

30 July 2014

## JUNE 2014 QUARTER ACTIVITIES & CASHFLOW REPORT

ASX RELEASE

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### Snapshot:

ASX: **CSD**

Current CSD Share Price: **\$0.06**

Current LME Tin Price: **\$22,525**

Detailed information at  
[www.csttin.com.au](http://www.csttin.com.au)

## JUNE QUARTER ACTIVITIES & CASHFLOW REPORT

### June Quarter 2014 Highlights

- **Mt Garnet Tin Project Definitive Feasibility Study Progresses**
  - The Company continues to progress the DFS for the Gillian Deposit
  - Gillian Resource update provides improved confidence with 93% of the Mineral Resource in Measured/Indicated categories
  - Metallurgical testwork undertaken to determine pilot plant parameters
- **MoU to Acquire Snow Peak Mining Assets**
  - Discussions with Snow Peak Mining Pty Ltd (SPM) progressed regarding acquisition of SPM's Mt Garnet concentrator plant, mining tenements, plant & equipment and information
- **Mining at Snow Peak Mining's Central Region Projects**
  - The Company continues to manage SPM's assets, and mining & processing operations
  - 97,265 tonnes of ore trucked from Surveyor Mine to Mt Garnet processing plant
  - 10,096 tonnes of copper concentrate was produced from the commencement of concentrate production at the Mt Garnet Concentrator in March 2014 and 5,949 tonnes trucked to Townsville Port for export
- **Corporate**
  - The Company entered into a \$1 million loan agreement with ARM (NQ) Pty Ltd, which has been fully drawn down as at 30 June 2014; the \$1 million loan facility from Snow Peak Mining Pty Ltd remains in place, with \$20,000 drawn from this facility as of 30 June 2014
- **Upcoming Activities**
  - Since the end of the Quarter, the Company has signed an MoU with SPM regarding the acquisition of all SPM assets, and will now finalise a formal agreement and seek shareholder approval for the acquisition at an EGM in September
  - The DFS for the Mt Garnet Tin Project will continue
  - Metallurgical testwork and roasting trials of Gillian ore samples will continue

### 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 priority is to complete the Definitive Feasibility Study (DFS) for the Gillian deposit.

Following the drilling program of approximately 6,500 metres which was completed at Gillian in February 2014, the company released the final drilling results on 11 June 2014. The drill program was designed to add further confidence to the Gillian JORC Resource. Test results from geotechnical samples have been provided to geotechnical consultants for evaluation to assist in the design of the deposit's open cut pit and optimise the production schedule. Drill samples also provided a representative run-of-mine ore body sample for final flotation and reduction roast/tin fuming pilot test work.

The Mt Garnet Tin Project Mineral Resource model has been updated using the latest Gillian drill results in accordance with the 2012 JORC Resource Guidelines. The Gillian deposit now has a total Mineral Resource of 2.53Mt @ 0.78% Sn, for total Contained Tin of 19,800 tonnes (see Table 2, and ASX announcement 25 June 2014).

The updated Mineral Resource figures have supported the earlier model (see ASX announcement, 26 June 2013) and have improved the confidence in the Gillian Resource with 93% of the Mineral Resource now in the Measured and Indicated categories. This update is now a key input into the Mt Garnet Tin Project Definitive Feasibility Study currently underway.

### Metallurgical Testwork Update

During the June quarter, the Company has continued the metallurgical testwork on the Gillian ore samples, which has included:

- Trials at pilot scale through a rotary kiln at the Ansac facility at Bunbury, Western Australia.
- This trial has provided preliminary technical information for progressing the Reduction Roasting/Tin Fuming process on Gillian ore. Further trials will follow to develop additional technical data and design details.
- Reverse silica flotation testwork is continuing with the focus on de-sliming methods prior to flotation to improve float performance and recoveries. Current flotation testwork has shown positive results achieving 80% recovery of tin 40% mass rejection with 6% silica content.

### Memorandum of Understanding to Acquire Snow Peak Mining Assets

During the quarter, the Company continued to progress discussions with Snow Peak Mining Pty Ltd (SPM) to finalise terms for acquisition of the SPM Mt Garnet Processing Plant. As these discussions have progressed, it became apparent that there would be benefit in considering the alternative of CSD acquiring all SPM's assets, and this has prolonged the outcome as the two parties have worked through the options available to purchase the assets. To this effect, CSD and SPM have, subsequent to the end of the June Quarter, entered into a binding MoU (refer ASX announcement, 7 July 2014).

