



### Registered Office:

395 Lake Street,  
Cairns North, QLD, 4870  
Ph: (07) 4032 3319

## Snapshot:

ASX: **CSD**

Current CSD Share Price: **\$0.053**

Current LME Tin Price: **\$20,145**

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

## SEPTEMBER QUARTER 2014 ACTIVITIES & CASHFLOW REPORT

### September Quarter 2014 Highlights

- **Mt Garnet Tin Project Definitive Feasibility Study Progresses**
  - The Company continues to progress the DFS for the Gillian Deposit
  - CSD has entered into an information and technology sharing agreement with Yunnan Tin Group
- **Acquisition of Snow Peak Mining Assets**
  - Memorandum of Understanding with Snow Peak Mining Pty Ltd (SPM) signed in July – progress towards the acquisition of SPM's Mt Garnet concentrator plant, mining tenements, plant & equipment and information. A formal asset sale agreement has been signed subsequent to the end of the September quarter (ASX release 27 October 2014), which is subject to Shareholder approval
- **Mining at Snow Peak Mining's Central Region Projects**
  - The Company continues to manage SPM's assets, and mining & processing operations
  - 82,000 tonnes of ore trucked from Surveyor Mine to Mt Garnet processing plant, 33,000 tonnes from the Crown Pillars Extract project, and 8,401 tonnes of copper concentrate and 1,473 tonnes of Zinc concentrate were trucked to Townsville Port for export
- **Exploration Activity**
  - SPM signed an MoU with Wanguo International Mining Group setting out a significant exploration program on SPM tenure – with tenures and agreements set to transfer to CSD if shareholder approval is received for the SPM Asset Sale Agreement. Subsequent to the end of the quarter, two formal exploration agreements were signed on 24 October
- **Corporate**
  - The Company entered into a new loan agreement with ARM (NQ) Pty Ltd, extending the original \$1 million loan to \$2 million; the loan is being drawn down as required, with \$320,000 available as at the end of the September quarter
- **Upcoming Activities**
  - The DFS for the Mt Garnet Tin Project will continue
  - CSD will conduct a site visit to Yunnan Tin's operations in Kunming, China, in November

### 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.

To assist with its metallurgy testwork, the company has 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. YTG has a 100-year history in tin and is the world's largest tin producer. Yunnan Tin has invited CSD senior management to a detailed site tour of YTG tin mining, processing and smelting facilities in China in November 2014.

### Acquisition of Snow Peak Mining Assets

During the quarter, the Company signed a binding Memorandum of Understanding with Snow Peak Mining Pty Ltd (SPM) for the acquisition of all SPM assets, including the SPM Mt Garnet Processing Plant, the operating Surveyor-Balcooma mine, the Einasleigh and Maitland projects, all associated mining tenements, deposits for bonds, mining plant and equipment, the Baal Gammon mineral rights agreement, and associated mining information. A formal agreement was signed post the end of the quarter (ASX release 27 October 2014). To finalise the proposed acquisition, a number of material conditions precedent will be required to be satisfied, including:

- a) the Company and SPM completing due diligence investigations to their satisfaction;
- 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 scheduled in December;
- 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.

In consideration for the assets, it is proposed that: CSD will issue to SPM 580,000,000 fully paid ordinary CSD shares (Consideration Shares); CSD will 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 CSD will pay SPM \$500,000 per calendar quarter for four quarters (\$2 million in total) from completion. Upon issue of the Consideration Shares, SPM will hold approximately 67% of the Company's shares. 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.

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

During the September 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, 82,424 tonnes of ore was trucked from Surveyor Mine to the Mt Garnet processing plant, together with 33,145 tonnes mined from the Mt Garnet Crown Pillars Project. 8,401 tonnes of copper concentrate and 1,473 tonnes of Zinc concentrate were trucked to Townsville Port for export.

