CONSOLIDATED TIN MINES LIMITED

ACN 126 634 606

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am (AEST)

DATE: Monday, 30 April 2018

PLACE: Hilton Cairns, 34 The Esplanade, Cairns QLD 4870

The Independent Expert's Report (a copy of which is attached as Annexure A to the Explanatory Statement) concludes that the transactions contemplated by Resolutions 15 and 16 are **NOT FAIR but REASONABLE** to the non-associated Shareholders of the Company.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (AEST) on 28 April 2018.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SNOW PEAK MINING PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 2 to 14, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 684,391,264 Shares (on a pre-Consolidation basis) to Snow Peak Mining Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Snow Peak Mining Pty Ltd (and its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SNOW PEAK MINING PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1 and 3 to14, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 38,868,218 Shares (on a pre-Consolidation basis) to Snow Peak Mining Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Snow Peak Mining Pty Ltd (and its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SNOW PEAK INTERNATIONAL INVESTMENTS LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1 and 2 and 4 to14, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 172,935,852 Shares (on a pre-Consolidation basis) to Snow Peak International Investments Limited (or its nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Snow Peak International Investments Limited (and its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with

the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SNOW PEAK GLOBAL COMPANY LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1 to 3 and 5 to14, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 419,616,439 Shares (on a pre-Consolidation basis) to Snow Peak Global Company Limited (or its nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Snow Peak Global Company Limited (and its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – ARM (NQ) PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1 to 4 and 6 to14, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 13,724,673 Shares (on a pre- Consolidation basis) to Arm (NQ) Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Arm (NQ) Pty Ltd (and its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – WORKFORCE ONE PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1 to 5 and 7 to14, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 64,429,345 Shares (on a pre-Consolidation basis) to WorkForce One Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of WorkForce One Pty Ltd (and its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy

Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – NQ MINING ENTERPRISES PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of Resolutions 1 to 6 and 8 to14, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 6,289,835 Shares (on a pre-Consolidation basis) to NQ Mining Enterprises Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of NQ Mining Enterprises Pty Ltd (and its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SHINEWARM RESOURCES PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of Resolutions 1 to 7 and 9 to 14, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 4,001,163 Shares (on a pre-Consolidation basis) to Shinewarm Resources Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Shinewarm Resources Pty Ltd (and its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – ISSUE OF SHARES TO RELATED PARTY – MR RALPH DE LACEY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of Resolutions 1 to 8 and 10 to14, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 19,109,526 Shares (on a pre-Consolidation basis) to Ralph De Lacey (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ralph De Lacey (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – ISSUE OF SHARES TO RELATED PARTY – MR ZE HUANG CAI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of Resolutions 1 to 9 and 11 to 14, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 19,097,581 Shares (on a pre-Consolidation basis) to Ze Huang Cai (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ze Huang Cai (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 11 – ISSUE OF SHARES TO – MR BILLY ZHOU

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of Resolutions 1 to10 and 12 to14, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,590,694 Shares (on a pre-Consolidation basis) to Billy Zhou (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Billy Zhou (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 12 – ISSUE OF SHARES TO RELATED PARTY – MR KWOK CHING TSOI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of Resolutions 1 to11 and 13 to14, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 8,227,513 Shares (on a pre-Consolidation basis) to Kwok Ching Tsoi (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Kwok Ching Tsoi (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

13. RESOLUTION 13 – ISSUE OF SHARES TO – MR DARRYL HARRIS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1 to 12 and 14, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,287,050 Shares (on a pre-Consolidation basis) to Darryl Harris (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Darryl Harris (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. RESOLUTION 14 – ISSUE OF SHARES TO RELATED PARTY – MS XIAOYAN TONG

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1 to 13, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,481,617 Shares (on a pre-Consolidation basis) to XiaoYan Tong (or her nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of XiaoYan Tong (and her nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

15. RESOLUTION 15 – APPROVAL FOR CYAN STONE PTY LTD TO INCREASE ITS VOTING POWER IN THE COMPANY (SUBSCRIPTION AND GRANT OF OPTION)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1 to 14, for the purposes of ASX Listing Rule 10.11, Section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for Cyan Stone Pty Ltd's voting power in the Company increasing from 0% up to 55.26% pursuant to the Company:

(a) *issuing 2,700,000,000 Shares* (on a pre-Consolidation basis) *to Cyan Stone Pty Ltd; and*

(b) *granting Cyan Stone Pty Ltd an option to acquire an additional 198,176,744 Shares* (on a pre-*Consolidation* basis) *at an issue price of $0.012615 per Share exercisable on or before 31 July 2018,*

on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Cyan Stone Pty Ltd or any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing

the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under Item 7 of Section 611 of the Corporations Act. The Independent Expert's Report opines on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders in the Company. The Independent Expert has determined the issue of Shares to Cyan Stone Pty Ltd and the resulting Voting Acquisition by Cyan Stone Pty Ltd and its associates is NOT FAIR but REASONABLE to the non-associated Shareholders in the Company.

16. RESOLUTION 16 – APPROVAL FOR CYAN STONE PTY LTD TO INCREASE ITS VOTING POWER IN THE COMPANY (ADDITIONAL PURCHASES)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of Resolutions 1 to 15, for the purposes of ASX Listing Rule 10.11, Section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for Cyan Stone Pty Ltd's voting power in the Company increasing from 55.26% up to 56.67% pursuant to Cyan Stone Pty Ltd acquiring an additional 73,947,109 Shares (on a pre-Consolidation basis) from WorkForce One Pty Ltd, Ralph De Lacy, Ze Huang Cai and Billy Zhou on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Cyan Stone Pty Ltd or any of its associates or on behalf of WorkForce One Pty Ltd, Ralph De Lacy, Ze Huang Cai, Billy Zhou or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under Item 7 of Section 611 of the Corporations Act. The Independent Expert's Report opines on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders in the Company. The Independent Expert has determined the issue of Shares to Cyan Stone Pty Ltd and the resulting Voting Acquisition by Cyan Stone Pty Ltd and its associates is NOT FAIR but REASONABLE to the non-associated Shareholders in the Company.

17. RESOLUTION 17 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to the passing of Resolutions 1 to 14, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every ten (10) Shares be consolidated into one (1) Share and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up to the nearest whole Share."*

18. RESOLUTION 18 – PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 20,000,000 Shares (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issued (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

19. RESOLUTION 19 – PUBLIC OFFER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 100,000,000 Shares (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issued (except a benefit solely by reason on being of a holder of ordinary securities in the entity) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 22 March 2018

By order of the Board

Mr Ralph De Lacey
Joint Executive Chairman

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 7 4032 3319.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company.

If Resolutions 1 to 19 are passed and the recapitalisation proposal is completed, the Company will be in a position to seek the reinstatement of its Shares to official quotation on ASX. This reinstatement is, of course, subject to the discretion of ASX, however the Company has received confirmation from ASX that it will, subject to satisfaction of the Reinstatement Conditions, allow reinstatement of the Shares to official quotation.

If Shareholders reject the proposed restructuring, the future of the Company is uncertain. A possibility is that the Company may be placed into liquidation. In this circumstance, it is likely that there would be no return to Shareholders.

Resolutions 1 to 14 are interconditional. Resolutions 17, 18 and 19 are not conditional upon the passing of Resolutions 1 to 14.

1. BACKGROUND

1.1 General

The securities of the Company were suspended from trading on the Official List of the ASX on 29 June 2016.

On 19 July 2016, the Company and Snow Peak Mining Pty Ltd (ACN 161 212 504) (**SPM**) appointed Blair Alexander Pleash and Kathleen Elizabeth Vouris as joint and several administrators of the Company after failing to secure funding arrangements to address its working capital requirements (**Administrators**).

1.2 Deed of Company Arrangement

The Company prepared a joint deed of company arrangement proposal which was considered and subsequently approved by SPM and the creditors of the Company and SPM (**Creditors**) at the second meeting of Creditors held on 23 November 2016 (**Joint DOCA Proposal**). The Joint DOCA Proposal was executed as a formal deed of company arrangement on 8 December 2016 (**DOCA**) and in accordance with the terms of the DOCA control of the affairs of the Company returned to the directors of the Company, subject to the DOCA. The DOCA is a joint DOCA covering the creditors of both SPM and the Company. The companies decided to enter into voluntary administration and subsequently the DOCA together due to the status of the transfer of the SPM tenements to CSD and subsidiary companies and the status of liabilities assumed by CSD under the ASA (defined below).

The DOCA was effectuated on 12 January 2017. The requisite forms were published on the ASIC website on 12 January 2017 and this was announced to the market as part of a Company Update on 17 January 2017.

1.3 Cyan Subscription Agreement

On 10 November 2016, the Company entered into a conditional share subscription agreement (as varied) (**Subscription Agreement**) with Cyan Stone Pty Ltd (ACN 606 864 840) (**Cyan**) pursuant to which the Company agreed to:

(a) issue and Cyan agreed to subscribe for 2,700,000,000 Shares (on a pre-Consolidation basis) at an issue price of $0.012615 per Share to raise $34,060,500 (**Subscription**); and

(b) grant to Cyan of an option expiring on 31 July 2018 to subscribe for 198,176,774 Shares (on a pre-Consolidation basis) at an issue price of $0.012615 per Share (**Option**). The Company may raise up to an additional $2,500,000 upon exercise of the Option.

Cyan has agreed to prepayment of the Subscription and has prepaid the whole amount of the Subscription as at the date of this Notice.

The Company will not issue the Shares until the Shareholder Approvals have been obtained. Accordingly, the Shares will be issued after the Meeting.

Settlement of both the DOCA and Subscription Agreement are conditional upon:

(a) the Company obtaining the approval of its Shareholders for:

(i) the conversion of all current related party pre-administration debt and all current related party debt incurred during the course of the Company's voluntary administration, resulting in the issue of 1,456,050,770 Shares (on a pre-Consolidation basis) in accordance with Resolutions 1 to 14 to the related party Creditors or their nominees (together the **Debt Conversion**);

(ii) the issue of Shares to Cyan under the Subscription; and

(iii) the grant of the Option to Cyan,

(together the **Shareholder Approvals**); and

(b) the Company obtaining a notice of no objection from the Foreign Investment Review Board (**FIRB**) for the terms of:

(i) the asset sale agreement entered into by the Company with SPM, Snow Peak International Investments Limited (Company Number 1660120) (a company incorporated in Hong Kong) (**SPII**), Surveyor Mining Pty Ltd (ACN 601 108 776) (**Surveyor**) and Colinacobre Pty Ltd (ACN 601 312 207) (**Colinacobre**) on 23 October 2014 (the **Parties**), as amended by the First Deed of Reinstatement and Variation between the Parties and Second Deed of Reinstatement and Variation between the Parties (**ASA**) (**ASA Approval**); and

(ii) the Subscription Agreement to enable:

(A) the issue of Shares to Cyan under the Subscription; and

(B) the grant of the Option to Cyan,

(together the **Cyan Approval**).

(the ASA Approval and the Cyan Approval are together referred to as the **FIRB Approvals**).

Applications for the FIRB Approvals were lodged with FIRB on or about 18 November 2016 and the Company received confirmation of the FIRB Approvals on 21 December 2016.

The FIRB Approvals were each subject to the requirement that the proposed actions of the relevant application be taken before the end of 12 months after 21 December 2016.

On the basis that the proposed action the subject of the Cyan Approval, being the issue of Shares to Cyan under the Subscription and the grant of the Option to Cyan, did not occur within the prescribed 12-month period, the Company has subsequently lodged an updated version of the Cyan Approval, which also incorporates the Additional Purchases (defined below) (**Second Cyan Approval**) with FIRB on 6 March 2018. The Company has not yet received confirmation of the Second Cyan Approval.

No Shares can be issued to Cyan until confirmation of the Second Cyan Approval is received.

The Shareholder Approvals and FIRB Approvals were required to be satisfied by 23 January 2017. Whilst the ASA Approval was obtained, and the relevant action completed within required 12 month period, the Shareholder Approvals were not received by this date. As a result of this date not being met, Cyan agreed to waive the Shareholder Approvals and FIRB Approvals as a condition subsequent to the Subscription Agreement.

Waiver of the requirement to obtain the Shareholder Approvals resulted in the DOCA being 'effectuated' and the establishment of the Creditors Trust (defined below).

Pursuant to the terms of the DOCA, funds raised from the issue of Shares to Cyan under the Subscription and upon the exercise of the Option will be used by the Company:

(a) to pay for the establishment of the $10,000,000 creditors trust to be operated by the Administrators and the funds of which will be applied by the Administrators in payment of items pursuant to the terms of the DOCA (**Creditor's Trust**);

(b) to repay care and maintenance loans totalling $3,938,649, provided by Cyan and Ming Huang Trading Limited (a company registered in Hong Kong) (**MHT**) for the care and maintenance activities of the Administrators during the period of voluntary administration (**Care and Maintenance Loans**); and

(c) for working capital purposes.

Full details of the use of funds is set out in section 1.12.

A further effect of the waiver of the requirement to obtain the Shareholder Approvals is that in the event that the Company does not obtain the Shareholder Approvals, the total amount of the Subscription that has been prepaid by Cyan will automatically be converted into an interest bearing loan (**Cyan Loan**). The Cyan Loan will be secured by a general security agreement over the Company, will be subject to interest at 10% per annum and will be due and payable immediately. In the event that this occurs the Company will not be requoted on the ASX until such time as it can satisfy the ASX requirements.

1.4 Cyan Loan Facilities

Cyan has provided the Company with the following additional loan facilities, for the purpose of funding the Company's working capital requirements:

(a) $10,000,000 commencing on September 2017 for a 3-year period at an interest rate of 6%; and

(b) $20,000,000 commencing November 2017 for a 2-year period at an interest rate of 6%,

(together the **Cyan Loan Facilities**).

The Cyan Loan Facilities are secured by a floating charge over all of the Company's assets. The Company has currently drawn down $18.35 million under the Cyan Loan Facilities.

Full details of the use of funds is set out in section 1.12.

1.5 Additional Purchase of Shares by Cyan

Further to the Subscription and exercise of the Option, Cyan has indicated to the Company that it wishes to acquire additional Shares to increase its voting power in the Company to 56.67%. Such acquisitions may occur by additional subscriptions or by on-market and off-market acquisitions before 31 July 2018.

Accordingly, Resolution 16 seeks Shareholder approval for Cyan to acquire up to an additional 73,947,109 Shares (on a pre-Consolidation basis) from Workforce One Pty Ltd (ACN 103 332 789) (**WFO**), Ralph De Lacy, Ze Huang Cai and Billy Zhou before 31 July 2018 (**Additional Purchases**).

WFO is a related party by virtue of being an entity controlled by Ralph De Lacey, Kwok Ching Tsoi and Ze Huang Cai, each of whom are Directors.

Ze Huang Cai and Ralph De Lacey are related parties by virtue of being Directors.

As at the date of this meeting WFO, Ze Huang Cai and Billy Zhou hold no Shares. WFO, Ze Huang Cai and Billy Zhou will however receive Shares upon Shareholders passing Resolution 6, 10 and 11 respectively.

1.6 Placement

The Company intends to issue up to 20,000,000 Shares (on a post-Consolidation basis) at a minimum issue price of $0.50 per Share to raise a minimum $10million (**Placement**).

The purpose of the Placement is to provide the Company with sufficient working capital to meet its interim funding requirements prior to conducting the Public Offer (defined below) (approval for which is being sought under Resolution 19).

1.7 Public Offer

The Company will be required to raise additional capital in order to satisfy various conditions set by ASX prior to the reinstatement of the Shares to official quotation (**Reinstatement Conditions**).

Details of the Reinstatement Conditions are set out in Schedule 2.

The Company intends to issue up to 100,000,000 Shares (on a post-Consolidation basis) at a minimum issue price of $0.50 per Share to raise a minimum $50 million (**Public Offer**).

The Company propose to conduct the Public Offer via a full form prospectus for the purposes of section 710 of the Corporations Act (**Prospectus**).

The Company believes that the Public Offer conducted in the manner described above will enable it to satisfy the following key Reinstatement Conditions:

(a) confirmation that the Company has released the Prospectus in relation to the Public Offer, and that the offer has closed having satisfied its minimum subscription requirement.

(b) confirmation of completion of the Company's recapitalisation proposals that, after payment of the costs of the Public Offer and payments to the Administrators to satisfy obligations under the DOCA, the Company can demonstrate to ASX that it will have a minimum of $1,000,000 in cash, net of all liabilities, at the date of reinstatement, to satisfy listing rule 12.2;

(c) the Company's level of shareholder spread will satisfy the requirements of Listing Rule 12.4, with there being at least 300 holders each holding at least $500 worth of Shares (such calculation to be based on the price at which the Company issues shares under the Public Offer); and

(d) the Company having a free float (as that term is defined in Chapter 19 of the ASX Listing Rules) of not less than 20% at the time of its reinstatement to the Official List. Pursuant to Chapter 19 of the ASX Listing Rules "free float" means the percentage of the main class of securities of an entity that:

   (i) are not restricted securities or subject to voluntary escrow; and

   (ii) are held by non-affiliated security holders.

The Company confirms that the maximum number of Shares to be issued under the Public Offer is 100,000,000 (on a post-Consolidation basis). The issue price of Shares under the Public Offer will be not be less than $0.50 (but may be greater than this price), accordingly the total amount to be raised under the Public Offer may be greater than $50 million.

1.8 Capital Structure

The following table sets out a summary of the above issues of Shares:

	Number
Shares currently on issue (on a pre-Consolidation basis)	889,970,521
Shares to be issued pursuant to the Debt Conversion (on a pre-Consolidation basis) (*Resolutions 1 – 14*)	1,456,050,770
Shares to be issued under the Subscription (on a pre-Consolidation basis) (*Resolution 15*)	2,700,000,000
Shares to be issued upon exercise of the Option (on a pre-Consolidation basis) (*Resolution 15*)	198,176,774

Total pre-Consolidation	5,244,198,065
Total Post Consolidation (*Resolution 17*)	**524,419,807**
Shares to be issued under the Placement (on a post-Consolidation basis) (*Resolution 18*)	20,000,000
Shares to be issued under the Public Offer (on a post-Consolidation basis) (*Resolution 19*)	100,000,000
TOTAL	**644,419,807**

1.9 Company's Business

The Company was established in 2007 and listed on the ASX in February 2008. The Company's was established as a tin exploration and development company which initially focussed on the Company's tin bearing Mount Garnet deposits.