To finalise the proposed acquisition, the following material conditions precedent will be required to be satisfied:

- a) the Company and SPM completing due diligence investigations to their satisfaction and entering into a formal agreement;
- b) SPM security holders releasing security of the various assets forming part of the transaction;
- c) the shareholders of Consolidated Tin Mines Limited approving the transaction at an Extraordinary General Meeting, at a date to be advised;
- d) if required, obtaining Foreign Investment Review Board approval of the proposed transaction.

SPM is majority owned by Consolidated Tin's major shareholder Snow Peak International Investments.

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

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

From commencement of mining in December 2013 to the end of June, a total of 97,265 tonnes of ore were trucked from Surveyor Mine to the Mt Garnet processing plant. Together with feed ore from Baal Gammon Mine over the period, there were 10,096 tonnes of copper concentrate produced at the Mt Garnet Concentrator and 5,949 tonnes trucked to Townsville Port for export by the end of June.

The Mt Garnet concentrator is operating continuously with a through-put of approximately 1,000 ore tonnes per day.

### Corporate

#### 1 SECURITY HOLDERS

Total ordinary shares on issue 250,614,381

#### Top 5 Shareholders at 30 June 2014

SHAREHOLDER	% OF ISSUED CAPITAL
SNOW PEAK INTNL INV LTD	25.42
DE LACEY RALPH + RYAN M	6.48
BEACON MINERALS LTD	5.88
GEOCRYSTAL LTD	3.59
JOHN SAINSBURY CONS P	3.10

#### 2 CASH RESERVES & LOAN FACILITIES

The Company had \$81,000 in cash reserves at the end of the June quarter. As at 30 June 2014, the Company had drawn the full amount of the \$1,000,000 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; as at 30 June 2014, \$20,000 was drawn from the \$1,000,000 loan facility from Snow Peak Mining.

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

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

### Upcoming Activities

The Company will finalise discussions with SPM regarding the formal agreement for CSD to acquire all SPM assets. An Extraordinary General Meeting is scheduled for September at which all information relevant to the Asset Acquisition Agreement will be provided, including an Independent Expert's Report.

The Mt Garnet Tin Project DFS work will continue.

Further testwork on reduction roasting/tin fuming will be performed on a number of samples to determine optimal operating conditions for the final plant design.

The Company will continue discussions with several interested parties regarding an agreement to establish a reduction roasting operation or a direct sale of low grade tin concentrate with an off-shore partner.

### Subsequent Event

The Company announced on 14 July 2014 the signing of an MoU between SPM and Wanguo International Mining Group (Wanguo) regarding the exploration investment project on SPM tenements (see ASX announcement on 14 July 2014 for further details on the proposed exploration investment project). The MoU between SPM and Wanguo will lead to agreements for Regional and Near Mine exploration projects, with Wanguo required to commence exploration activities within 30 days of signing each agreement. With the proposed acquisition of SPM assets by CSD, these agreements with Wanguo will assign to CSD. Wanguo has been set drilling and resource targets in the Regional Project in return for an increasing stake in the regional Project, up to a maximum of 50%. For the Near Mine Project, Wanguo is required to develop a minimum of 200,000 tonnes per year to JORC Reserve category in return for a Net Smelter Royalty.

*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%	0%	Application
	EPM 19323	Kangaroo Creek	100%	100%	Granted
	EPM 19468	Jeannie River Extended	100%	100%	Granted
	EPMA 19603	Dinner Creek	0%	100%	Granted
	EPMA 25212	Bolwarra Extended	0%	0%	Application
	EPMA 25386	Spring Creek	0%	100%	Granted
	EPMA 25427	Nettle Creek	0%	0%	Application
	EPMA 25428	Reedy Creek	0%	100%	Granted
	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 20626	Gillian	0%	0%	Abandoned
	MLA 20653	Central Mill	0%	0%	Application
MLA 20693	Pinnacles	0%	0%	Application	
MLA 20694	Windermere	0%	0%	Application	
MLA20743	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

Table 2: Mt Garnet Tin Project – Sn, Fe and F grade tonnage summary, as at June 2014

Refer ASX release dated 25 June 2014

TIN (Sn)	Cut-off Sn_EQ %	Measured tonnes	Grade Sn%	Indicated tonnes	Grade Sn%	Inferred tonnes	Grade Sn%	Total tonnes	Grade Sn%
Gillian	0.20	1,200,000	0.86	1,160,000	0.74	180,000	0.53	<b>2,530,000</b>	<b>0.78</b>
Pinnacles	0.33	-	-	5,461,000	0.30	1,575,000	0.30	<b>7,035,000</b>	<b>0.30</b>
Deadmans Gully	0.18	-	-	444,000	0.34	-	-	<b>444,000</b>	<b>0.34</b>
Windermere	0.25	-	-	829,000	0.26	1,211,000	0.27	<b>2,040,000</b>	<b>0.27</b>
<b>TOTAL</b>		<b>1,200,000</b>	<b>0.86</b>	<b>7,894,000</b>	<b>0.36</b>	<b>2,966,000</b>	<b>0.30</b>	<b>12,049,000</b>	<b>0.40</b>