The Mt Garnet concentrator is operating continuously with a through-put of approximately 1,150 ore tonnes per day.

### Exploration Activity

Pursuant to the SPM Asset Sale Agreement, which is subject to shareholder approval, all assets of SPM will be transferred to CSD. This will include those exploration assets the subject of an Exploration MoU signed in July between SPM and Wanguo International Mining Group (Wanguo) (ASX release 14 July 2014). Subsequent to the end of the Quarter, SPM has entered into two formal agreements with Wanguo regarding the exploration, and on-ground activities pursuant to the agreements have since commenced (ASX release 24 October 2014).

Upon transfer of the exploration assets to CSD, the Wanguo exploration agreements will be assigned to the Company. 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 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 250,614,381

#### Top 5 Shareholders at 30 September 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	3.54
JOHN SAINSBURY CONS P	2.54

#### 2 CASH RESERVES & LOAN FACILITIES

The Company had \$58,000 in cash reserves at the end of the September quarter. As at 30 September 2014, the Company had drawn \$1,680,000 of the \$2 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 the upcoming Annual General Meeting on 17<sup>th</sup> November 2014, into ordinary fully paid shares in CSD at a deemed price of 7 cents per share (see ASX announcement on 21 August 2014 for further details of the loan agreement).

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

### Upcoming Activities

Regarding the SPM Asset Sale Agreement, shareholder approval will be sought for the acquisition of SPM's assets for various purposes, including, without limitation, Item 7 of Section 611 of the Corporations Act. A notice of meeting for an Extraordinary General Meeting (EGM) will be sent to shareholders in due course and will contain an Independent Expert's Report which will report on the fairness and reasonableness of the transaction. The EGM is expected to be held in December 2014.

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 determine optimal operating conditions for the final plant design. The Company will be conducting a site visit of Yunnan Tin operations in China in November in order to gain understanding of Yunnan Tin's technology and to obtain feedback on CSD's project and technology.

*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
	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

# 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 September 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Curent quarter \$A'000	Year to date (3 mths) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(474)	(474)
(b) development	-	-
(c) production	-	-
(d) administration	(209)	(209)
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	-	-
<b>Net Operating Cash Flows</b>	(683)	(683)
<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>	-	-
1.13 Total operating and investing cash flows (carried forward)	(683)	(683)

+ See chapter 19 for defined terms.



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

1.13	Total operating and investing cash flows (brought forward)	(683)	(683)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,265	1,265
1.17	Repayment of borrowings	(605)	(605)
1.18	Dividends paid	-	-
1.19	Other (Share Issue Costs)	-	-
	<b>Net financing cash flows</b>	660	660
	<b>Net increase (decrease) in cash held</b>	(23)	(23)
1.20	Cash at beginning of quarter/year to date	81	81
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	58	58

**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	162
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- \$154k.</li> <li>ii. Office rent and motor vehicle expenses paid to NQ Mining Enterprise Pty Ltd an entity owned by Mr Ralph De Lacey - \$8k.</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	(1,680)
3.2 Credit standby arrangements	-	-

#### Loan Facility

The Company has entered into a \$2 million 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 at the Company's Annual General Meeting on 17<sup>th</sup> November 2014, into shares at a deemed price of 7 cents per share.

At the end of the quarter \$320,000 was available to the Company under the loan facility.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>550</b>

As at 30 September 2014 the Company has access to \$320,000 under a short term loan facility (see section 3 above).

At the date of this report the Company is in the process of finalising lodgement of a research and development tax concession claim in respect of the 2014 financial year. Management anticipates that the refund to the Company will be in excess of \$500,000 and is expected to be received in the December quarter.

The Company is seeking shareholder approval at its upcoming AGM to undertake a priority option offer which may raise up to \$300,000.

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.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	58	81
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>58</b>	<b>81</b>

+ See chapter 19 for defined terms.

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

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**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	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

**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	-	-	

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+ 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: 31 October 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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