The Company commenced tin recovery/metallurgy and resource definition drilling in 2008 and reported a major JORC Resource Update in June 2013 and released the highly positive pre-feasibility study in September 2013. Details of the Company's most recent JORC Resource update are set out in the ASX announcement dated 17 October 2017.

As noted above, on 23 October 2014, the Company executed the ASA with SPM, SPII, Surveyor and Colinacobre which allowed the Company and its wholly owned subsidiaries to acquire from SPM all of SPM's assets including a processing plant, various mines, all associated mining tenements, mining plant and equipment, mineral rights agreements and associated mining information. The acquisition from SPM under the ASA effectively transitioned the Company from a tin exploration and development company to an operating miner and producer. It is intended that the transfer of the SPM tenements be completed prior to reinstatement. Whilst SPM remains the current holder of the legal title to the tenements, the Company has full beneficial ownership and control over the tenements. The transfer of the tenements is expected to be finalised in the first half of the calendar year 2018.

1.10 Company's Projects

The Company currently holds the following projects:

(a) Mt Garnet

Mt Garnet is the location of the following assets of the Company:

(i) a processing plant and an underground mine for the production of base metals, which is approximately 162km south west of Cairns, Queensland; and

(ii) an exploration project under which the Company undertakes tin and base metals exploration activities.

The Company has operated at Mt garnet pursuant to the Mining leases, mineral development licenses and exploration permits.

(i) **Mt Garnet Underground Mine**

At the time of the Company's voluntary administration, the Mt Garnet underground mine was on a maintenance shutdown,

with crews preparing the mine and processing plant for restart once working capital was received.

Additional exploration activities have continued at the Mt Garnet Mine with a recent update being provided to the market on 1 February 2018.

On 1 May 2017, the Company announced that initial drilling at the Mt Garnet Deeps project had been completed and final assay results confirmed the existence of a continuous mineralised shoot at depth. The Company is continuing to develop the Mt Garnet Deeps Project and will provide further updates on the progress and results of this project in due course.

(ii) **Mt Garnet Processing Plant**

The processing plant has an annual processing capacity of one million tonnes of ore, comprising two individual circuits with shared infrastructure. One supergene copper circuit and one polymetallic circuit, with each circuit having a capacity of 500ktpa.

SPM recommenced processing at the Mt Garnet Processing Plant in March 2014 using the polymetallic circuit, firstly processing primary copper ore from the Baal Gammon and Balcooma mines, followed by polymetallic ore from the Balcooma and Mt Garnet Mines.

During FY2015-16, the Mt Garnet Processing Plant produced 44,500 tonnes of zinc concentrate, 5,600 tonnes of copper concentrate and 3,200 tonnes of lead concentrate. These concentrates were mostly shipped offshore to smelters in China or Korea with a small parcel of approximately 1,500 tonnes of zinc concentrate being processed at Sun Metal's smelter in Townsville, Queensland.

Although the plant was on a maintenance shutdown at the time of the Company entering into voluntary administration, the polymetallic circuit had been in production processing ore from Mt Garnet underground prior to the maintenance shutdown. As discussed above, the Mt Garnet Processing Plant was placed on a maintenance shutdown due to delays in receipt of working capital funds to allow the Company to trade through temporary low commodity prices.

(iii) **Mt Garnet Tin Project**

The Mt Garnet Tin Project is comprised of the Gillian, Pinnacles, Deadmans Gully and Windermere deposits located within the Herberton Tin Fields in Queensland.

(b) <u>Surveyor</u>

The Surveyor mines are located 150km south of Mount Garnet near Greenvale, Queensland. The site was originally an open cut mine which was converted to an underground mine and consists of two mining pits Surveyor an Balcooma.

All resources extracted from the Surveyor site were transferred to Mt Garnet for processing. The Company ceased mining and operation at the Surveyor site in September 2015 and transitioned into care and maintenance status.

(c) Maitland

The Maitland Project is located in close proximity to the Surveyor mine near Greenvale, approximately 346km south-west of Cairns and 172km south-west of the Mt Garnet Processing Plant and is considered prospective for copper.

(d) Einasleigh

The Einasleigh district exploration encompasses five (5) main target sites. The sites are purely exploration sites and the Company has advised that they are still a number of years away from being potential active mining sites. Drilling has commenced at the Company's Einasleigh project, initially targeting the Chloe/Jackson and Kaiser Bill prospect's. Recently completed reviews have highlighted the potential to increase the existing resource for this area.

(e) Baal Gammon

The Baal Gammon site is a legacy underground copper mine near Herberton, Queensland which is effectively in a care and maintenance phase. This project was initially acquired by SPM as part of the acquisition of assets from Kagara Ltd. The acquisition took place by way of an assignment of a Mineral Rights Agreement (**MRA**) between Kagara and Baal Gammon Copper Pty Ltd (**BGC**). Colinacobre Pty Ltd a wholly owned subsidiary of CSD subsequently assumed SPM's obligations under the MRA.

As announced on 3 March 2017, the Company, SPM and Colinacobre entered into an agreement with BGC pursuant to which the Company, SPM and Colinacobre have agreed to relinquish all their rights under the MRA and BGC has agreed to assume full responsibility and liability (including any environment liabilities and obligations) for and in respect of the Baal Gammon project.

As announced on 6 July 2017, BGC s subsequently commenced proceedings against the trustee of the Creditor's Trust, as well as the Company, SPM and Cyan in relation to claims of environmental liabilities with respect to the Baal Gammon site, which the Company at the time was of the view were unsubstantiated.

As announced on 5 September 2017, BGC's proceedings against the Company, SPM and Cyan were dismissed with BGC required to pay costs.

1.11 Company intentions

The intended use of funds raised under the Subscription and the Company's future strategy remain the same. Furthermore, the Company's main business undertaking and assets remain unchanged.

Completion of the DOCA and Subscription Agreement will provide working capital to implement the DOCA, allow the Company to continue its existing activities and to pursue new projects by way of acquisition or investment. Subject

to the satisfaction of the Reinstatement Conditions, the Company will then be in a position to have its Shares reinstated to trading on the Official List of the ASX.

The Company's board of directors has approved a two year budget which will see the recommencement of mining at the Surveyor and Mt Garnet underground mines with ore being processed at the Mt Garnet Processing Plant.

Since the placement of the Company into voluntary administration, commodity prices have rebounded significantly, with the price of zinc increasing over 130 percent, the price of lead increasing 45 percent and the price of copper increasing 45 percent from July 2016. This substantial increase in commodity prices makes the Company's operations viable.

Furthermore, through the subscription and prepayment agreements with Cyan, the Company has access to sufficient capital to recommence mining at the Mt Garnet Mine and re-enter the Dry River South underground mine.

Additional exploration activities have also commenced at the Mt Garnet Mine with several updates being provided to the market with the most recent being on 1 February 2018. The reference to the $1.6 million allocated to 'review of new projects' relates to these exploration activities, which is aimed at drilling known targets in the close vicinity of existing infrastructure. The Company will provide further updates on the progress and results of this exploration in due course.

The Company has further plans to continue exploration activities at the Einasleigh Project, at the Surveyor Project and also within the Company's Mt Garnet Tin Project.

1.12 Use of Funds

The Company has used and will continue to use subscription funds together with funds available under the Cyan Loan Facilities for the recommencement of mining at the Mt Garnet and Surveyor mines, with the ore to be processed at the Mt Garnet Processing Plant. These funds have been expensed through March 2017 to April 2018, at which time the operations will start to produce cash flow to support continued operations.

A summary of the utilisation of the subscription funds of the Company and those funds draw down under the Cyan Loan Facilities is set out in the table below and assuming a further $2,500,000 is raised upon exercise of the Option.

ACTIVITY	Expenditure	
	Subscription and Cyan Loan Facilities ($)	Subscription, Cyan Loan Facilities and exercise of the Option ($)
Funds prepaid under the Subscription and draw down under the Cyan Loan Facilities which has been expended.	**56,655,212**	**56,655,212**
Establishment of the $10,000,000 Creditors Trust to be operated by the Administrators	10,000,000	10,000,000

Repay Care and Maintenance Loan provided by Cyan	1,213,744	1,213,744
Care & Maintenance	2,410,468	2,410,468
Project Expenditure		
Salaries	7,346,000	7,346,000
Mt Garnet Underground Mine - restart mining, including equipment mobilisation, repairs and maintenance of surface infrastructure and equipment	6,800,000	6,800,000
Mt Garnet Processing Plant - repairs and refurbishment, including infrastructure necessary to restart processing	2,000,000	2,000,000
Mt Garnet Processing Plant – recommissioning first fill	1,300,000	1,300,000
Mt Garnet Processing Plant – processing costs	1,940,000	1,940,000
Administrative and Corporate Costs	2,000,000	2,000,000
Surveyor – surface infrastructure refurbishment costs	6,000,000	6,000,000
Dry River South Underground Mine – re-entry refurbishment cost	2,600,000	2,600,000
Bonds (environmental and electricity)	2,745,000	2,745,000
Baal Gammon Disposal	1,800,000	1,800,000
Exploration Expenditure[1]		
Geology staff salaries	1,650,000	1,650,000
Geology administration	1,700,000	1,700,000
Mt Garnet Region – base metal drilling	1,340,000	1,340,000
Chloe Jackson Deposit – drilling	1,400,000	1,400,000
Surveyor Region – drilling	1,150,000	1,150,000
Kaiser Bill Deposit – drilling	800,000	800,000
Muldiva Deposit DD	460,000	460,000
Funds yet to be drawn down under the Cyan Loan Facilities and therefore has not yet been expended.	**7,405,288**	**9,905,288**
Repay Care and Maintenance Loan provided by MHT	2,770,202	2,770,202
Project Expenditure		
Surveyor – restart mining	1,400,000	2,150,000
Mt Garnet Underground Mine – continuing mining operations	735,086	1,485,086
Mt Garnet Processing Plant – processing costs	1,000,000	2,000,000

Exploration Expenditure[1]		
Mt Garnet Region - base metal drilling	350,000	350,000
Chloe Jackson Deposit – drilling	450,000	450,000
Surveyor Region – drilling	300,000	300,000
Kaiser Bill Deposit – drilling	400,000	400,000
TOTAL	**64,060,500**	**66,560,500**

Notes:

1. In early 2017 the Company commenced an extensive drilling campaign with a budget of $10m provided via the initial Cyan Loan Facility (**2017 Drilling Campaign**). The 2017 Drilling Campaign was focused on known mineralisation targets which the Company had previously been unable to drill due to lack of funds. The 2017 Drilling Campaign had two areas of focus:

   - 'near mine' focused to develop additional ore for Mt Garnet Processing Plant in the short term; and
   - 'regional' developing 'pipeline' projects as future ore supply.

   The 2017 Drilling Campaign had success at Mt Garnet, discovering and developing the 'Mt Garnet Deeps Project', now part of the Company's short-term ore supply, and at Einasleigh, now part of the Company's long-term planning.

   Details of these projects and exploration updates are set out in the Company's ASX announcements dated 8 March 2017, 10 July 2017, 20 September 2017, 18 December 2017, 1 February 2018, 12 February 2018 and 26 February 2018.

A summary of the utilisation of the additional funds to be raised under the Placement and Public Offer is set out in the table below, assuming $10 million is raided under the Placement and $50 million is raised under the Public Offer;

ACTIVITY	Expenditure	Timing
Cost of the Placement	$500,000	Within 3 months
Costs of the Public Offer	$2,500,000	Within 9 months
Repay funds drawn down under the Cyan Loan Facilities	$30,000,000	Within 9 months
Exploration Expenditure[1]		
Geology staff salaries	$2,200,000	April – Dec
Geology administration	$1,800,000	April – Dec
Surveyor Region – drilling	$1,000,000	April – Dec
Einasleigh Region – drilling	$1,100,000	April – Dec
Mt Garnet Region – base metal drilling	$1,600,000	April – Dec
Mt Garnet – drilling	$1,000,000	April – Dec
Maitland Deposit - infill and metallurgy sample drilling	$300,000	April – Dec
Einasleigh - establish permanent base camp	$1,000,000	April – May
Increase processing capacity at Mt Garnet Processing Plant[2]		

Refurbish primary copper grinding circuit and convert to expand polymetallic capacity	3,000,000	Sept - Dec
Refurbish primary copper flotation cells and convert to expand polymetallic capacity	2,000,000	Sept - Dec
Einasleigh & Maitland feasibility & development study	$2,000,000	April - Dec
Working capital and cash reserve	$10,000,000	
TOTAL	**$60,000,000**	

Notes:

1. On success of the 2017 Drilling Campaign, the Company propose to use funds to be raised under the Placement for further drilling (**2018 Drilling Campaign**). The purpose of the 2018 Drilling Campaign is to allow for follow up drilling at the Mt Garnet and Einasleigh and to also conduct expansion drilling of other know mineralisation targets. The Company currently has two rigs on site, being one at Mr Garnet and one at Surveyor. A third drill rig is planned to commence at Einasleigh in April 2018. The Company hopes to develop Einasleigh towards production by 2021, and Maitland towards production in 2019 as additional ore supply for the Mt Garnet Processing Plant.
2. The Mt Garnet Processing Plant current configuration consists of a 500,000t pa polymetallic recovery section and a 500,000t primary copper recovery section, making the total mill capacity 1Mt p.a. Currently only the polymetallic recovery section is operated at about 500,000t p.a. The Company proposed to use these funds to expand the polymetallic recovery section of the mill by converting sections of the primary copper circuit to become part of the polymetallic circuit by adding grinding capacity by refurbishing redundant ball mills, and adding flotation capacity by refurbishing redundant flotation cells.

   Additional ore from the Mt Garnet Deeps Project, Maitland, Dry River South and Balcooma will require increased mill capacity. The Company's current long-term plan is to convert the mill to polymetallic at around 1Mt p.a.

On completion of the Placement and Public Offer, the Board believes the Company will have sufficient working capital to carry out its stated objectives. The Company has no plans or foreseeable need to raise further funds beyond what is disclosed in this Notice.

The above tables are a statement of past expenditure and current intentions as of the date of this Notice. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

1.13 Pro forma balance sheet

Set out in Schedule 1 of this Notice is a pro-forma balance sheet of the Company assuming that all Resolutions have been passed. The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

1.14 Board of Directors

Pursuant to the terms of the Subscription Agreement, following completion of the DOCA and Subscription Agreement, Messrs SiHe Tong and Kwok Ching Tsoi will resign. The Company will simultaneously appoint three (3) new Directors nominated by Cyan to join Messrs Ralph De Lacey and Ze Huang Cai as Directors of the Company.

1.15 Pro Forma Balance Sheet

A copy of the pro forma consolidated statement of financial position after allowing for:

(a) completion of the DOCA;

(b) completion of the Debt Conversion (Resolutions 1 to14);

(c) completion of the Subscription Agreement (Resolutions 15 to16);

(d) completion of the Placement (Resolution 18); and

(e) completion of the Public Offer (Resolution 19),

is set out in section 5.4 of the Independent Expert's Report prepared by Stantons International Securities enclosed with this Notice.

1.16 Timetable

An indicative timetable for completion of the DOCA, Debt Conversion, Subscription Agreement, Consolidation, Placement and Public Offer is set out in Section 17.7 of this Explanatory Statement.

1.17 Quotation of New Shares on ASX

The Company is already admitted to the Official List. However, trading in the Company's Shares was suspended on 29 June 2016. Following completion of the Subscription Agreement, the Company will apply to have its Shares reinstated to trading on the Official List, including applying for quotation of the Shares offered under the DOCA and Subscription Agreement.

Reinstatement of the Company's Shares to the Official List is at the discretion of ASX and will be subject to compliance with the Reinstatement Conditions.

1.18 Financial Liabilities

On reinstatement of the Company's Shares to the Official List, other than provisions for employees, rehabilitation and trade creditor balances typical to regular mining operations, there will be no additional liabilities to the Company as it will have used part of the capital raised under the Subscription to repay outstanding and overdue Creditors.

1.19 Summary of Resolutions

The Purpose of this Notice is to obtain Shareholder approval for:

(a) the Company to issue 1,456,050,770 Shares (on a pre-Consolidation basis) to the related party Creditors or their nominees under the Debt Conversion (Resolutions 1 – 14);

(b) Cyan's voting power in the Company to increase from 0% up to 55.26% pursuant to:

  (i) the issue of Shares under the Subscription; and

  (ii) the issue of Share upon exercise of the Option;

  (Resolution 15);

(c) Cyan's voting power in the Company to increase from 55.26% up to 56.67% pursuant to the acquisition of shares as Additional Purchases (Resolution 16);

(d) the Consolidation of the issued capital of the Company be consolidated on the basis that every ten (10) Shares be consolidated into one (1) Share (Resolution 17);

(e) the issue of up to 20,000,000 Shares (on a post-Consolidation basis) under the Placement (R*esolution 18)*; and

(f) the issue of up to 100,000,000 Shares (on a post-Consolidation basis) under the Public Offer (R*esolution 19*).

Resolutions 1 to 14 are interconditional. Resolutions 17, 18 and 19 are conditional upon the passing of Resolutions 1 to 14.

2. RESOLUTION 1 – ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SNOW PEAK MINING PTY LTD

2.1 General

Under the ASA, the Company agreed to issue 580,000,000 Shares and 165,000,000 convertible notes (**Convertible Notes**) to SPM and 30,000,000 Shares to SPII (together the **Consideration Securities**) in consideration for the acquisition of all assets owned, used or intended for use by SPM in undertaking its various projects. The Convertible Notes each had a face value of $0.10.