IRON (Fe)	Cut-off Sn_EQ %	Measured tonnes	Grade Fe%	Indicated tonnes	Grade Fe%	Inferred tonnes	Grade Fe%	Total tonnes	Grade Fe%
Gillian	0.20	1,200,000	34.20	1,160,000	32.50	180,000	25.20	<b>2,530,000</b>	<b>32.80</b>
Pinnacles	0.33	-	-	5,461,000	19.12	1,575,000	21.04	<b>7,035,000</b>	<b>19.55</b>
Deadmans Gully	0.18	-	-	444,000	26.70	-	-	<b>444,000</b>	<b>26.70</b>
Windermere	0.25	-	-	829,000	25.79	1,211,000	23.68	<b>2,040,000</b>	<b>24.54</b>
<b>TOTAL</b>		<b>1,200,000</b>	<b>34.20</b>	<b>7,894,000</b>	<b>22.21</b>	<b>2,966,000</b>	<b>22.37</b>	<b>12,049,000</b>	<b>23.44</b>

FLUORINE (F)	Cut-off Sn_EQ %	Measured tonnes	Grade F%	Indicated tonnes	Grade F%	Inferred tonnes	Grade F%	Total tonnes	Grade F%
Pinnacles	0.33	-	-	5,461,000	6.28	1,575,000	4.14	<b>7,035,000</b>	<b>5.80</b>
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>5,461,000</b>	<b>6.28</b>	<b>1,575,000</b>	<b>4.14</b>	<b>7,035,000</b>	<b>5.80</b>

NB: Tonnes may not add up to totals due to rounding

# 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")

30 June 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 mths) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(443)	(3,273)
(b) development	-	-
(c) production	-	-
(d) administration	(302)	(1,311)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – R&D refund	-	382
<b>Net Operating Cash Flows</b>	<b>(743)</b>	<b>(4,196)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(8)
(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>(8)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(743)</b>	<b>(4,204)</b>

+ See chapter 19 for defined terms.



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

1.13	Total operating and investing cash flows (brought forward)	(743)	(4,204)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	3,576
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,725	2,140
1.17	Repayment of borrowings	(1,000)	(1,670)
1.18	Dividends paid	-	-
1.19	Other (Share Issue Costs)	-	(52)
	<b>Net financing cash flows</b>	<b>725</b>	<b>3,994</b>
	<b>Net increase (decrease) in cash held</b>	<b>(18)</b>	<b>(210)</b>
1.20	Cash at beginning of quarter/year to date	99	291
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>81</b>	<b>81</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	216
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- |  |
|--|
| <ul style="list-style-type: none"> <li>i. Remuneration of Directors- \$200,708.</li> <li>ii. Office rent and motor vehicle expenses paid to NQ Mining Enterprise Pty Ltd an entity owned by Mr Ralph De Lacey - \$15,040.</li> </ul> |
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**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

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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

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+ 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	2,000	(1,020)
3.2 Credit standby arrangements	-	-

The Company has loan facilities in place as follows:

- \$1 million loan facility from Snow Peak Mining Pty Ltd (a company controlled by Snow Peak International Investment Limited, being Consolidated Tin Mines Limited's major shareholder). As at 30 June 2014 an amount of \$20,000 was drawn from this facility leaving funds available under the loan facility of \$980,000.
- \$1 million fully drawn loan facility from ARM (NQ) Pty Ltd, a company associated with Mr De Lacey and Mr Cai. The loan is convertible, subject to shareholder approval, into shares at a deemed price of 7 cents per share. See ASX announcement 12 May 2014 for further details of the ARM (NQ) Pty Ltd loan.

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>700</b>

As at 30 June 2014 the Company has access to \$980,000 under short term loan facilities (see section 3 above). The Company is continuing to review near term capital raising options.

## 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	81	99
5.2 Deposits at call	-	-
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>81</b>	<b>99</b>

+ See chapter 19 for defined terms.

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

**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 19603 EPMA 25386 EPMA 25428	0% 0% 0%	100% 100% 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>	250,614,381	250,614,381	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- - -	- - -	
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	- - -	- - -	

+ See chapter 19 for defined terms.


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

7.7	<b>Options</b> <i>(description and conversion factor)</i>			Exercise price	Expiry date
		2,200,000	-	30 cents	31/12/2014
		2,200,000	-	40 cents	31/12/2015
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
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 July 2014

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.

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+ See chapter 19 for defined terms.

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

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- 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.
- 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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