's owned and operating concentrating infrastructure.

Consolidated Tin's objective is to maintain current base metal production and develop the tin project into a major low cost, open pit tin mining operation. On completion of a favourable tin project DFS in 2015, Consolidated Tin's strategy will be 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 will continue to diversify its asset base to minimise metal price risk.



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

CONSOLIDATED TIN MINES LIMITED

ABN

57 126 634 606

Quarter ended ("current quarter")

31 December 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Curent quarter \$A'000	Year to date (6 mths) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(411)	(885)
(b) development	-	-
(c) production	-	-
(d) administration	(301)	(510)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – R&D refund	568	568
<b>Net Operating Cash Flows</b>	<b>(144)</b>	<b>(827)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
(d) bonds & deposits	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
(d)bonds & deposits	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other –	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	(144)	(827)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(144)	(827)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	112	112
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	395	1,660
1.17	Repayment of borrowings	(75)	(680)
1.18	Dividends paid	-	-
1.19	Other (Share Issue Costs)	(8)	(8)
	<b>Net financing cash flows</b>	<b>424</b>	<b>1,084</b>
	<b>Net increase (decrease) in cash held</b>	<b>280</b>	<b>257</b>
1.20	Cash at beginning of quarter/year to date	58	81
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>338</b>	<b>338</b>

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

	Curent quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	163
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. Remuneration of Directors- \$154k.
- ii. Office rent and motor vehicle expenses paid to NQ Mining Enterprise Pty Ltd an entity owned by Mr Ralph De Lacey - \$9k.

**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

During the December quarter the Company issued 29,156,140 ordinary fully paid shares at 7 cents per share, in settlement of a \$2 million loan and \$40,390 accrued interest, to ARM (NQ) Pty Ltd, an entity associated with Mr Ralph De Lacey and Mr Martin Cai.

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

+ See chapter 19 for defined terms.

## 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	-	-

### Loan Facility

The Company advised on 12 November 2014 that it had entered into a \$1 million loan facility from ARM (NQ) Pty Ltd, a company associated with Mr Ralph De Lacey and Mr Martin Cai. The loan is convertible, subject to shareholder approval, into shares at a deemed price of 7 cents per share.

At the end of the quarter \$1,000,000 was available to the Company under the loan facility.

## Estimated cash flows for next quarter

	\$A'000
4.1 Exploration and evaluation	(500)
4.2 Development	-
4.3 Production	4,250
4.4 Administration	(1,380)
<b>Total</b>	<b>2,370</b>

As at 31 December 2014 the Company has access to \$1,000,000 under a short term loan facility (see section 3 above).

The Company is continuing to review its near term capital raising options.

Note net cash flow figures are inclusive of estimated expenditure and revenue from the recently acquired Snow Peak Mining Pty Ltd assets.

## 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.	Curent quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	338	58
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>338</b>	<b>58</b>

+ See chapter 19 for defined terms.

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-	
6.2	Interests in mining tenements acquired or increased	EPMA 19204	Tenure granted	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	<b>Preference +securities</b> <i>(description)</i>	-	-	
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	
7.3	<b>+Ordinary securities</b>	279,770,521	279,770,521	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	29,156,140	29,156,140	
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	-	-	
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	

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+ See chapter 19 for defined terms.


**Appendix 5B**  
**Mining exploration entity quarterly report**

			Exercise price	Expiry date	
7.7	<b>Options</b> <i>(description and conversion factor)</i>	2,200,000	-	40 cents	31/12/2015
		22,489,450	22,489,450	20 cents	31/12/2015
7.8	Issued during quarter	22,489,450	22,489,450	20 cents	31/12/2015
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	2,200,000	-	30 cents	31/12/2014
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

## 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:



(Company secretary)

Date: 30 January 2015

Print name: Kevin Hart

## 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.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining 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, 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: Cash Flow Statements* apply to this report.

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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- 5      **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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