The Company obtained Shareholder Approval for the issue of the Consideration Securities at the general meeting held on 5 April 2016 (**April Meeting**). The terms and conditions of the Convertible Notes are set out in Schedule 1 of the Company's notice to the April Meeting release to the ASX on 3 March 2016 (**Terms and Conditions**).

On 28 July 2016, following the appointment of administrators to the Company, SPM issued the Company a notice of redemption electing to redeem the Convertible Notes and all accrued interest for cash in accordance with the Terms and Conditions (**Redemption Notice**).

Following receipt of the Redemption Notice, the Company was required to pay SPM on before the fifth Business Day after receiving the Redemption Notice an amount per Convertible Note equal to the face value of the Convertible Notes plus any interest which had accrued in respect of the Convertible Notes. The aggregate face value of the Convertible Notes together with all accrued interest amounts to $17,109,781.60 (**Convertible Note Debt**).

The corresponding amount recorded in the Company's 30 June 2017 consolidated financial statements is $16,816,438, representing the value of the Convertible Note Debt and accrued interest as at 28 July 2016 and does not include interest accrued subsequent to this date. As at the date of this Meeting, the Convertible Note Debt, which includes accrued interest, has not been paid by the Company to SPM.

The $293,343.60 of accrued interest between 28 July 2016 and the subsequent execution of the DOCA forming part of the Convertible Note Debt will be recorded as a loss in the Company's financial reports.

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the Convertible Note Debt be converted into Shares at a conversion price of $0.025 resulting in the issue of 684,391,264 Shares (on a pre-Consolidation basis) to SPM.

Upon the issue of the 684,391,264 Shares (on a pre-Consolidation basis) to SPM under Resolution 1, no amounts will remain outstanding under the Convertible Note Debt.

Resolution 1 seeks Shareholder approval for the issue of 684,391,264 Shares (on a pre-Consolidation basis) to SPM (or its nominee).

2.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Shares the subject of this Resolution constitutes giving a financial benefit and SPM is a related party by virtue of being an entity controlled by SiHe Tong, a Director.

The Directors (other than SiHe Tong, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

2.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

2.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to SPM (or its nominees) which is a related party by virtue of being an entity controlled by SiHe Tong, a Director;

(b) the maximum number of Shares to be issued is 684,391,264 (on a pre-Consolidation basis);

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued for nil cash consideration in satisfaction of the Convertible Note Debt owing to SPM;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to SPM (or its nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

3. RESOLUTION 2 – ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SNOW PEAK MINING PTY LTD

3.1 General

Prior to settlement of the ASA, the Company and SPM entered into a loan arrangement pursuant to which SPM agreed to loan funds to the Company for its operating activities (**SPM Loan**).

The Company has not repaid any funds to SPM under the SPM Loan with a total of $971,705.43 outstanding (**SPM Loan Debt**).

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the SPM Loan Debt be converted into Shares at a conversion price of $0.025 resulting in the issue of 38,868,218 Shares (on a pre-Consolidation basis) to SPM.

Resolution 2 seeks Shareholder approval for the issue of 38,868,218 Shares (on a pre-Consolidation basis) to SPM (or its nominee).

3.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The issue of Shares the subject of this Resolution constitutes giving a financial benefit and SPM is a related party by virtue of being an entity controlled by SiHe Tong, a Director.

The Directors (other than SiHe Tong, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required as the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the

Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

3.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to SPM (or its nominees) which is a related party by virtue of being an entity controlled by SiHe Tong, a Director;

(b) the maximum number of Shares to be issued is 38,868,218 (on a pre-Consolidation basis);

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued for nil cash consideration in satisfaction of the SPM Loan Debt owing to SPM;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to SPM (or its nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

4. RESOLUTION 3 – ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SNOW PEAK INTERNATIONAL INVESTMENTS

4.1 General

On 24 October 2015 SPM entered into a loan agreement with SPII pursuant to which SPII agreed to provide a loan facility of up to $5,000,000 to SPM (**SPII Loan**). Under the SPII Loan SPM may request and SPII may consent for funds to be drawn down in currencies other than AUD, where a draw down is made in a currency other than AUD the amount drawn down shall be converted into AUD at the prevailing foreign currency exchange rate of the day, and the converted AUD value shall apply.

Pursuant to the terms of the ASA and SPII Loan, it was agreed that upon settlement of the ASA, the SPII Loan would be transferred from SPM to the Company. On 19 April 2016 the Company sent a letter to SPII confirming the transfer of the SPII Loan from SPM to the Company and confirmed the Company's acceptance of the full terms and conditions of the SPII Loan.

To date, the aggregate value of funds drawn down under the SPII Loan by SPM and the Company (including interest) and factoring in the conversion of funds drawn down in USD to AUD is $4,323,396.28 (**SPII Loan Debt**).

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the SPII Loan Debt be converted into Shares at a conversion price of $0.025 resulting in the issue of 172,935,852 Shares (on a pre-Consolidation basis) to SPII.

Resolution 3 seeks Shareholder approval for the issue of 172,935,852 Shares (on a pre-Consolidation basis) to SPII (or its nominee).

4.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The issue of Shares the subject of this Resolution constitutes giving a financial benefit and SPII is a related party by virtue of being an entity controlled by SiHe Tong, a Director.

The Directors (other than SiHe Tong, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

4.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to SPII (or its nominees) which is a related party by virtue of being an entity controlled by SiHe Tong, a Director;

(b) the maximum number of Shares to be issued is 172,935,852 (on a pre-Consolidation basis);

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued for nil cash consideration in satisfaction of the SPII Loan Debt owing to SPII;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to SPII (or its nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RESOLUTION 4 – ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SNOW PEAK GLOBAL COMPANY LIMITED

5.1 General

On 22 October 2015 the Company, SPM and Snow Peak Global Company Limited (a company incorporated in Hong Kong on 30 April 2015 (**SPGC**) entered into a loan agreement pursuant to which SPGC agreed to loan $10,000,000 to SPM (**SPGC Loan**).

Pursuant to the terms of the SPGC Loan, it was agreed that upon settlement of the ASA, the SPCG Loan would be transferred from SPM to the Company and SPM would be absolved of all liability to SPGC in satisfaction of the Loan.

Immediately prior to the Company entering into voluntary administration, the aggregate value of funds drawn down under the SPII Loan by SPM and the Company (including interest) was $10,490,410.96 (**SPGC Loan Debt**).

The corresponding amount recorded in the Company's 30 June 2017 consolidated financial statements is $10,750,000, representing the value of the SPGC Loan if interest were to accrue until expiry of the SPGC Loan in October 2016. As set out in the Joint DOCA Proposal, the Company and SPGC have agreed for the SPGC Loan Debt to be recorded and converted at the value immediately prior to the Company entering voluntary administration, being $10,490,410.96.

The $259,589.04 of interest accrued between the Company entering into voluntary administration and expiry of the SPGC Loan in October 2016 will be recorded as a gain in the Company's financial reports.

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the SPCG Loan Debt be converted into Shares at a conversion price of $0.025 resulting in the issue of 419,616,439 Shares (on a pre-Consolidation basis) to SPGC.

Upon the issue of the 419,616,439 Shares (on a pre-Consolidation basis) to SPGC under Resolution 4, no amounts will remain outstanding under the SPGC Loan Debt.

Resolution 4 seeks Shareholder approval for the issue of 419,616,439 Shares (on a pre-Consolidation basis) to SPGC (or its nominee).

5.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The issue of Shares the subject of this Resolution constitutes giving a financial benefit and SPGC is a related party by virtue of being an entity controlled by Kwok Ching Tsoi, a Director.

The Directors (other than Kwok Ching Tsoi, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

5.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to SPGC (or its nominees) which is a related party by virtue of being an entity controlled by SiHe Tong, a Director;

(b) the maximum number of Shares to be issued is 419,616,439 (on a pre-Consolidation basis);

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued for nil cash consideration in satisfaction of the SPGC Loan Debt owing to SPGC;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to SPGC (or its nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

6. RESOLUTION 5 – ISSUE OF SHARES TO RELATED PARTY IN SATISFACTION OF A DEBT – ARM (NQ) PTY LTD

6.1 General

ARM (NQ) Pty Ltd (ACN 161 602 151) (**ARM**) was engaged by SPM on 25 January 2014 to provide staff accommodation to SPM pursuant to a residential property lease agreement (**ARM Lease Agreement**).

Pursuant to the terms of the ASA, it was agreed that the ARM Lease Agreement and any amounts owed by SPM under the ARM Lease Agreement would be transferred from SPM to the Company.

Between 1 February 2016 and 19 July 2016 (the date the Company voluntarily appointed the Administrators), ARM issued invoices to the Company for fees accrued under the ARM Lease Agreement amounting to an aggregate of $118,169 (**ARM Debt 1**).

From 19 July 2016 until 20 December 2016 (the estimated period of appointment of the Administrators), ARM has issued further invoices to the Company for fees accrued under the ARM Lease Agreement amounting to an aggregate of $54,967.74 (**ARM Debt 2**).

The ARM Debt 1 and ARM Debt 2 are collectively referred to as the **ARM Debt**.

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the ARM Debt be converted into Shares at a conversion price of $0.012615 resulting in the issue of 13,724,673 Shares (on a pre-Consolidation basis) to ARM.

Resolution 5 seeks Shareholder approval for the issue of 13,724,673 Shares (on a pre-Consolidation basis) to ARM (or its nominees).

6.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The issue of Shares the subject of this Resolution constitutes giving a financial benefit and ARM is a related party by virtue of being an entity controlled by Ralph De Lacey, Kwok Ching Tsoi and Ze Huang Cai, each of whom are Directors.

The Directors (other than Ralph De Lacey, Kwok Ching Tsoi and Ze Huang Cai, who have a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

6.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to ARM (or its nominees) which is a related party by virtue of being an entity controlled by Ralph De Lacey, Kwok Ching Tsoi and Ze Huang Cai, each of whom are Directors;

(b) the maximum number of Shares to be issued is 13,724,673 (on a pre-Consolidation basis);

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued for nil cash consideration in satisfaction of the ARM Debt owing to ARM;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to ARM (or its nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTION 6 – ISSUE OF SHARES TO RELATED PARTY IN SATISFACTION OF A DEBT – WORKFORCE ONE PTY LTD

7.1 General

WorkForce One Pty Ltd (ACN 103 332 789) (**WFO**) was engaged by SPM 1 May 2014 to provide contract labour hire to SPM pursuant to various employment contracts (**WFO Employment Agreements**).

Pursuant to the terms of the ASA, it was agreed that the WFO Employment Agreements and any amounts owed by SPM under the WFO Employment Agreements would be transferred from SPM to the Company.

Between 1 February 2016 and 19 July 2016 (the date the Company voluntarily appointed the Administrators), WFO issued invoices to the Company for accrued fees under the WFO Employment Agreements amounting to an aggregate of $812,776.18 (**WFO Debt**).

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the WFO Debt be converted into Shares at a conversion price of $0.012615 resulting in the issue of 64,429,345 Shares (on a pre-Consolidation basis) to WFO.

Resolution 6 seeks Shareholder approval for the issue of 64,429,345 Shares (on a pre-Consolidation basis) to WFO (or its nominee).

7.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The issue of Shares the subject of this Resolution constitutes giving a financial benefit and as noted in section 1.4 above, WFO is a related party by virtue of

being an entity controlled by Ralph De Lacey, Kwok Ching Tsoi and Ze Huang Cai, each of whom are Directors.

The Directors (other than Ralph De Lacey, Kwok Ching Tsoi and Ze Huang Cai, who have a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

7.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to WFO (or its nominee), which is a related party by virtue of being an entity controlled by Ralph De Lacey, Kwok Ching Tsoi and Ze Huang Cai, each of whom are Directors;

(b) the maximum number of Shares to be issued is 64,429,345 (on a pre-Consolidation basis);

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued for nil cash consideration in satisfaction of the WFO Debt owing to WFO;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to WFO (or its nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

8. RESOLUTION 7 – ISSUE OF SHARES TO RELATED PARTY IN SATISFACTION OF A DEBT – NQ MINING ENTERPRISES PTY LTD

8.1 General

NQ Mining Enterprises Pty Ltd (ACN 122 171 573) (**NQM**) was engaged by the Company on 26 January 2008 to provide leased office premises to the Company pursuant to an office lease agreement (**NQM Lease Agreement**).

Between 1 February 2016 and 19 July 2016 (the date the Company voluntarily appointed the Administrators), NQM issued invoices to the Company for fees accrued under the NQM Lease Agreement amounting to an aggregate of $49,459.62 (**NQM Debt 1**).

From 19 July 2016 until 20 December 2016 (the estimated period of appointment of the Administrators), NQM has issued further invoices to the Company for fees accrued under the NQM Lease Agreement amounting to an aggregate of $29,886.63 (**NQM Debt 2**).

The NQM Debt 1 and NQM Debt 2 are collectively referred to as the **NQM Debt**.

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the NQM Debt be converted into Shares at a conversion price of $0.012615 resulting in the issue of 6,289,835 Shares (on a pre-Consolidation basis) to NQM.

Resolution 7 seeks Shareholder approval for the issue of 6,289,835 Shares (on a pre-Consolidation basis) to NQM (or its nominee).

8.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The issue of Shares the subject of this Resolution constitutes giving a financial benefit and NQM is a related party by virtue of being an entity controlled by Ralph De Lacey, a Director.

The Directors (other than Ralph De Lacey, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

8.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to NQM (or its nominees), which is a related party by virtue of being an entity controlled by Ralph De Lacey, a Director;

(b) the maximum number of Shares to be issued is 6,289,835 (on a pre-Consolidation basis);

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued for nil cash consideration in satisfaction of the NQM Debt owing to NQM;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to NQM (or its nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

9. RESOLUTION 8 – ISSUE OF SHARES TO RELATED PARTY IN SATISFACTION OF A DEBT – SHINEWARM RESOURCES PTY LTD

9.1 General

Shinewarm Resources Pty Ltd (ACN 143 778 885) (**Shinewarm**) was engaged by SPM on 1 January 2015 to provide offshore concentrate discharge supervision to SPM pursuant to specific shipping discharge agreements (**Shinewarm Services Agreements**).

Pursuant to the terms of the ASA, it was agreed that the Shinewarm Services Agreements and any amounts owed by SPM under the Shinewarm Services Agreements would be transferred from SPM to the Company.

Between 1 February 2016 and 19 July 2016 (the date the Company voluntarily appointed the Administrators), Shinewarm issued invoices to the Company for services provided under the Shinewarm Services Agreements amounting to an aggregate of $50,474.66 (**Shinewarm Debt**).

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the Shinewarm Debt be converted into Shares at a conversion price of $0.012615 resulting in the issue of 4,001,163 Shares to Shinewarm.

Resolution 8 seeks Shareholder approval for the issue of 4,001,163 Shares to Shinewarm (or its nominees).

9.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The issue of Shares the subject of this Resolution constitutes giving a financial benefit and Shinewarm is a related party by virtue of being an entity related to Ze Huang Cai, a Director.

The Directors (other than Ze Huang Cai, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

9.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to Shinewarm (or its nominees), which is a related party by virtue of being an entity related to Ze Huang Cai, a Director;

(b) the maximum number of Shares to be issued is 4,001,163 (on a pre-Consolidation basis);

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued for nil cash consideration in satisfaction of the Shinewarm Debt owing to Shinewarm;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Shinewarm (or its nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

10. RESOLUTION 9 – ISSUE OF SHARES TO RELATED PARTY – MR RALPH DE LACEY

10.1 General

On 26 January 2008 the Company entered into an executive service agreement with Joint Executive Chairman, Mr Ralph De Lacey (**De Lacey ESA**). Pursuant to the terms of the De Lacey ESA, Mr De Lacey is entitled to a salary of $368,000 per annum payable monthly in arrears.

On 1 February 2016 the Company and the Directors agreed to suspend the payments of all Directors' salaries in order to preserve the Company's cash reserves.

Between 26 February 2016 and 19 July 2016 (the date the Company voluntarily appointed the Administrators), the aggregate value of unpaid salary owing to Mr De Lacey is $148,609.58 (**De Lacey Salary 1**).

From 19 July 2016 until 20 December 2016 (the estimated period of appointment of the Administrators), the aggregate value of unpaid salary owing to Mr Del Lacey is $89,592.02 (**De Lacey Salary 2**).

Further, between 1 February 2016 and 19 July 2016 (the date the Company voluntarily appointed the Administrators), Mr De Lacey paid for Company expenses to the value of $2,865.06 out of person funds (**De Lacey Expenses**).

The De Lacey Salary 1, De Lacey Salary 2 and De Lacey Expenses are collectively referred to as the **De Lacey Debt**.

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the De Lacey Debt be converted into Shares at a conversion price of $0.012615 resulting in the issue of 19,109,526 Shares (on a pre-Consolidation basis) to Mr De Lacey.

Resolution 9 seeks Shareholder approval for the issue of 19,109,526 Shares (on a pre-Consolidation basis) to Mr Ralph De Lacey (or his nominees).

10.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The issue of Shares the subject of this Resolution constitutes giving a financial benefit and Mr De Lacey is a related party by virtue of being a Director.

The Directors (other than Mr De Lacey, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

10.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to Mr Ralph De Lacey (or his nominees);

(b) the maximum number of Shares to be issued is 19,109,526 (on a pre-Consolidation basis);

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued for nil cash consideration in satisfaction of the De Lacey Debt owing to Mr De Lacey;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Mr De Lacey (or his nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

11. RESOLUTION 10 – ISSUE OF SHARES TO RELATED PARTY – MR ZE HUANG CAI

11.1 General

On 13 January 2015, the Company entered into an executive service agreement with Executive Director, Mr Ze Huang Cai (**Cai ESA**). Pursuant to the terms of the Cai ESA, Mr Cai is entitled to a salary of $345,000 per annum payable monthly in arrears.

On 1 February 2016 the Company and the Directors agreed to suspend the payments of all Directors' salaries in order to preserve the Company's cash reserves.

