
Wednesday, September 30, 2015

Consolidated Tin Mines Correction to June Quarter Appendix 5B

Consolidated Tin Mines Limited (ASX: CSD) advises that as a result of the audit of the 2015 Statutory Financial Statements by the Company's auditors BDO Audit (NTH QLD) Pty Ltd it has come to the company's attention that the closing cash balance in the Appendix 5B for the quarter ended 30 June 2015 and lodged with the ASX on 31 July 2015 differs from the audited position as a result of an inadvertent accounting error that resulted in the inclusion of Snow Peak Mining Pty Ltd ('SPM') bank account balances amounting to \$1,519,000 in the Consolidated Tin Mines Limited ('CSD') cash at bank number included in the Appendix 5B at 30 June 2015. Cash at bank at 30 June 2015 was reported in the Appendix 5B as \$2,742,000 and should have been reported as \$1,223,000. Further CSD's cash flow statement has been adjusted to reflect CSD effectively acting as agent and manager of SPM's operations. CSD has recognised monies transferred from SPM to CSD and payments made by CSD on behalf of SPM as operating activities – these amounts have not been netted off in the cash flow statement. The Company has adopted the above accounting treatment going forward until such time as the Asset Sale Agreement with Snow Peak Mining Pty Ltd is settled.

On or about 22nd September the accounting treatment was agreed resulting in a reconciliation of accounts in the CSD general ledger over the ensuing period to ensure all necessary adjustments had been identified and properly recorded in the books of CSD to reflect the agreed accounting treatment. The amended cashflow statement was agreed with the auditors on Monday 28 September. To allow time to reconcile and amend the Appendix 5B for the quarter ended 30 June 2015 in accordance with the adopted accounting treatment a trading halt was put in place.

The change in accounting treatment has made no operational change. Funds are transferred from Snow Peak Mining Ltd's bank accounts into CSD's bank accounts as required to meet operating payments made by CSD on behalf of SPM.

The Company's cash position at 30 September is \$1,107,000.

Please find attached an amended Appendix 5B that reflects the audited position at 30 June 2015. The company confirms that it is in compliance with the Listing Rules, and in particular Listing Rule 3.1.

Background to the SPM transaction

On 12 January 2015 the Company's Shareholders approved the acquisition of the assets of Snow Peak Mining Pty Ltd (SPM), a Company associated with Mr Ralph De Lacey, Mr Alex Tsoi and Mr Martin Cai, and in which Mr Si He Tong has a controlling interest.

The details of the agreement to acquire all of the assets of SPM, including the Mt Garnet Concentrator and associated infrastructure, mining and exploration assets and mineral rights agreements, mining plant and equipment and the assumption of environmental bonds, is set out in the Notice of Meeting dated 28 November 2104 and lodged with the ASX on 1 December 2014.

The transaction remains subject to final transfer of the assets following transfer of the operating mining leases following assessment of stamp duty by Queensland Office of State Revenue and final release of security by SPM financiers that was not received by 30th June 2015.

Following Shareholder approval for the acquisition of the SPM assets on 12 January 2015, the Company assumed management and operational responsibility for all matters in respect of the mining and production activities of the SPM assets, pending settlement of the transaction.

Amended 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 2015 – Re-Stated

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 mths) \$A'000
1.1 Proceed received on behalf of SPM on the operation of Mt Garnet	16,875	33,840
1.2 Payments for		
(a) exploration and evaluation	(928)	(1,654)
(b) development	-	-
(c) payments to suppliers on behalf of SPM on the operation of Mt Garnet	(16,283)	(30,577)
(d) administration	(530)	(1,721)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	23	24
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – R&D refund	-	568
Net Operating Cash Flows	(843)	480
Cash flows related to investing activities		
1.8 Payment for purchases: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(18)	(19)
(d) bonds & deposits	-	(3)
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 – Payment of loan associated with SPM asset acquisition ⁱ	(400)	(400)
Net investing cash flows	(518)	(422)
1.13 Total operating and investing cash flows (carried forward)	(1,261)	58

ⁱ Repayment of part of \$2m liability associated with SPM asset acquisition.

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(1,261)	58
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	112
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	300	2,260
1.17	Repayment of borrowings	(300)	(1,280)
1.18	Dividends paid	-	-
1.19	Other (Share Issue Costs)	-	(8)
	Net financing cash flows	-	1,084
	Net increase (decrease) in cash held	(1,261)	1,142
1.20	Cash at beginning of quarter/year to date	2,484	81
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,223	1,223

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	369
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- \$347k.
- ii. Office rent and motor vehicle expenses paid to NQ Mining Enterprise Pty Ltd an entity owned by Mr Ralph De Lacey - \$22k.

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 year to date 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, Mr Martin Cai and Mr Alex Tsoi.

As at 12th January 2015 the Company assumed the operating assets and liabilities relating to the operation of Snow Peak Mining's operations. Settlement of the acquisition of SPM's plant and mining assets had not occurred as at the end of the June quarter.

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, Mr Martin Cai and Mr Alex Tsoi. 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 outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(328)
4.2 Development	-
4.3 Net cash flow from management of SPM Mt Garnet operations	1,999
4.4 Administration	(1,788)
Total	(117)

As at 30 June 2015 the Company has access to \$1,000,000 under a short term loan facility (see section 3 above).

Net cash flow figures from Management of SPM Mt Garnet Operations is inclusive of estimated cash expenditure and revenue..

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	1,223	2,484
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,223	2,484

+ 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	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	Preference securities <i>(description)</i>	-	-	
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	
7.3	+Ordinary securities	279,770,521	279,770,521	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	
7.5	+Convertible debt securities <i>(description)</i>	-	-	
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	

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

Date: 30 September 2015

(Finance Director)

Print name: Martin Cai

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.

+ See chapter 19 for defined terms.

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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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