Between 1 February 2016 and 19 July 2016 (the date the Company voluntarily appointed the Administrators), the aggregate value of unpaid salary owing to Mr Cai is $143,326.21 (**Cai Salary 1**).

From 19 July 2016 until 20 December 2016 (the estimated period of appointment of the Administrators), the aggregate value of unpaid salary owing to Mr Cai is $78,758.60(**Cai Salary 2**).

Between 1 February 2016 and 19 July 2016 (the date the Company voluntarily appointed the Administrators), Mr Cai paid for Company expenses to the value of $2,800.30 out of person funds (**Cai Expenses 1**).

Further, from 19 July 2016 until 20 December 2016, Mr Cai paid for Company expenses to the value of $16,030.85 out of person funds (**Cai Expenses 2**).

The Cai Salary 1, Cai Salary 2, Cai Expenses 1 and Cai Expenses 2 are collectively referred to as the **Cai Debt**.

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the Cai Debt be converted into Shares at a conversion price of $0.012615 resulting in the issue of 19,097,581 Shares (on a pre-Consolidation basis) to Mr Cai.

Resolution 10 seeks Shareholder approval for the issue of 19,097,581 Shares (on a pre-Consolidation basis) to Mr Ze Huang Cai (or his nominees).

11.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The issue of Shares the subject of this Resolution constitutes giving a financial benefit and Mr Cai is a related party by virtue of being a Director.

The Directors (other than Mr Cai, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

11.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to Mr Ze Huang Cai (or his nominees);

(b) the maximum number of Shares to be issued is 19,097,581 (on a pre-Consolidation basis);

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued for nil cash consideration in satisfaction of the Cai Debt owing to Mr Cai;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Mr Cai (or his nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

12. RESOLUTION 11 – ISSUE OF SHARES TO – MR BILLY ZHOU

12.1 General

On 7 March 2013, SPM entered into an employment agreement with Mr Billy Zhou under which SPM agreed to employ Mr Zhou as Assistant to Chief Financial Officer (**Zhou Employment Agreement**). Pursuant to the terms of the Zhou Employment Agreement, Mr Zhou is entitled to reimbursement of personal expenses incurred on behalf of the Company.

Pursuant to the terms of the ASA, it was agreed that the Zhou Employment Agreement and any amounts owed by SPM under the Zhou Employment Agreement would be transferred from SPM to the Company.

On 1 February 2016, the Company and the Mr Zhou agreed to suspend the reimbursement of all personal expenses incurred by Mr Zhou on behalf of the Company, in order to preserve the Company's cash reserves.

Between 1 February 2016 and 19 July 2016 (the date the Company voluntarily appointed the Administrators), Mr Zhou paid for Company expenses to the value of $4,988.65 out of personal funds (**Zhou Expenses 1**).

Further between 19 July 2016 until 20 December 2016 (the estimated period of appointment of the Administrators), Mr Zhou paid for Company expenses to the value of $15,077.95 out of personal funds (**Zhou Expenses 2**).

The Zhou Expenses 1 and Zhou Expenses 2 are collectively referred to as the **Zhou Debt**.

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the Zhou Debt be converted into Shares at a conversion price of $0.012615 resulting in the issue of 1,590,694 Shares (on a pre-Consolidation basis) to Mr Zhou.

Resolution 11 seeks Shareholder approval for the issue of 1,590,694 Shares (on a pre-Consolidation basis) to Mr Billy Zhou (or his nominees).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

12.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares:

(a) the maximum number of Shares to be issued is 1,590,694 (on a post-Consolidation basis);

(b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same day;

(c) the Shares will be issued for nil cash consideration as consideration for the Zhou Debt;

(d) the Shares will be issued to Mr Billy Zhou(or his nominee), who is not a related party of the Company;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares other than in relation to any escrow period imposed by ASX; and

(f) no funds will be raised from the issue of the Shares as the Shares are being issued in consideration for the Zhou Debt.

13. RESOLUTION 12 – ISSUE OF SHARES TO RELATED PARTY – MR KWOK CHING TSOI

13.1 General

On 13 January 2015 the Company and entered into an executive service agreement with Joint Executive Chairman, Mr Kwok Ching Tsoi (**Tsoi ESA**). Pursuant to the terms of the Tsoi ESA, Mr Tsoi is entitled to a salary of $181,500 per annum payable monthly in arrears.

On 1 February 2016 the Company and the Directors agreed to suspend the payments of all Directors' salaries in order to preserve the Company's cash reserves.

Between 1 February 2016 and 19 July 2016 (the date the Company voluntarily appointed the Administrators), the aggregate value of unpaid salary owing to Mr Tsoi is $73,744.40 (**Tsoi Salary 1**).

From 19 July 2016 until 20 December 2016 (the estimated period of appointment of the Administrators), the aggregate value of unpaid salary owing to Mr Tsoi is $30,045.67 (**Tsoi Salary 2**).

The Tsoi Salary 1 and Tsoi Salary 2 are collectively referred to as the **Tsoi Debt**.

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the Tsoi Debt be converted into Shares at a conversion price of $0.012615 resulting in the issue of 8,227,513 Shares (on a pre-Consolidation basis) to Mr Tsoi.

Resolution 12 seeks Shareholder approval for the issue of up to 8,227,513 Shares (on a pre-Consolidation basis) to Mr Kwok Ching Tsoi (or his nominees).

13.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The issue of Shares the subject of this Resolution constitutes giving a financial benefit and Mr Tsoi is a related party by virtue of being a Director.

The Directors (other than Mr Tsoi, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

13.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to Mr Kwok Ching Tsoi (or his nominees), who is a related party by virtue of being a Director;

(b) the maximum number of Shares to be issued is 8,227,513 (on a pre-Consolidation basis);

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued for nil cash consideration in satisfaction of Tsoi Debt owing to Mr Tsoi;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Mr Tsoi (or his nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

14. RESOLUTION 13 – ISSUE OF SHARES TO – MR DARRYL HARRIS

14.1 General

On 5 October 2010 the Company executed an non-executive letter of appointment with former Director, Mr Darryl Harris (**Harris NED Letter**). Pursuant to the terms of the Harris NED Letter, Mr Harris is entitled to a director's fee of $35,000 per annum payable monthly in arrears. Mr Harris resigned as a Director on 13 July 2016.

On 1 February 2016 the Company and the Directors agreed to suspend the payments of all Directors' salaries in order to preserve the Company's cash reserves.

Between 1 February 2016 and 19 July 2016 (the date the Company voluntarily appointed the Administrators), the aggregate value of unpaid salary owing to Mr Harris is $16,236.13 (**Harris Debt**).

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the Harris Debt be converted into Shares at a conversion price of $0.012615 resulting in the issue of 1,287,050 Shares (on a pre-Consolidation basis) to Mr Harris.

Resolution 13 seeks Shareholder approval for the issue of up to 1,287,050 Shares (on a pre-Consolidation basis) to Mr Darryl Harris (or his nominee).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

14.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares:

(a) the maximum number of Shares to be issued is 1,287,050 (on a post-Consolidation basis);

(b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same day;

(c) the Shares will be issued for nil cash consideration as consideration for the Harris Debt;

(d) the Shares will be issued to Mr Darryl Harris (or his nominee), who is not a related party of the Company;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares other than in relation to any escrow period imposed by ASX; and

(f) no funds will be raised from the issue of the Shares as the Shares are being issued in consideration for the Harris Debt.

15. RESOLUTION 14 – ISSUE OF SHARES TO RELATED PARTY – MS XIAOYAN TONG

15.1 General

On 13 January 2015 the Company executed an non-executive letter of appointment with Alternative Director, Mrs XiaoYan Tong (**Tong NED Letter**). Pursuant to the terms of the Tong NED Letter, Mrs Tong, an alternate Director to Mr SiHe Tong is entitled to the directors fee allocated to Mr SiHe Tong of $35,000 per annum payable monthly in arrears.

On 1 February 2016 the Company and the Directors agreed to suspend the payments of all Directors' salaries in order to preserve the Company's cash reserves.

Between 1 February 2016 and 19 July 2016 (the date the Company voluntarily appointed the Administrators), the aggregate value of unpaid salary owing to Mrs Tong is $16,819.46 (**Tong Salary 1**).

From 19 July 2016 until 20 December 2016 (the estimated period of appointment of the Administrators), the aggregate value of unpaid salary owing to Mrs Tong is $14,486.13 (**Tsoi Salary 2**).

The Tong Salary 1 and Tong Salary 2 are collectively referred to as the **Tong Debt**.

By virtue of approval of the Joint DOCA Proposal at the second meeting of Creditors held on 23 November 2016 and subsequent execution of the DOCA, it was agreed that the Tong Debt be converted into Shares at a conversion price of $0.012615 resulting in the issue of 2,481,617 Shares (on a pre-Consolidation basis) to Mrs Tong.

Resolution 14 seeks Shareholder approval for the issue of up to 2,481,617 Shares (on a pre-Consolidation basis) to Mrs XiaoYan Tong (or her nominees).

15.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The issue of Shares the subject of this Resolution constitutes giving a financial benefit and Mrs Tong is a related party by virtue of being an alternate Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

15.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to Mrs XiaoYan Tong (or her nominee), who is a related party by virtue of being an alternate Director;

(b) the maximum number of Shares to be issued is 2,481,617 (on a pre-Consolidation basis);

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued for nil cash consideration in satisfaction of an amount of the Tong Debt owing to Mrs Tong;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Mrs Tong (or her nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

16. RESOLUTIONS 15 & 16 – APPROVAL FOR CYAN STONE PTY LTD TO INCREASE ITS VOTING POWER IN THE COMPANY

Resolution 15 seeks Shareholder approval, for the purpose of item 7 of Section 611 of the Corporations Act, to permit Cyan's voting power in the Company to increase from 0% up to 55.26% by virtue of:

(a) the Company issuing to Cyan 2,700,000,000 Shares (on a pre-Consolidation basis) under the Subscription; and

(b) the Company granting Cyan the Option to subscribe for up to 198,176,774 Shares (on a pre-Consolidation basis) at an issue price of $0.012615 per Share on or before 31 July 2018.

Resolution 16 seeks Shareholder approval, for the purpose of item 7 of Section 611 of the Corporations Act, to permit Cyan's voting power in the Company to increase from 55.26% up to 56.67% by virtue of Cyan acquiring up to 73,947,109 Shares from Workforce One Pty Ltd (ACN 103 332 789) (**WFO**), Ralph De Lacey, Ze Huang Cai and Billy Zhou, whether on-market or off-market before 31 July 2018 as Additional Purchases.

As noted in section 1.4 above, WFO is a related party by virtue of being an entity controlled by Ralph De Lacey, Kwok Ching Tsoi and Ze Huang Cai, each of whom are Directors. Ze Huang Cai and Ralph De Lacey are related parties by virtue of being Directors.

As at the date of this meeting WFO, Ze Huang Cai and Billy Zhou hold no Shares. WFO, Ze Huang Cai and Billy Zhou will however receive Shares upon Shareholders passing Resolution 6, 10, and 11 respectively.

By virtue of the Subscription, exercise of the Option and Additional Purchases, Cyan may acquire a relevant interest in up to 2,972,123,883 Shares (on a pre-consolidation basis), representing voting power in the Company of 56.67% (**Voting Acquisition**). This assumes that no other Shares are issued or transferred.

16.2 Voting Exclusion – Resolution 16

The Company will disregard any votes cast on Resolution 16 by Cyan Stone Pty Ltd and any of its associates or WorkForce One Pty Ltd, Ralph De Lacey, Ze Huang Cai, Billy Zhou and any of their associates.

The Company however need not disregard a vote on Resolution 16 if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

16.3 Item 7 of Section 611 of the Corporations Act

(a) **Section 606 of the Corporations Act – statutory prohibition**

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in an unlisted company with more than 50 members if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

(i) from 20% or below to more than 20%; or

(ii) from a starting point that is above 20% and below 90%,

(**Prohibition**).

(b) **Voting power**

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) **Cyan's entitlements in the Company**

Cyan does not currently hold any Shares in the Company. Following the issue of Shares to Cyan pursuant to the Subscription, Cyan's shareholding and resulting voting power in the Company will be as follows:

Shares (on a pre-Consolidation basis)	**Options**	**Voting Power**
Maximum Subscription 2,700,000,000	1[1]	53.51%

Notes:

1. Being the Option granted under the Subscription Agreement expiring on 31 July 2018 to subscribe for 198,176,774 Shares (on a pre-Consolidation basis) at an issue price of $0.012615 per Share.

Following the issue of Shares to Cyan pursuant to the Subscription and upon exercise of the Option, Cyan's shareholding and resulting voting power in the Company will be as follows:

Shares (on a pre-Consolidation basis)	**Options**	**Voting Power**
Maximum Subscription 2,898,176,774	Nil.	55.26%

Resolution 16 seeks Shareholder approval for Cyan to acquire up to an additional 73,947,109 Shares (on a pre-consolidation basis) as Additional Purchases.

Following the issue of Shares to Cyan pursuant to the Subscription, upon exercise of the Option and if Cyan chooses to acquire an additional 73,947,109 Shares (on a pre-consolidation basis) as Additional Purchases, Cyan's shareholding and resulting voting power in the Company will be as follows:

Shares (on a pre-Consolidation basis)	**Options**	**Voting Power**
Maximum Subscription 2,972,123,883	Nil.	56.67%

(d) **Relevant interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

(i) are the holder of the securities;

(ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or

(iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, Section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

(i) a body corporate in which the person's voting power is above 20%;

(ii) a body corporate that the person controls.

16.4 Reason Section 611 approval is required

Item 7 of Section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Cyan does not currently have a relevant interest in any Shares in the Company. However upon:

(a) the issue of 2,700,000,000 Shares (on a pre-Consolidation basis) pursuant to the Subscription;

(b) upon Cyan exercising the Option and subscribing for up to a further 198,176,774 Shares (on a pre-Consolidation basis) at an issue price of $0.012615 per Share; and

(c) upon Cyan acquiring an additional 73,947,109 Shares (on a pre-consolidation basis) as Additional Purchases.

Cyan may acquire a relevant interest in up to 2,972,123,883 Shares (on a pre-consolidation basis), representing a voting power of 56.67%. This assumes that no other Shares are issued or transferred.

Resolution 15 seeks Shareholder approval for the purpose of Item 7 of Section 611 and all other purposes in order to permit Cyan's voting power in the Company to increase by up to 55.26% as a result of:

(a) the issue of 2,700,000,000 Shares (on a pre-consolidation basis) pursuant to the Subscription; and

(b) the issue of up to 198,176,774 Shares (on a pre-Consolidation basis) upon exercise of the Option.

Resolution 16 seeks Shareholder approval for the purpose of Item 7 of Section 611 and all other purposes in order to permit Cyan's voting power in the Company to increase by up to 56.67% as a result of the acquisition of up to 73,947,109 Shares (on a pre-Consolidation basis) as Additional Purchases.

16.5 Specific Information required by Item 7 of Section 611 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval under Item 7 of Section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by Stantons International Securities enclosed with this Notice.

(a) **Identity of the Acquirer and its Associate**

Cyan is a private Australian company incorporated on 3 July 2015. Cyan's principal activities are property development. It is Cyan's intention to diversify their corporate interest to include mining investment.

Cyan is a related party of the Company under section 228 of the Corporations Act by virtue of it having a reasonable basis to believe that it will control the Company in the future as a result of the issues and acquisition of Shares the subject of Resolutions 15 and 16.

(b) **Relevant Interest and Voting Power**

(i) **Relevant Interest**

The relevant interests of Cyan, in voting shares in the capital of the Company (both current, and following the issue of Shares to Cyan pursuant to the Subscription, up to 198,176,774 Shares if Cyan chooses to exercise the Option and a further 73,947,109 Shares (on a pre-Consolidation basis) as Additional Purchases (as contemplated by this Notice) are set out in the table below:

Party	Capacity	Relevant interest as at the date of this Notice of Meeting	Relevant interest after the issue of Shares pursuant to the Subscription, upon the exercise of the Option and as Additional Purchases
Cyan	Acquirer	Nil.	2,972,123,883

(ii) **Voting Power**

The voting power of Cyan, (both current, and following the issue of the Shares as contemplated by this Notice) is set out in the table below:

Party	Relevant interest as at the date of this Notice of Meeting	Relevant interest after the issue of Shares pursuant to the Subscription, upon the exercise of the Option and as Additional Purchases
Cyan	0%	56.67%
Other Shareholders	100%	43.33%

TOTAL	**100%**	**100%**

Further details on the voting power of Cyan is set out in the Independent Expert's Report prepared by Stantons International Securities and in Section 16.2 of this Explanatory Statement.

(iii) **Summary of Increases**

From the tables in sections 16.3(b)(i) and (ii) above, it can be seen that the maximum relevant interest that Cyan will hold after the issue Shares pursuant to the Subscription, upon the exercise of the Option and as Additional Purchases will be 2,972,123,883 Shares (on a pre-Consolidation basis) and the maximum voting power that Cyan will hold is 56.67%.

(iv) **Assumptions**

Note that the following assumptions have been made in calculating the above:

(A) the Company has 889,970,521 Shares (on a pre-Consolidation basis) on issue as at the date of this Notice of Meeting;

(B) the Company issues 1,456,050,770 Shares (on a pre-Consolidation basis) pursuant to the Debt Conversion (the subject of Resolutions 1 – 14);

(C) Cyan does not acquire any additional Shares other than as set out in this Resolution.

(c) **Reasons for the proposed issue of securities**

The Shares to be issued pursuant to the Subscription and upon the exercise of the Option form part of the proposed restructure the Company in accordance with the terms set out in the Subscription Agreement and DOCA, as set out in Sections 1.2 and 1.3 of this Explanatory Memorandum, to enable the Company to be recapitalised.

Cyan has indicated to the Company that it wishes to acquire additional Shares to increase its voting power in the Company to 56.67%. Such acquisitions may occur by additional subscriptions or by on-market and off-market acquisitions before 31 July 2018. According, Resolution 16 seeks Shareholder approval for Cyan to make the Additional Purchases.

(d) **Material terms of proposed issue of securities**

As set out in Sections 1.2 and 1.3 the Company is proposing to:

(i) undertake the Debt Conversion, being the conversion of all current related party pre administration debt and all current related party debt incurred during the course of the Company's voluntary administration pursuant to the terms of the DOCA, resulting in the issue of 1,456,050,770 Shares (on a pre-Consolidation basis)to the related party Creditors or their nominees;

(ii) issue of 2,700,000,000 Shares (on a pre-Consolidation basis) to Cyan at an issue price of $0.012615 per Share to raise $34,060,500 under the Subscription;

(iii) the grant to Cyan of the Option expiring on 31 July 2018 to subscribe for 198,176,774 Shares at an issue price of $0.012615 per Share to raise an additional $2,499,886 upon exercise of the Option; and

(iv) enable Cyan to acquire up to an additional 73,947,109 Shares (on a pre- Consolidation basis), whether on or off market before 31 July 2018 as Additional Purchases.

The material terms of the DOCA and Subscription Agreement are set out in Sections 1.2 and 1.3.

(e) **Date of proposed issue of securities**

The Company will not issue the Shares until the Shareholder Approvals have been obtained and the full amount under the Subscription has been paid by Cyan. Upon receipt of the Shareholder Approvals all unpaid scheduled prepayments pursuant to the Subscription Agreement (and set out in section 1.3) become immediately due and payable. Accordingly the Shares will be issued after the Meeting.

Shares be issued pursuant to the Subscription will take place upon settlement of the Subscription Agreement which is currently anticipated to occur on or before 31 July 2018. Shares to be issued upon the exercise of the Option must occur on or before 31July 2018. Shares to be acquired as Additional Purchases must occur before 31 July 2018.

(f) **Interests of Directors**

(i) The current Directors recommend that Shareholders vote in favour of Resolutions 15 and 16.

(iii) Cyan nor the Directors are aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 15 and 16.

(g) **Intentions of Cyan**

Other than as disclosed elsewhere in this Explanatory Statement, Cyan:

(i) has no present intention of making any significant changes to the business of the Company;

(ii) has intentions to make available further capital into the Company (from the exercise of the Option and otherwise) which is sufficient to ensure the Company can fund on-going operations, develop its existing business and fund the Company's working capital;

(iii) does not intend to redeploy any fixed assets of the Company;

(iv) does not intend the Company to pay dividends and does not intend to set a dividend distribution policy for the Company until such time as the Company is profitable and has a positive cash flow; and

(v) does not intend to transfer any property between the Company and Cyan.

These intentions are based on information concerning the Company, its business and the business environment which is known to Cyan at the date of this document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time. Accordingly, the statements set out above are statements of current intentions only.

(h) **Capital Structure**

The capital structure upon completion of the Subscription, upon exercise of the Option will be 5,244,198,065 Shares (on a pre-Consolidation basis).

The acquisition of Shares by Cyan as Additional Purchases take place via on-market or off-market purchases and will therefore not affect the Company's capital structure.

16.6 Advantages of the Issue – Resolution 15

The Directors are of the view that the following is a non-exhaustive list of advantages, as also detailed in section 9.1 – 9.3 of the attached Independent Expert's Report may be relevant to a Shareholder's decision on how to vote on proposed Resolution 15:

(a) The Subscription and the completion of the recapitalisation proposals should avoid the Company entering into liquidation, the Company's Shares should be released from suspension and the Company will be given the opportunity to develop its projects over the ensuing years.

During the Administration period the Administrators appointed PCF Capital Group Pty Ltd (ACN 089 188 063) to seek expressions of interest for the potential acquisition of the Company's projects. Notwithstanding the range of fair values of those projects, on a liquidation basis, the realisable values are generally well below fair values on a going concern basis. On a liquidation basis, there may be a deficiency in net assets (liabilities exceed realisable values of assets) and thus the Company's Shares could be worthless.

As noted in section 1.3 above, Cyan has prepaid the whole amount of the Subscription, funding the Company's working capital requirements from December 2016 through to the date of this Notice and allowing the Company to recommence mining and processing operations.

In the event that the Subscription is approved, the amounts prepaid by Cyan will become equity and the Company will have funded its working capital requirements to the date of this Notice without the need to raise additional debt.

(b) There is an incentive for Cyan to ensure the Company becomes a viable mineral exploration and development company as Cyan will have a significant shareholding interest in the Company following the completion of the Subscription and recapitalisation proposals. There is a huge incentive for Cyan to make the Company a successful company and have the Shares tradeable again and hopefully a price rise from the issue price of the Shares to be issued under the Subscription and a lift in the Share price from the last sale price on 24 June 2016. All Shareholders would benefit from lifting from the suspension from trading and a rise in the Share price.

(c) The Company may be better placed to raise further funds by way of share equity and/or debt as a result of the recapitalisation of the Company.

Stantons International Securities has concluded that the issue of the Shares is **NOT FAIR** but **REASONABLE** to the non-associated Shareholders.

16.7 Disadvantages of the Issue – Resolution 15

The Directors are of the view that the following is a non-exhaustive list of disadvantages as detailed in section 9.4 – 9.5 of the attached Independent Expert's Report may be relevant to a Shareholder's decision on how to vote on proposed Resolution 15:

(a) The number of Shares on issue may rise by up to 4,354,227,544 (on a pre-Consolidation basis) to 5,244,198,065 Shares (on a pre-Consolidation basis) significantly diluting the voting power of existing Shareholders. However, as noted, the absence of the Subscription and recapitalisation proposals could ultimately lead to the Company entering into liquidation.

(b) Having a cornerstone investor such as Cyan has advantages but it may also limit the opportunity for other parties to bid for all or part of the Company's Shares in the future.

16.8 Independent Expert's Report

The Independent Expert's Report prepared by Stantons International Securities (a copy of which is attached as Annexure A to this Explanatory Statement) assesses whether the transactions contemplated by Resolutions 15 and 16 are fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transactions contemplated by Resolutions 15 and 16 are **NOT FAIR** but **REASONABLE** to the non-associated Shareholders of the Company.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation, the sources of information and assumptions made and the advantages and disadvantages of the Joint DOCA Proposal and Subscription Agreement.

16.9 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

A related party is defined widely in section 228 of the Corporations Act and includes, relevantly, a director of a public company or an entity that controls a

public company. This definition is extended to persons who believe, or has reasonable grounds to believe, that it is likely to become a related party in the future.

The issue of Shares the subject of Resolution 15 constitutes giving a financial benefit and Cyan is a related party on the basis that, if Shareholders approve Resolution 15, Cyan will control the Company (as that term is defined in the Corporations Act).

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the giving of the financial benefit is on arm's length terms by virtue of the Joint DOCA Proposal being recommended by the Administrators, approved by the Creditors at the second meeting of Creditors held on 23 November 2016 and the subsequent execution of the DOCA.

As this Resolution contemplates the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

16.10 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of this Resolution:

(a) the Shares will be issued to Cyan (or its nominee), who is a related party by virtue of having a reasonable basis to believe that it will become a related party in the future, by virtue of it being in a position to control the Company if the Shares contemplated by Resolution 15 are issued to Cyan (or its nominees);

(b) the maximum number of Shares to be issued upon completion of the Subscription and upon exercise of the Option is 2,898,176,774;

(c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the Shares will be issued at an issue price of $0.012615;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) funds raised from the issue of Shares to Cyan under the Subscription and upon the exercise of the Option will be used by the Company as set out in Section 1.10; and

(g) the acquisition of Shares by Cyan as Additional Purchases will take place via on-market or off-market purchases and will therefore not affect the Company's capital structure.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Cyan (or its nominees) will not be included in

the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

17. RESOLUTION 17 – CONSOLIDATION OF CAPITAL

17.1 Background

If this Resolution is passed and excluding any Securities issued pursuant to the other Resolutions, the number of Shares on issue will be reduced from 5,244,198,065 (assuming approval of Resolutions 1 to 15 under this Notice of Meeting) to 524,419,807 (subject to rounding).

17.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

17.3 Fractional entitlements

Not all Security Holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by ten. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

17.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

17.5 Holding statements

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

17.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

Capital Structure	Shares
Pre-Consolidation Securities	889,970,521
Issue of Shares under Resolution 1	684,391,264
Issue of Shares under Resolution 2	38,868,218
Issue of Shares under Resolution 3	172,935,852
Issue of Shares under Resolution 4	419,616,439

Capital Structure	Shares
Issue of Shares under Resolution 5	13,724,673
Issue of Shares under Resolution 6	64,429,345
Issue of Shares under Resolution 7	6,289,835
Issue of Shares under Resolution 8	4,001,163
Issue of Shares under Resolution 9	19,109,526
Issue of Shares under Resolution 10	19,097,581
Issue of Shares under Resolution 11	1,590,694
Issue of Shares under Resolution 12	8,227,513
Issue of Shares under Resolution 13	1,287,050
Issue of Shares under Resolution 14	2,481,617
Issue of Shares under Resolution 15	2,898,176,774
Sub-total	5,244,198,065
Post 10:1 Consolidation of Securities (Resolution 17)[1]	524,419,807
Issue of Shares under the Placement (on a post-Consolidation basis) (Resolution 18)	20,000,000
Issue of Shares under the Public Offer (on a post-Consolidation basis (Resolution 19)	100,000,000
Completion of all Resolutions	**644,419,807**

Notes:

1. Assuming all resolutions in this Notice of Meeting are passed and all Shares pursuant to those Resolutions are issued and Cyan subscribes for the Subscription, exercises the Option and subscribes to all 198,176,774 Shares available under the Option.

17.7 Indicative timetable*

If this Resolution is passed, the reduction of capital will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Action	Date
Company announces Consolidation and sends out Notice of Meeting.	28 March 2018
Company tells ASX that Shareholders have approved the Consolidation.	30 April 2018
Post-Consolidation trading starts on a deferred settlement basis.	2 May 2018
Last day for Company to register transfers on a pre-Consolidation basis.	3 May 2018
First day for Company to send notice to each holder of the change in their details of holdings.	4 May 2018
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	
Change of details of holdings date. Deferred settlement market ends.	10 May 2018
Last day for Securities to be entered into holders' Security holdings.	
Last day for the Company to send notice to each holder of the change in their details of holdings.	

18. RESOLUTION 18 – PLACEMENT

18.1 General

Resolution 18 seeks Shareholder approval for the issue of up to 20,000,000 Shares (on a post-Consolidation basis) at a minimum issue price of $0.50 per Share to raise a minimum $10 million (**Placement**).

The purpose of the Placement is to provide the Company with sufficient working capital to meet its interim funding requirements prior to conducting the Public Offer (approval for which is being sought under Resolution 19).

The Company confirms that the maximum number of Shares to be issued under the Placement is 20,000,000 (on a post-Consolidation basis). The issue price of Shares under the Placement may be greater than $0.50, accordingly the total amount to be raised under the Placement may be greater than $10 million.

A summary of ASX Listing Rule 7.1 is set out in section 12.1 above.

The effect of Resolution 18 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

18.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

(a) the maximum number of Shares to be issued is 20,000,000 (on a post-Consolidation basis);

(b) the Shares will be issued no later than 3 months after the date of the Meeting and it is intended that issue of the Shares will occur on the same date;

(c) the minimum issue price will be $0.50 per Share;

(d) the Shares will be issued to sophisticated investors via professional brokerage firms. None of these subscribers will be related parties of the Company;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Company intends to use the funds raised from the Placement to provide the Company with sufficient working capital to meet its interim funding requirements prior to conducting the Public Offer.

(g) Assuming:

 (i) the issue of Shares pursuant to Resolutions 1 to 16;

 (ii) completion of the Consolidation;

 (iii) no Options are exercised;

(iv) no other Shares issued (other than the issue of Shares pursuant to Resolutions 1 to 15 and 19); and

(v) the maximum number of Shares as set out above are issued:

the number of Shares on issue would increase from 624,419,807 (being the number of Shares on issue following the issue of the Shares the subject of the all other Resolutions, and on a post-Consolidation basis) to 644,419,807 and the shareholding of existing Shareholders would be diluted by 3.10%.

19. RESOLUTION 19 – PUBLIC OFFER

19.1 General

Resolution 19 seeks Shareholder approval for the issue of up to 100,000,000 Shares (on a post-Consolidation basis) at a minimum issue price of $0.50 per Share to raise a minimum $50 million (**Public Offer**).

As stated in section 1.6 above, the Company propose to conduct the Public Offer via a full form prospectus for the purposes of section 710 of the Corporations Act (**Prospectus**).

The Public Offer will enable the Company to have sufficient funds to achieve its objective over the coming 12 months and to satisfy key Reinstatement Conditions noted in section 1.6.

The Company confirms that the maximum number of Shares to be issued under the Public Offer is 100,000,000 (on a post-Consolidation basis). The issue price of Shares under the Public Offer may be greater than $0.50, accordingly the total amount to be raised under the Public Offer may be greater than $50 million.

A summary of ASX Listing Rule 7.1 is set out in section 12.1 above.

The effect of Resolution 19 will be to allow the Company to issue the Shares pursuant to the Public Offer during the period of 6 months (to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) after the Meeting, without using the Company’s 15% annual placement capacity.

19.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Public Offer:

(a) the maximum number of Shares to be issued is 100,000,000 (on a post-Consolidation basis);

(b) the Shares will be issued no later than 6 months after the date of the Meeting and it is intended that issue of the Shares will occur on the same date;

(c) the minimum issue price will be $0.50 per Share;

(d) the Shares will be issued to successful applicants who subscribe for Shares under the Prospectus. None of these subscribers will be related parties of the Company;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(f) the Company intends to use the funds raised from the Public Offer towards expenses of the Public Offer, additional exploration and development of the Company's Mt Garnet Tin and base metals projects, to further develop and complete feasibility studies on the Company's projects as set out in section 1.10 above and for general working capital; and

(g) assuming:

  (i) the issue of Shares pursuant to Resolutions 1 to 16;

  (ii) completion of the Consolidation;

  (iii) no Options are exercised;

  (iv) no other Shares issued (other than the issue of Shares pursuant to Resolutions 1 to 16 and 18); and

  (v) the maximum number of Shares as set out above are issued:

the number of Shares on issue would increase from 544,419,807 (being the number of Shares on issue following the issue of the Shares the subject of all other Resolutions, and on a post-Consolidation basis) to 644,419,807 and the shareholding of existing Shareholders would be diluted by 15.52%.

GLOSSARY

$ means Australian dollars.

Additional Purchases has the meaning set out in Section 1.4.

Administrators has the meaning set out in Section 1.1.

ASA has the meaning set out in Section 1.3.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Care and Maintenance Loans has the meaning set out in Section 1.3.

Chair means the chair of the Meeting.

Colinacobre has the meaning set out in Section 1.3.

Company means Consolidated Tin Mines Limited (ACN 126 634 606).

Consolidation means the consolidation of the Company's capital, the subject of Resolution 17.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Creditors has the meaning set out in Section 1.2.

Creditor's Trust has the meaning set out in Section 1.3.

Cyan means Cyan Stone Pty Ltd (ACN 606 864 840).

Debt Conversion has the meaning set out in Section 1.3.

Directors means the current directors of the Company.

DOCA has the meaning set out in Section 1.2.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Joint DOCA Proposal has the meaning set out in Section 1.2.

MHT has the meaning set out in Section 1.3.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option has the meaning set out in Section 1.3.

Placement means the proposed issued of 20,000,000 Shares, the subject of Resolution 19.

Prospectus means the full form prospectus for the purpose of s 710 of the Corporations Act to be release by the Company in relation to the Public Offer.

Proxy Form means the proxy form accompanying the Notice.

Public Offer means the proposed issued of up to 100,000,000 Shares, the subject of Resolution 19.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Shareholder Approvals has the meaning set out in Section 1.3.

SPII has the meaning set out in Section 1.3.

SPM has the meaning set out in Section 1.1.

Subscription has the meaning set out in Section 1.3.

Subscription Agreement means the conditional share subscription agreement entered into between the Company and Cyan on 10 November 2016 the subject of Resolutions 15, as set out in Section 1.3.

Surveyor has the meaning set out in Section 1.3.

Voting Acquisition means the acquisition of a voting power of up to 56.67% in the capital of the Company by Cyan.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – PRO-FORMA BALANCE SHEET

Comments	As of 31 December 2017 Per December 2017 Half Year Financial Report	Resolutions 1 - 14 Conversion of related party debt	Post Resolutions 1 - 14	Resolution 15 Cyan Stone share subscription and option	Post Resolutions 1 - 15	Resolution 18 20m share placement	Resolution 19 100m share public offering	Post Resolutions 1 - 19
<u>ASSETS</u>								
Current assets								
Cash and cash equivalents	1,658,371		1,658,371	0	1,658,371	9,500,000	47,500,000	58,658,371
Trade and other receivables	1,924,815		1,924,815		1,924,815			1,924,815
Inventories	222,092		222,092		222,092			222,092
Prepayments	736,377		736,377		736,377			736,377
Total current assets	**4,541,655**	**0**	**4,541,655**	**0**	**4,541,655**	**9,500,000**	**47,500,000**	**61,541,655**
Non-current assets								
Property, plant and equipment	26,105,352		26,105,352		26,105,352			26,105,352
Exploration and evaluation assets	48,223,847		48,223,847		48,223,847			48,223,847
Mining tenements	3,690,224		3,690,224		3,690,224			3,690,224
Bonds and deposits	11,745,509		11,745,509		11,745,509			11,745,509
Total non-current assets	**89,764,932**	**0**	**89,764,932**	**0**	**89,764,932**	**0**	**0**	**89,764,932**
Total assets	**94,306,587**	**0**	**94,306,587**	**0**	**94,306,587**	**9,500,000**	**47,500,000**	**151,306,587**
<u>LIABILITIES</u>								
Current liabilities								
Trade and other payables	11,599,262	(7,064,216)	4,535,046		4,535,046			4,535,046
Employee leave liabilities	858,905		858,905		858,905			858,905
Loans and borrowings	66,850,850	(27,566,438)	39,284,412	(36,560,500)	2,723,912			2,723,912
Total current liabilities	**79,309,017**	**(34,630,654)**	**44,678,363**	**(36,560,500)**	**8,117,863**	**0**	**0**	**8,117,863**
Non-current liabilities								
Loans and borrowings	14,783,376		14,783,376		14,783,376			14,783,376
Employee leave liabilities	294,603		294,603		294,603			294,603
Provisions	10,744,121		10,744,121		10,744,121			10,744,121

Total non-current liabilities	**25,822,100**	**0**	**25,822,100**	**0**	**25,822,100**	**0**	**0**	**25,822,100**
Total liabilities	**105,131,117**	**-34,630,654**	**70,500,463**	**-36,560,500**	**33,939,963**	**0**	**0**	**33,939,963**
Net assets	**-10,824,530**	**34,630,654**	**23,806,124**	**36,560,500**	**60,366,624**	**9,500,000**	**47,500,000**	**117,366,624**
EQUITY								
Contributed equity	35,749,050	34,664,409	70,413,459	36,560,500	106,973,959	10,000,000	50,000,000	166,973,959
Accumulated losses	(46,573,580)		(46,573,580)		(46,573,580)			(46,573,580)
Reserves			0		0			0
Loss on Debt Conversion		(33,755)	(33,755)		(33,755)			(33,755)
Capital Raising Costs			0		0	(500,000)	(2,500,000)	(3,000,000)
Total equity	**-10,824,530**	**34,630,654**	**23,806,124**	**36,560,500**	**60,366,624**	**9,500,000**	**47,500,000**	**117,366,624**

SCHEDULE 2 - REINSTATEMENT CONDITIONS

1. Confirmation that the DOCA has been fully effectuated and the Company is not subject to any other forms of external administration, receivership or liquidation.

2. Despatch of a Notice, containing disclosures about the Recapitalisation to the satisfaction of ASX.

3. The Company's shareholders approving all the resolutions in the Notice to be considered at a general meeting of shareholders, including (but without limiting the foregoing):

   (a) 3.1. Shares issued to convertible noteholders;

   (b) 3.2. Shares issued to lenders;

   (c) 3.3. Shares issued with respect to outstanding fees;

   (d) 3.4. Shares issued with respect to unpaid salaries;

   (e) 3.5. Share issues to raise capital; and

   (f) 3.6. All other issues of securities

   collectively the **Share Issues**.

4. Confirmation of completion of the Share Issues and any other matters that require completion pursuant to the Notice and the transactions contemplated therein;

5. Confirmation that the Company has released a full form prospectus for the purposes of s710 of the Corporations Act in relation to the proposed capital raising, and that such offer has closed having satisfied its minimum subscription requirement.

6. Confirmation in a form acceptable to ASX that the Company has received cleared funds for the complete amount of the issue price of every security allotted and issued to every successful applicant for securities under the capital raising.

7. Confirmation that, except for the Baal Gammon site, the Company retains the businesses and assets (other than cash) that it held prior to the appointment of the Administrators on 19 July 2016, including any businesses and assets held on trust for the Company pursuant to the asset sale agreement dated 24 October 2014 and settled on 19 April 2016 entered into between the Company, SPM, SPII Surveyor Mining Pty Ltd and Colinacobre Pty Ltd ("ASA") and prior to legal transfer being completed ("Business and Assets"), and that none of these assets formed part of the deed funds established pursuant to the DOCA.

8. Confirmation of completion of the ASA and the effectuation of the legal transfer of all of the business and assets of SPM as outlined in section 14 of the Report to Creditors of the Company dated 15 November 2016, including the payment of outstanding stamp duty to the Queensland Office of State Revenue with respect to the ASA.

9. Confirmation that the Company's secured creditors have released and discharged any security granted to them by the Company and there are no outstanding security interests over the Company's assets and that the Company's secured creditors have no further interest in the Company's assets.

10. Confirmation of the completion of all agreements required to complete the recapitalisation of the Company.

11. An update on the status of all litigation with respect to the Company.

12. The Company's shareholders approving all of the resolutions required to effect the Recapitalisation.

13. Confirmation of completion of the 1 for 10 consolidation of the Company's capital.

14. The Company demonstrating compliance with Listing Rules 12.1 to 12.4 inclusive, to the satisfaction of the ASX, as set out below.

    (a) The Company satisfies the requirements of Listing Rule 12.1.

    (b) Confirmation of completion of the Company's Recapitalisation that, after payment of the costs of the capital raising (if any) and payments to the deed administrators to satisfy obligations under the DOCA, the Company can demonstrate to ASX that it will have a minimum of $1,000,000 in cash, net of all liabilities, at the date of reinstatement, to satisfy listing rule 12.2.

    (c) 1The Company's level of shareholder spread will satisfy the requirements of Listing Rule 12.4, with there being at least 300 holders each holding at least $500 worth of fully paid ordinary shares (such calculation to be based on the price at which the Company raises capital as part of the Recapitalisation).

15. The Company will be required to lodge quarterly cash flow reports for at least the first 8 quarters after reinstatement, in compliance with listing rule 4.7B (a) ("Quarterly Report"). The Company's first Quarterly Report will be due in the quarter following the date of the Company's reinstatement.

16. Lodgement of all outstanding Appendices 3B with ASX for issues of new securities.

17. Reinstatement of the Company's CHESS sub - register.

18. The Company having a free float (as that term is defined in Chapter 19 of the Listing Rules) of not less than 20% at the time of its reinstatement to the official list.

19. Provision of copies of restriction agreements entered into by the Company, together with undertakings provided by a bank, recognised trustee or the provider of registry services, in relation to the restricted securities of the Company, if required.

20. Lodgement of any outstanding reports for the period since the Company's securities were suspended and any other outstanding documents required by Listing Rule 17.5.

21. Lodgement of Director's Interest Notices, being either Appendix 3Xs, 3Ys, or 3Zs, as required.

22. Confirmation that there are no legal, regulatory or contractual impediments to the Company undertaking its existing activities.

23. Payment of any ASX fees, including listing fees, applicable and outstanding.

24. Confirmation the securities to be issued following the Meeting have been issued, and despatch of each of the following has occurred.

(a) In relation to all holdings on the CHESS subregister, a notice from the Company under ASX Settlement Operating Rule 8.9.1.

(b) In relation to all other holdings, issuer sponsored holding statements.

(c) Any refund money.

25. Provision of the following documents, in a form suitable for release to the market.

(a) A statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders.

(b) A distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number of holders in the following categories.

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

(c) A statement outlining the Company's capital structure following the Meeting on a post - issue basis and post - consolidation basis.

(d) A statement confirming the completion of the ASA and the effectuation of the legal transfer of all of the business and assets of SPM as outlined in section 14 of the Report to Creditors of the Company dated 15 November 2016, including the payment of outstanding stamp duty to the Queensland Office of State Revenue with respect to the ASA.

(e) A statement confirming that the Company's secured creditors have released and discharged any security granted to them by the Company and there are no outstanding security interests over the Company's assets and that the Company's secured creditors have no further interest in the Company's assets.

(f) A statement confirming the completion of all agreements required to complete the recapitalisation of the Company.

(g) The Company's pro forma balance sheet following completion of the Recapitalisation.

(h) The Company's updated statement of commitments based on the completion of the Recapitalisation.

(i) A consolidated activities report setting out the proposed business strategy for the Company including Business and Assets and current activities.

(j) Full terms and conditions of all options on issue (if any).

(k) Full terms and conditions of any employee incentive schemes (if any).

(l) A statement disclosing the extent to which the Company will follow, as at the date its securities are reinstated, the recommendations set by the ASX Corporate Governance Council. If the Company does not intend to

follow all of the recommendations on its reinstatement, the Company must identify those recommendations that will not be followed and give its reasons for not following them.

(m) A statement setting out the number of securities subject to ASX restrictions and the restriction period applied to those securities, if applicable.

(n) A copy of the Company's securities trading policy as required by Listing Rule 12.9.

(o) An update on all litigation with respect to the Company.

(p) A statement that there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Notice and the disclosure document issued for the Recapitalisation.

(q) A statement confirming the Company is in compliance with the Listing Rules and in particular Listing Rule 3.1.

(r) Any further documents and confirmations ASX may determine are required to be released to the market as pre - quotation disclosure following its review of the prospectus and any ancillary documentation.

26. Confirmation of the responsible person for the purposes of Listing Rule 1.1 condition 13.

27. Payment of any other fees applicable and outstanding. The Company's outstanding fees will be advised in due course.

28. Provision of any other information required or requested by ASX or satisfaction of any other conditions required by ASX including, but not limiting the generality of the foregoing, in relation to any issues that may arise (1) from ASX's review of the prospectus to be issued by the Entity; and (2) from ASX's review of the Entity's financial reports.

PROXY FORM

CONSOLIDATED TIN MINES LIMITED
ACN 126 634 606

GENERAL MEETING

I/We	
of:	

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:	
OR:	☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:00am (AEST), on Monday, 30 April 2018 at Hilton Cairns, 34 The Esplanade, Cairns QLD 4870, and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		**FOR**	**AGAINST**	**ABSTAIN**
RESOLUTION 1	ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SNOW PEAK MINING PTY LTD	☐	☐	☐
RESOLUTION 2	ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SNOW PEAK MINING PTY LTD	☐	☐	☐
RESOLUTION 3	ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SNOW PEAK INTERNATIONAL INVESTMENTS LIMITED	☐	☐	☐
RESOLUTION 4	ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SNOW PEAK GLOBAL COMPANY LIMITED	☐	☐	☐
RESOLUTION 5	ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – ARM (NQ) PTY LTD	☐	☐	☐
RESOLUTION 6	ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – WORKFORCE ONE PTY LTD	☐	☐	☐
RESOLUTION 7	ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – NQ MINING ENTERPRISES PTY LTD	☐	☐	☐
RESOLUTION 8	ISSUE OF SHARES TO RELATED PARTY ON CONVERSION OF DEBT – SHINEWARM RESOURCES PTY LTD	☐	☐	☐
RESOLUTION 9	ISSUE OF SHARES TO RELATED PARTY – MR RALPH DE LACEY	☐	☐	☐
RESOLUTION 10	ISSUE OF SHARES TO RELATED PARTY – MR ZE HUANG CAI	☐	☐	☐
RESOLUTION 11	ISSUE OF SHARES TO – MR BILLY ZHOU	☐	☐	☐
RESOLUTION 12	ISSUE OF SHARES TO RELATED PARTY – MR KWOK CHING TSOI	☐	☐	☐
RESOLUTION 13	ISSUE OF SHARES TO – MR DARRYL HARRIS	☐	☐	☐
RESOLUTION 14	ISSUE OF SHARES TO RELATED PARTY – MS XIAOYAN TONG	☐	☐	☐
RESOLUTION 15	APPROVAL FOR CYAN STONE PTY LTD TO INCREASE ITS VOTING POWER IN THE COMPANY (SUBSCRIPTION AND GRANT OF OPTION)	☐	☐	☐
RESOLUTION 16	APPROVAL FOR CYAN STONE PTY LTD TO INCREASE ITS VOTING POWER IN THE COMPANY (ADDITIONAL PURCHASES)	☐	☐	☐
RESOLUTION 17	CONSOLIDATION OF CAPITAL	☐	☐	☐
RESOLUTION 18	PLACEMENT	☐	☐	☐
RESOLUTION 19	PUBLIC OFFER	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that

Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: ____________ **%**

Signature of Shareholder(s):

Individual or Shareholder 1	**Shareholder 2**	**Shareholder 3**
Sole Director/Company Secretary	Director	Director/Company Secretary

Date: ____________

Contact name: ____________ **Contact ph (daytime):** ____________

E-mail address: ____________ **Consent for contact by e-mail in relation to this Proxy Form:** **YES** ☐ **NO** ☐

Instructions for completing Proxy Form

1. (**Appointing a proxy**): A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

2. (**Direction to vote**): A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

3. (**Signing instructions**):

   - (**Individual**): Where the holding is in one name, the Shareholder must sign.
   - (**Joint holding**): Where the holding is in more than one name, all of the Shareholders should sign.
   - (**Power of attorney**): If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
   - (**Companies**): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.

4. (**Attending the Meeting**): Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

5. (**Return of Proxy Form**): To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

   (a) post to Consolidated Tin Mines Limited, 395 Lake Street, Cairns, North QLD 4870; or

   (b) facsimile to the Company on facsimile number +61 7 4027 9429.

   so that it is received not less than 48 hours prior to commencement of the Meeting.

   Proxy Forms received later than this time will be invalid.

Stantons International Securities

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 42 128 908 289
AFS Licence No: 448697
www.stantons.com.au

16 March 2018

The Directors
Consolidated Tin Mines Limited
395 Lake Street
CAIRNS, QUEENSLAND 4870

<u>**Summary of Conclusions**</u>

In our opinion, the proposals noted in Resolutions 15 and 16 are, on balance taking into account the technical value of a CSD share, <u>not fair but reasonable</u> to the non-associated Shareholders.

Dear Sirs,

RE: CONSOLIDATED TIN MINES LIMITED (ABN 57 126 634 606) ("CSD" OR "THE COMPANY"). MEETING OF SHAREHOLDERS TO CONSIDER RESOLUTION 15 RELATING TO THE PROPOSAL TO ALLOW THE ISSUE OF UP TO 2,700,000,000 FULLY PAID ORDINARY SHARES IN THE COMPANY ("SHARES") (ON A PRE-CONSOLIDATED BASIS) TO CYAN STONE PTY LTD ("CYAN STONE") AT 1.2615 CENTS PER SHARE AND ALLOWING THE ISSUE AND EXERCISE THEREOF OF ONE SUBSCRIPTION OPTION THAT MAY BE EXERCISED INTO 198,176,774 SHARES (ON A PRE-CONSOLIDATED BASIS) AT 1.2615 CENTS EACH THAT WOULD RESULT IN CYAN STONE OBTAINING A SHAREHOLDING INTEREST IN THE COMPANY OF GREATER THAN 20% (IN THE ABSENCE OF ANY FURTHER SHARE ISSUES). IN ADDITION, RESOLUTION 16 SEEKS APPROVAL FOR CYAN STONE TO ACQUIRE A FUTHER 73,947,109 SHARES (ON A PRE-CONSOLIDATED BASIS) IN CSD AS AN ADDITIONAL PURCHASE. APPROVALS FOR THE ISSUE OF SHARES TO CYAN STONE UNDER RESOLUTIONS 15 AND 16 ARE SOUGHT PURSUANT TO SECTION 611 (ITEM 7) OF THE CORPORATIONS ACT 2001

1. INTRODUCTION

1.1 We have been requested by the Directors of CSD ("Directors") to prepare an Independent Expert's Report to determine the fairness and reasonableness of the transactions referred to in Resolutions 15 and 16 as detailed in the Notice of Meeting and Explanatory Statement ("ES") attached to the Notice to CSD shareholders ("Shareholders") ("the Notice") planned to be issued to Shareholders in March 2018 or April 2018 for a Shareholders meeting planned to be held in April 2018 or May 2018.

1.2 In April 2016, Snow Peak Mining Pty Ltd ("SPM") a company associated with Mr Si He Tong (a Director) ("Tong") and CSD completed the sale to CSD and its wholly owned subsidiaries Surveyor Mining Pty Ltd ("Surveyor Mining") and Colinacobre Pty Ltd ("Colinacobre") of the Mt Garnet Processing Plant, mining information and assume employee liabilities to CSD for the issue of 580,000,000 Shares ("Consideration Shares") and the issue of 165,000,000 Convertible Notes at 10 cents each ($16,500,000) (the "Asset Sale Agreement"). CSD also acquired the mineral assets of SPM (including the Baal Gammon Mineral Rights Agreement) ("SPM Mineral Assets").

In addition, CSD issued 30,000,000 Shares (“SPII Replacement Shares”) to Snow Peak International Investments Limited) (“SPII”) as repayment of a $3,000,000 advance payment made to CSD under the Heads of Agreement dated 3 May 2012 (Shares escrowed for two years) (SPII is wholly owned by Tong).

The acquisition of the Mt Garnet Processing Plant, Environmental Bonds and the SPM Mineral Assets (and assuming employee entitlements and assumed liabilities relating to a working capital facility and ordinary liabilities (“Assumed Liabilities")) was known as the “Acquisitions”. In addition, as part of the Acquisitions, CSD’s 10% shareholding in SPM was to be cancelled at no cost. The books of CSD disclose $nil in relation to its 10% shareholding interest in SPM.

In addition, CSD agreed to pay $500,000 per calendar quarter for 4 calendar quarters (a total of $2,000,000) to SPM so SPM can meet interest obligations on a loan liability owed by SPM to the Industrial and Commercial Bank of China (“ICBC”) (“ICBC Debt”). The principal amount of the ICBC Debt was not assumed by CSD.

Pursuant to the terms of the Asset Sale Agreement, the initial allocation of the 580,000,000 Consideration Shares (at the booked value of 2.5 cents each for a total of $14,500,000) was as follows:

- 245,274,100 Consideration Shares for the Plant and Equipment (deemed value $6,622,400)
- 52,000,000 Consideration Shares for the Tenements Part B
- 6,000,000 Consideration Shares for the Baal Gammon Mineral Rights Agreement
- 8,000,000 Consideration Shares for the Tenement Applications Part B
- 40,000,000 Consideration Shares for Mining Information and Records Part B
- 228,725,900 Consideration Shares for the Environmental Bonds

Each of the defined terms in the list above have the same meaning as set out in the Asset Sale Agreement.

The 580,000,000 Consideration Shares were escrowed for a period of 2 years.

The 165,000,000 Convertible Notes (at an agreed value of 10 cents each) were agreed to be allocated as follows:

- 137,000,000 Convertible Notes for the Tenements Part A
- 28,000,000 Convertible Notes for the Mining Information and Records Part A

Each of the defined terms in the list above have the same meaning as set out in the Asset Sale Agreement.

The more significant details of the Convertible Notes are as follows:

- 165,000,000 Convertible Notes were issued at 10 cents each ($16,500,000 in total);
- Interest rate 7% pa payable quarterly in arrears from the date of issue on the last day of the months of March, June, September and December in each year;
- Unsecured;
- Maturity Date of one year after date of issue;
- If Shares are traded on ASX for 35 consecutive days at above 20 cents, CSD will have the right but not the obligation to redeem some or all of the Convertible Notes.

The 30,000,000 SPII Replacement Shares were escrowed for two years and CSD has the first right of refusal to buy-back the SPII Replacement Shares during the escrow period (CSD will not have an automatic right to buy-back such shares).

We have been advised that the employee entitlements acquired under the Asset Sale Agreement were approximate $1,589,060 and the Assumed Liabilities were approximately $23,818,065. As noted above, the Assumed Liabilities relate to a working capital facility of $10,000,000 and ordinary liabilities of $13,818,065.

1.3 Post the Acquisitions of the Mt Garnet Processing Plant and the SPM Mineral Assets, the issue of the 580,000,000 Consideration Shares, the issue of the 165,000,000 Convertible Notes and 30,000,000 SPII Replacement Shares, SPII and SPM (the "SPII Group") holds approximately 75.70% of the expanded issued capital of CSD and if all of the Convertible Notes were converted into Shares, the SPII Group's shareholding will increase to approximately 79.50% (before the issue of Shares and the Subscription Option to Cyan Stone).

1.4 The Company negotiated a loan facility of $20,000,000 as announced to the market in February 2016, however the cash was never provided and the facility fell through in July 2016. The Company shut down the Mt Garnet Processing Plant for maintenance and unfortunately due to the absence of sufficient working capital, the Company appointed Administrators to the Company (Messrs Blair Pleash and Kathleen Vouris of Hall Chadwick, Chartered Accountants) ("Administrators"). The appointment was made on 19 July 2016.

1.5 In November 2016, a conditional agreement was reached with Cyan Stone for CSD to issue up to 2.7 billion Shares (on a pre-consolidated basis) ("Subscription Shares") at 1.2615 cents each to raise up to $34,060,500 ("the Subscription Amount") ("Subscription Agreement").

Under the Subscription Agreement, there is a minimum subscription of $25,000,000 with $10,000,000 payable to the Administrators of CSD and SPM ("Joint DOCA Deposit"), and the remainder would be available to CSD as working capital, exploration and care and maintenance costs. Cyan Stone has indicated that it will take up the full subscription of 2.7 billion Subscription Shares (on a pre-consolidation basis).

In January 2017, the Company reached an agreement with Cyan Stone for Cyan Stone to make prepayments of the Subscription Amount ("Prepayment Agreement").

In the Company's 31 December 2016 half year financial report (dated 17 August 2017), the Company announced that Cyan Stone had prepaid $33,213,744 of the Subscription Amount (inclusive of the Joint DOCA Deposit, $1,213,744 for care and maintenance paid by Cyan Stone to the Administrators and $22,000,000 paid by Cyan Stone to the Company) and will continue to prepay the remainder of the Subscription. To 31 December 2016, the audit reviewed accounts disclosed Cyan Stone was owed $3,613,744 (the $1,213,744 plus $2,400,000 of the prepaid Subscription Amount). Other than the Joint DOCA Deposit paid to the Administrators, Cyan Stone has in 2017 paid a further $19,600,000 of the Subscription Amount to the Company (to 14 August 2017).

In total, Cyan Stone has prepaid $34,060,500, being the whole of the agreed Subscription Amount. As noted above and in more details below under paragraph 1.12, an amount of $1,213,743.98 owing to Cyan Stone (lent by Cyan Stone to the Administrators as part of funding care and maintenance) has been offset against the balance of the Subscription Amount due. Accordingly, after allowing for the $1,213,743.98 offset, the Subscription Amount has now been prepaid in full by Cyan Stone.

In the event that Shareholders do not approve the issue of up to 2.7 billion Subscription Shares (on a pre-consolidated basis) to Cyan Stone in accordance with the Subscription Agreement, the total Subscription Amount that has been prepaid by Cyan will automatically be converted into an interest-bearing loan ("the Loan") in accordance with the Prepayment Agreement. The Loan will be secured by a general security agreement over the Company's assets, will be subject to interest at 10% per annum and will be due and payable immediately.

1.6 In addition, under the Subscription Agreement, Cyan Stone is to be issued one share option to subscribe for 198,176,774 Shares (on a pre-consolidation basis) at 1.2615 cents per Share on or before 31 July 2018 ("Subscription Option") and if such Subscription Option was exercised by Cyan Stone, the Company would receive additional cash funds of $2,500,000.

1.7 However, the issue of the Subscription Shares and Subscription Option were initially subject to a number of conditions precedent, including both CSD and SPM entering into a Joint Deed of Company Arrangement ("Joint DOCA"). The conditions precedent were:

- Cyan Stone depositing $10,000,000 into the Deposit Trust Account (of the Administrators) within 2 business days of the execution of the Subscription Agreement;
- Acceptance of the proposal under the Joint DOCA by CSD, SPM and both the creditors of the Company and SPM ("Creditors") at the second Creditors meeting of without any amendment other than where such amendment is acceptable to Cyan Stone ("Joint DOCA Proposal");
- Acceptance by Shareholders at an Extraordinary General Meeting of Shareholders of:
  - (a) Shareholder approval to convert all current pre-administration debt specified in Categories 3 and 4 of Schedule 3 (being the debt conversion contemplated by the Joint DOCA Proposal) to Shares at the conversion prices specified in Schedule 3, with Shares to be issued to the debt holders or their nominees;
  - (b) Shareholder approval to convert all current debt incurred during the course of the voluntary administration specified in Schedule 4 to Shares at the conversion

prices specified in Schedule 4 with Shares to be issued to debt holders or their nominees;

(c) Shareholder approval to issue up to 2.7 billion Subscription Shares (on a pre-consolidation basis) to Cyan Stone at 1.2615 cents each; and

(d) Shareholder approval to grant Cyan Stone the Subscription Option expiring on 30 April 2017 (several expiry dates changed but now subsequently agreed to be 31 July 2018) to subscribe for 198,176,774 Shares (on a pre-consolidation basis) at 1.2615 cents each for an aggregate amount (if exercised) of $2,500,000.

- FIRB approval of the terms contemplated in the Asset Sale Agreement and the Subscription Agreement by 31 March 2017 or such later date as is agreed between the parties).

(Together the "Conditions Precedent")

A signed version of the Joint DOCA Proposal on the terms outlined above has already been signed by CSD on 10 November 2016.

The Creditors on 23 November 2016 approved the Company enter into the Joint DOCA. The Joint DOCA was executed on 8 December 2016. It is noted that as part of the recapitalisation proposals put forward by Cyan Stone ("Recapitalisation Proposals") involves SPM and thus SPM are a party to the a Joint DOCA.

In January 2017, Cyan Stone agreed to waive all of the Conditions Precedents (FIRB approval having been obtained). The Joint DOCA was effectuated in January 2017.

1.8 In addition, agreement has been reached for Cyan Stone to acquire up to a further 73,947,109 Shares (on a pre-consolidated basis) via an additional purchase by Cyan Stone from WorkForce One Pty Ltd, Ralph De lacy, Ze Huang Cai and Billy Zhou on or before 31 July 2018 ("Additional Purchase"). This assumes all of the 2.7 billion Subscription Shares are issued along with Cyan Stone exercising the Subscription Option to acquire 198,167,774 Shares (on a pre-consolidation basis).

1.9 The Category 3 debts are noted elsewhere in the ES attached to the Notice and include debts due to Snow Peak Global Company Limited ($10,490,410.96), SPII ($4,323,396); SPM ($971,705) and SPM ($17,109,781.60). The Shares to be issued in relation to the final $17,109,782 owing to SPM are to be issued to SPII and ARM (NQ) Pty Ltd or their nominees. The Category 3 debts are to be eliminated by issuing Shares at 2.5 cents each (Category 3 "Conversion Shares"). The Category 3 debts total $32,895,295.27 and thus a total of 1,315,811,773 Category 3 Conversion Shares (on a pre-consolidation basis) will be issued to eliminate the Category 3 debts to $nil. Further details are outlined in the ES.

1.10 The Category 4 debts noted elsewhere in the ES attached to the Notice include pre-administration debts due to several major creditors not associated with SPM and SPII and also includes pre-administration deferred salaries owing to the Directors totalling $398,735.78. The Category 4 debts are to be eliminated by issuing Shares at 1.2615 cents each ("Category 4 Conversion Shares"). The Category 4 debts total $1,440,269.25 and thus a total of 114,171,171 Category 4 Conversion Shares (on a pre-consolidation basis) will be issued to eliminate the Category 4 debts to $nil.

1.11 The Schedule 4 debts include post administration creditors noted elsewhere in the ES attached to the Notice and include post administration salaries and consulting fees due to Directors. The Schedule 4 debts are to be eliminated by issuing Shares at 1.2615 cents each ("Schedule 4 Conversion Shares"). The Schedule 4 debts total $328,845.50 and thus a total of 26,067,826 Schedule 4 Conversion Shares (on a pre-consolidation basis) will be issued to eliminate the Schedule 4 debts to $nil.

1.12 As Cyan Stone has indicated that it will subscribes for additional Shares by virtue of exercise of the Subscription Option, the $2,500,000 in additional funds to be received by the Company and are to be applied to:

- Preliminary exploration; and
- Working capital (for continued care and maintenance where necessary and recommencement of mining operations.

In the Company's 31 December 2016 half-year financial report (dated 17 August 2017), the Company announced that Cyan Stone had prepaid $33,213,744 of the Subscription Amount (inclusive of the Joint DOCA Deposit of $10,000,000, $1,213,744 for care and maintenance paid by Cyan Stone to the Administrators and $22,000,000 paid by Cyan to the Company). It is planned that the amount due to Ming will be paid out of the Subscription Amount (after all necessary Shareholder approvals are obtained) and the $1,213,743.98 owing to Cyan Stone has been offset against the Subscription Amount due). Accordingly, after allowing for the offset of $1,213,743.98 the Subscription Amount has now been prepaid in full by Cyan Stone.

If all of the Subscription Shares were issued (along with all categories of conversion shares) Cyan Stone would own approximately 53.50% of the expanded issued capital of CSD and approximately 55.26% if the Subscription Option was exercised by Cyan Stone.

If a further 73,947,109 Shares (on a pre-consolidation basis) are acquired by Cyan Stone from WorkForce One Pty Ltd, Ralph De Lacy, Ze Huang Cai and Billy Zhou on or before 31 July 2018 as Additional Purchases (as contemplated in Resolution 16), Cyan Stone's shareholding in CSD will approximate 56.67% (assumes all 2.7 billion Subscription Shares (on a pre-consolidation basis) are issued and the Subscription Option to acquire 198,176,774 Shares (on a pre-consolidation basis) is exercised). This percentage is before the proposed issue of up to 120,000,000 shares at a minimum 50 cents each (post consolidated) as proposed under Resolutions 18 (20,000,000 Placement Shares) and 19 (100,000,000 Public Offer Shares).

1.13 The Notice seeks to approve, inter-alia:

- The issue of up to 2.7 billion Subscription Shares (on a pre-consolidation basis) (Resolution 15) to Cyan Stone, the issue of the Subscription Option that may be exercised into 198,176,774 Shares (on a pre-consolidation basis) and allowing the exercise thereof pursuant to Section 611 Item 7 of the Corporations Act 2001 (Cth.) ("TCA") and allowing Cyan Stone to acquire a further 73,947,109 Shares (on a pre-consolidated basis) from WorkForce One Pty Ltd, Ralph De Lacy, Ze Huang Cai and Billy Zhou via the Additional Purchases (Resolution 16).

There are 17 other Resolutions and details are outlined in the Notice and the ES attached to the Notice. We are only reporting on Resolutions 15 and 16 but assume the other Resolutions are passed and consummated as part of the recapitalisation of CSD.

1.14 Under Section 606 of TCA, a person must not acquire a relevant interest in issued voting shares in a company if because of the transaction, that persons' or someone else's voting power in the company increases:

(a) from 20% or below to more than 20%; or
(b) from a starting point that is above 20% and below 90%.

Under Section 611 (Item 7) of TCA, Section 606 does not apply in relation to any acquisition of shares in a company by resolution passed at a general meeting at which no votes were cast in favour of the resolution by the acquirer or the disposer or their respective associates. An independent expert is required to report on the fairness and reasonableness of the transactions.

1.15 Upon issue of the Subscription Shares to Cyan Stone will obtain an initial shareholding interest in CSD of approximately 53.50% (in the absence of any further Share issues) and approximately 55.26% if the Subscription Option is exercised. Further if Cyan Stone later acquires Shares as Additional Purchases its shareholding interest in CSD will increase to 56.67% thus Shareholders are required to approve the issue of the Subscription Shares and the Subscription Option (together the "Subscription Proposals) and approve the Additional Purchases pursuant to Section 611 of TCA. TCA requires an Independent Expert's Report to report as to whether the Subscription Proposals and Additional Purchases are fair and reasonable to non-associated Shareholders (not associated with Cyan Stone). In the event that all 120,000,000 post consolidated shares are issued at a minimum 50 cents each, to raise a gross minimum $60,000,000, the shareholding interest of Cyan Stone would decrease to approximately 46.12% (also assumes all 198,176,774 shares are issued on exercise of the Subscription Option and Cyan Stone acquires the 73,947,109 shares as noted above).

1.16 The Company has requested Stantons International Securities Pty Ltd to prepare an Independent Expert's Report to determine whether the Subscription Proposals and Additional Purchases outlined above that would allow the issue of up to 2.7 billion Subscription Shares (on a pre-consolidation basis) and the issue and exercise of one Subscription Option that would result in 198,176,774 Shares (on a pre-consolidation basis) being issued to Cyan Stone (Resolution 15) and allowing an Cyan Stone to acquire 73,947,109 Shares (on a pre-consolidation basis) as Additional Purchases (Resolution 16) pursuant to Section 611 Item 7 of TCA are fair and/or reasonable to the non-associated Shareholders (not associated with Cyan Stone).

1.17 Apart from this introduction, this Independent Experts Report considers the following:

- Summary of opinion
- Implications of the Subscription Proposals and Additional Purchases
- Future directions of CSD and other information
- Basis of valuation of Shares
- Preferred valuation method for valuing a Share

- Premium for control
- Conclusion as to fairness
- Reasonableness of the Subscription Proposals and Additional Purchases
- Conclusions on reasonableness
- Shareholder decision
- Sources of information
- Appendix A and our Financial Services Guide

2. SUMMARY OF OPINION

2.1 In determining the fairness and reasonableness of the Subscription Proposals and Additional Purchases pursuant to Resolution 15 and 16, we have had regard for the definitions set out by the Australian Securities and Investments Commission ("ASIC") in its Regulatory Guide 111. Regulatory Guide 111 states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price and the value that may be attributed to the securities under offer (fairness) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (reasonableness).

The concept of "fairness" is taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in the above-mentioned offer. Furthermore, this comparison should be made assuming 100% ownership of the "target" and irrespective of whether the consideration is scrip or cash.

An offer is "reasonable" if it is fair. An offer may also be reasonable, if despite not being "fair", where there are sufficient grounds for security holders to accept the offer in the absence of any higher bid before the close of the offer.

2.2 Regulatory Guide 111 also provides that such an allotment should involve a comparison of the advantages and disadvantages likely to accrue to non-associated shareholders if the transaction proceeds compared with if it does not. It also states that, where an acquisition of shares by way of an allotment is to be approved by shareholders pursuant to Section 611 (Item 7) of TCA, it is desirable to commission a report by an independent expert stating whether or not the proposal is fair and reasonable, having regard to the interests of shareholders other than the proposed allottees (in this case, Cyan Stone) and whether a premium for potential increased control is being paid by the allottees.

2.3 Although in this case the proposed potential issue of the Subscription Shares and the issue of the Subscription Option is not a takeover offer, we have considered the general principals noted above to determine our opinions on fairness and reasonableness pertaining to the Subscription Proposals and Additional Purchases under Resolutions 15 and 16.

Accordingly, our report relating to Resolutions 15 and 16 is concerned with the fairness and reasonableness of the Subscription Proposals and Additional Purchases from the point of view of the existing non- associated Shareholders (not associated with Cyan Stone).

2.4 **In our opinion, taking into account the factors noted below and in sections 7 to 10 of this report and the comments made in the ES to Shareholders accompanying the Notice, the Subscription Proposals and Additional Purchases noted in Resolutions 15 and 16 are, on the basis of valuing the Shares on an asset backing basis (at fair values), not fair but reasonable to the non-associated Shareholders.**

2.5 Each Shareholder needs to examine market conditions at the time of exercise of vote to ascertain the impact, if any, on Resolutions 15 and 16. The opinions expressed above must be read in conjunction with the more detailed analysis and comments made in this report.

2.6 The opinions expressed above must be read in conjunction with the more detailed analysis and comments made in this report.

3. IMPLICATIONS OF THE SUBSCRIPTION PROPOSALS AND ADDITIONAL PURCHASES

3.1 As at 16 March 2018, there were 889,970,521 Shares on issue in CSD. The substantial Shareholders as at close of business on 11 November 2016 (CSD has not traded on ASX since 25 June 2016) are disclosed as:

Name of Shareholder	No. of Shares	% Interest
Snow Peak Mining Pty Ltd	580,000,000	65.17
Snow Peak Investments Limited	93,700,000	10.53
ARM (NQ) Pty Ltd	29,156,140	3.28
Ralph D Lacey	16,250,000	1.83
	719,106,140	80.81

3.2 The top twenty Shareholders as at 11 November 2016 own approximately 85.84% of the issued capital and there were over 1,000 Shareholders in total. The SPII Group currently controls approximately 75.70% of the issued capital of CSD.

3.3 There are no share options outstanding. However, the Subscription Option is to be issued to Cyan Stone and if exercised 198,176,774 Subscription Shares (on a pre-consolidation basis) would be issued to Cyan Stone, exercisable at 1.2615 cents per Share, on or before 31 July 2018. If the Subscription Option is exercised, the Company would receive additional cash funds of $2,500,000.

3.4 The potential movement in the number of Shares on issue in the Company could be as follows:

	Maximum Number of Subscription Shares
On-issue as at 16 March 2018	889,970,521
Issue of Category 3 Conversion Shares	1,315,811,773
Issue of Category 4 Conversion Shares	114,171,171
Issue of Schedule 4 Conversion Shares	26,067,826
Issue of Subscription Shares	2,700,000,000

Potential Shares on issue after the Subscription and issue of all Conversion Shares	**5,046,021,291**
Potential issue of further Shares	
Exercise of Subscription Option	198,176,774
Potential shares on issue post exercise of Subscription Option	**5,244,198,065**

Cyan Stone would initially own approximately 53.50% in CSD before exercise of the Subscription Option and approximately 55.26% if the Subscription Option was exercised (into 198,176,774 Subscription Shares (on a pre-consolidation basis) at 1.2615 cents per Share).

If Cyan Stone also acquired a further 73,947,109 Shares as Additional Purchase as noted in Resolution 16, Cyan Stone's shareholding interest in CSD assuming the issue of the 2.7 billion Subscription Shares (on a pre-consolidation basis) and the issue of 198,176,774 Shares (on a pre-consolidation basis) on exercise of the Subscription Option, would be approximately 56.67% (before the issue of up to 120,000,000 post consolidated shares at a minimum 50 cents each to raise a minimum gross $60,000,000. (Refer paragraph 1.15 above).

3.5 In relation to the Board of Directors control, the current Directors are Messrs Ralph De Lacey, Kwok Ching (Alex) Tsoi, Ze Huang (Martin) Cai and Si He Tong (associated with SPII). The Company has planned to change the Board of Directors following the issue of all Subscription Shares resulting in an up to 53.5% shareholding in CSD by Cyan Stone. This change contemplates that three nominees of Cyan Stone will become Directors and Messrs Tsoi and Tong will resign as Directors. The Cyan Stone nominees will control three of the new five-member Board.

3.6 CSD and its wholly owned subsidiaries Surveyor Mining Pty Ltd and Colinacobre Pty Ltd (the "CSD Group"). Post the completion of the Subscription Proposals and Additional Purchases, the CSD Group will become associated companies of Cyan Stone and even may become partly owned subsidiaries of Cyan Stone (depending on whether Cyan Stone exercises the Subscription Option and makes the Additional Purchases).

3.7 The Subscription Proposals and Recapitalisation Proposals will allow CSD to utilise net cash funds of approximately $17.182 million. The net cash funds have since been utilised in CSD's continued operations including the recommencement of mining and processing operations and for exploration activities. The Company may raise a further minimum gross $60,000,000 in the event that up to 120,000,000 post consolidated shares are issued at a minimum of 50 cents per post-consolidated share.

The Subscription Proposals with Cyan Stone will mean most pre-administration debts (and all costs pertaining to the administration and Joint DOCA) will be settled from the $10,000,000 Joint DOCA Deposit. It may be that not all pre-administration creditors will be paid in full but there will be no future claim of the CSD pre-administration creditors (outside the Category 3 and 4 pre-administration creditors that are to be settled by the issue of various

classes of Conversion Shares and the Category 2 Schedule 3 debts that will be settled by SPM and are not associated with CSD).

In addition, debts due to parties associated with the Directors incurred post 19 July 2016 to 20 December 2016 will be settled by way of the issue of Schedule 4 Conversion Shares (26,067,826 Shares in total to convert debts to such parties of approximately $328,846).

4. FUTURE DIRECTION OF CSD AND OTHER INFORMATION

4.1 We have been advised by a Director that:

- since being released from the Joint DOCA, CSD has used the base amount of approximately $20 million from the Subscription Amount as new working capital for the Mt Garnet Tin Project and the SPM Mineral Assets and for the Company generally;
- no dividend policy has been set and is not proposed to be set until such time as the Company is profitable and has a positive cash flow;
- the Board of Directors is planned to change in the near future and may change further as the needs arise; and
- the Company is likely to raise further capital (including further equity raisings in 2017/18 and possibly project loan funds as and when required to continue to develop the Company's mineral assets. Resolution 18 in the Notice allows for the issue of up to 120,000,000 post consolidated shares at a minimum 50 cents each to raise a minimum gross $60,000,000 (capital raising costs may be up to $3,000,000).

CSD currently does not have a reliable cash flow or profit history from tin mining and has yet to develop its flagship project, the Mt Garnet Tin Project. It is noted that the Preliminary Feasibility Study ("PFS"), a summary of which was released to the market on 30 September 2013 on the Mt Garnet Tin Project indicated that capital costs may be around $76,000,000 and that the Life of Mine (around 9 years) would produce a cash surplus before tax of around $378,500,000 using a tin price of A$24,000 per tonne (Base Case) and a LOM Cash Surplus before tax of around $275,200,000 using a tin price of $20,000 per tonne. The Base Case Net Present Value based on the PFS and using an 8% discount rate was around $110,000,000. Obviously, the Company has upside (including an improved share price, although the Shares are currently suspended from trading) and after effectuating the Joint DOCA raise funds that may exceed $76,000,000. All other Shareholders would benefit from completion of the DFS (and ultimately entering into production, using the Mt Garnet Processing Plant that CSD acquired from SPM). The cash flow models may now change as a result of changing metal prices and methods of financing Capex costs.

Notes required under ASX Listing Rule 5.16 (as advised by CSD):

- The results of the PFS was first announced by CSD on 30 September 2013 following the completion of the PFS in September 2013 and is wholly underpinned by 13.118 Mt of JORC Ore (Tin) Resources of which 1.105Mt are classified as Measured, 8.296 Mt as Indicated and 3.716 Mt are classified as Inferred (these results released initially to the market on 26 June 2013).

- All the material assumptions on which that production target is based (as set out in CSD's announcements referred to above on 30 September 2013) remain applicable and have not materially changed.
- The estimated Measured, Indicated and Inferred Ore (Tin) Resources underpinning the production target have been prepared by a Competent Person in accordance with the requirements in the 2015 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2015 JORC Code).

4.2 Further details are in announcements made by CSD to the ASX to 16 March 2018 and Shareholders are encouraged to read recent reports on the Mt Garnet Tin Project and other various projects before determining whether to vote for or against Resolutions 15 and 16 (and all other Resolutions) in the Notice.

5. BASIS OF VALUATION OF SHARES

5.1 Shares

5.1.1 In considering the Subscription Proposals to issue Subscription Shares and the Subscription Option, (and allowing such Subscription Option to be exercised) to Cyan Stone as noted elsewhere in this report, whereby Cyan Stone could obtain a shareholding interest initially at approximately 53.50% (and up to approximately 56.67%% if the Subscription Option is also exercised and the full 73,947,109 Shares are acquired as Additional Purchases as noted in Resolution 16), (prior to the issue of any of the up to 120,000,000 post consolidated shares as noted in Resolution s18 and 19), we have sought to determine if whether the issue price of the Shares to Cyan Stone is in excess of the current fair value of the Shares on issue and whether the proposed Subscription Proposals are at a price that CSD could make to unrelated third parties and then conclude whether the Subscription Proposals are fair and reasonable to the existing non-associated Shareholders.

5.1.2 The valuation methodologies we have considered in determining a theoretical value of a Share are:

- Capitalised maintainable earnings/discounted cash flow;
- Takeover bid - the price at which an alternative acquirer might be willing to offer;
- Adjusted net asset backing and windup value; and
- The market price of Shares.

5.2 Capitalised maintainable earnings and discounted cash flows

5.2.1 Due to CSD's current operations, a lack of a reliable long-term profit history arising from business undertakings and the lack of a reliable future cash flow from current business activities until such time as the DFS is completed and finance arranged, we have considered these methods of valuation not to be relevant for the purpose of this report. CSD has audited losses of over $31.8 million as at 31 December 2016. There is however, the intention to commercialise the Mt Garnet Tin Project in 2018 and the DFS only related to the Gilligan Tenement area that was partially completed in September 2015. It may be expected that on arranging long-term development and working capital finance, the share price of a Share may be higher than Share prices as traded on ASX before being suspended from trading (see

paragraph 5.6.1 below). Refer below for details on the adjusted unaudited net asset backing of CSD as at the date the Administors were appointed.

5.3 Takeover Bid

5.3.1 It is possible that a potential bidder for CSD could purchase all or part of the existing Shares, however no certainty can be attached to this occurrence. To our knowledge, there are no current bids in the market place and the Directors have formed the view that there are unlikely to be any takeover bids made for CSD in the immediate future. However, if the Subscription Shares are issued with Cyan Stone, Cyan Stone will initially have a 53.50% shareholding interest in CSD (which could increase up to 56.67% upon the exercise of the Subscription Option and via Additional Purchases). The SPII Group would have an approximate 12.85% to 13.35% shareholding interest in CSD (all percentages prior to the issue of up to 120,000,000 post-consolidated shares as envisaged in Resolutions 18 and 19 to the Notice).

5.4 Adjusted Net Asset Backing

5.4.1 A summary of the audited consolidated statement of financial position (Balance Sheet A) of CSD as at 31 December 2016 is summarised below:

In addition, we disclose a pro-forma consolidated unaudited statement of financial position (Balance Sheet B) after allowing for:

- Entering into the Joint DOCA;
- The issue of 1,456,050,770 Conversion Shares (on a pre-consolidated basis) to eliminate debts of approximately $34,664,409;
- The elimination of all other pre-administration creditors of approximately $21,514,000 (as a result of entering into the Joint DOCA) ($1,440,269 of trade and other payables to be eliminated by the issue of Conversion Shares and $328,845.59 included in creditors eliminated by the issue of Conversion Shares);
- Reducing employee liabilities taken over to approximately $776,000;
- The issue of a 2,700,000,000 Subscription Shares (on a pre-consolidated basis) to raise $34,060,500 from Cyan Stone but $10,000,000 paid to the Joint DOCA Deposit ($20,446,756 to be received post 31 December 2016 ($19,600,000 since received to 14 August 2017 and $828,756 since that date) as $2,400,000 received pre-31 December 2016 and $1,213,744 offset as noted below); and
- Repayment of Category 1 Schedule 3 debts due to Ming ($2,683,941) and Cyan Stone ($1,213,743.98 – offset against Subscription Amount).

	Audited 31 December 2016 (A) $000's	Unaudited 31 December 2016 (B Pro-Forma) $000's
Current assets		
Cash at bank	1,658	20,275
Inventories	222	56
Trade and other receivables	1,925	64
Prepayments	736	184
	4,541	20,579
Non-current assets		
Bonds & Deposits	11,746	12,086
Plant and equipment	26,105	21,904
Mining Tenements	3,690	3,993
Exploration and evaluation	48,224	43,814
	89,765	81,797
Total assets	94,306	102,376
Current liabilities		
Trade and other payables	11,599	2,477
Provisions- employees	859	616
Loan/Notes from SPM	16,816	-
Working Capital Facility- SPGCL	10,750	-
Owing to Ming Huang Trading	2,724	-
Owing to Cyan Stone	36,561	-
	79,309	3,093
Non- current Liabilities		
Provisions- employees	295	160
Provision for rehabilitation	10,744	13,436
	13,878	13,596
Total liabilities	79,686	16,689
Net Assets	**4,968**	**85,687**
Equity		
Issued capital	35,749	104,473
Accumulated losses	(31,861)	(18,786)
Net Equity	**4,950**	**85,687**
Shares on issue (pre-consolidated)	889,970,521	5,046,021,291
Book asset backing per share (cents)	**0.556**	**1.698**

The above Pro-forma balance sheet excludes loan funds raised as noted in paragraph 9.7 below and excludes operating losses post 31 December 2016 and capex costs and asset sales post that date. The latest audited accounts for the year ended 30 June 2017 discloses current assets at $2,584,000, non-current assets at $85,602,000, current liabilities at $71,953,000 (after writing back pre-administration creditors), non-current liabilities of $10,981,000 and

net assets at $5,252,000. We have undertaken a fair value assessment as noted below that ignores excludes operating losses post 31 December 2016 and capex costs and asset sales post that date and new loans obtained from Cyan Stone.

We note below, the condensed audit reviewed consolidated statement of financial position of CSD as at 31 December 2017 and a pro-forma consolidated statement of financial position that assumes:

- The issue of a 2,700,000,000 Subscription Shares (on a pre-consolidated basis);
- The issue of 1,456,050,770 Conversion Shares (on a pre-consolidated basis) to eliminate debts of approximately $34,664,409;
- The issue of 120,000,000 post consolidated shares to raise a gross $60,000,000 and allowing for capital raising costs of $3,000,000.

	Audit Reviewed 31 December 2017 (A) $000's	**Unaudited 31 December 2017 (B Pro-Forma) $000's**
Current assets		
Cash at bank	1,658	58,658
Inventories	222	222
Trade and other receivables	1,925	1,925
Prepayments	737	737
	4,542	61,542
Non-current assets		
Bonds & Deposits	11,746	11,746
Plant and equipment	26,105	26,105
Mining Tenements	3,690	3,690
Exploration and evaluation	48,224	48,224
	89,765	89,765
Total assets	94,307	151,307
Current liabilities		
Trade and other payables	11,599	4,535
Provisions- employees	859	859
Loan/Notes from SPM	16,816	-
Working Capital Facility- SPGCL	10,750	-
Owing to Ming Huang Trading	2,724	2,724
Owing to Cyan Stone	36,561	-
	79,309	8,118
Non- current Liabilities		
Provisions- employees	295	295
Provision for rehabilitation	10,744	10,744
Owing to Cyan Stone	14,783	14,783
	25,822	25,822

	Audit Reviewed 31 December 2017 (A) $000's	Unaudited 31 December 2017 (B Pro-Forma) $000's
Total liabilities	105,131	33,940
Net Assets (Deficiency)	**(10,824)**	**117,367**
Equity		
Issued capital	35,749	163,974
Reserve	-	(34)
Accumulated losses	(46,573)	(46,573)
Net Equity (Deficiency)	**(10,824)**	**117,367**
Shares on issue (pre-consolidated)	889,970,521	6,246,021,921
Shares on issue (post consolidated)	**-**	**624,602,129**
Book asset backing per share (cents) on a re-consolidated basis	**nil**	1.879
Book asset value on a post-consolidated basis (cents)	**N/A**	**18.79**

The above audit-reviewed balance sheet is after the issue of shares to various parties, including Cyan Stone as noted above, along with the issue of 120,000,000 post-consolidated shares to raise a net $57,000,000.

Assuming the Option is also exercised to raise a gross $2,500,000, there would be 644,419,807 post-consolidated shares on issue and net book value per post-consolidated share would approximate 18.60 cents (assuming the Option is exercised and no further losses are incurred) on a post-consolidated basis.

In the event that the net $57,000,000 is not received and the Option not exercised, the book net assets as at 31 December 2017 reduce to approximately $60,367,000 and the number of pre-consolidated shares on issue would be 5,046,021,291 and the book asset backing per share would approximate 1.19 cents (or approximately 11.96 cents assuming the 1 for 10 consolidation occurs).

5.4.2 In determining the net tangible asset value on a going concern basis, it is necessary to adjust the book values of the mineral assets of the CSD Group to reflect the technical (market) fair value of those assets. In the last quarter of 2014, we, in conjunction with the Company instructed Minnelex Pty Ltd ("Minnelex") to undertake a valuation of the mineral assets of the CSD Group prior to the Acquisitions as noted above. In August 2014, Minnelex prepared the CSD Mineral Assets Valuation Report in which they valued CSD's mineral assets on a preferred, low and high value.

In determining the fair value of the SPM Mineral Assets acquired by CSD from SPM, we in conjunction with CSD and SPM requested a valuation of the SPM Mineral Assets by Auralia Mining Consultants Pty Ltd ("Auralia"). Auralia signed off on the SPM Mineral Assets Valuation Report dated 30 October 2014.

However, due to time lapse and the fact that CSD is planning to issue a Prospectus in relation to the Subscription Shares and Subscription Option, CSD commissioned Minnelex to revalue all CSD/SPM Mineral Assets in June 2017 and then updated in February 2018 and a summary of the range of values as at February 2018 is noted below.

We have used and relied on the CSD/SPM Mineral Assets Valuation Report by Minnelex of February 2018 and satisfied ourselves that:

- Minnelex was a suitably qualified consulting firm and had relevant experience in assessing the merits of mineral projects and preparing mining asset valuations (also the principal author of the report, Robert Pyper is suitably qualified and experienced);
- Minnelex was independent from CSD/SPM; and
- Minnelex had to the best of our knowledge employed sound and recognised methodologies in the preparation of the valuation report on the CSD/SPM Group mineral assets.

5.4.3 Minnelex ascribed a range of technical values for the CSD/SPM mineral assets as follows:

	Low $M000's	**Preferred $M000's**	**High $M000's**
Combined Hard Rock Tin and Base Metals	45.15	60.10	75.04
	45.15	60.10	75.04

For the purposes of this report, on the basis that the Subscription Amounts will be received and the Joint DOCA will be finalised (this has occurred) and most debts compromised via a Creditors Trust Deed or to be settled by the issue of Shares, we have used the range of Technical Values in ascribing a range of values to the Shares.

5.4.4 In determining the fair value of the Mt Garnet Processing Plant acquired by CSD from SPM, we in conjunction with CSD and SPM requested a valuation of the Mt Garnet Processing Plant by Como Engineers Pty Ltd ("Como Engineers") on the basis of fair market fair value.

In September 2014, Como Engineers prepared the Como Engineers Valuation Report in which they valued the Mt Garnet Polymetallic Plant (the Mt Garnet Processing Plant) on a second-hand value of the existing plant, on a going concern basis. In addition, Como Engineers noted the Replacement Value and the Auction Value of the Mt Garnet Processing Plant. The plant valuation by Como Engineers was updated in June 2017.

We used and relied on the June 2017 Como Engineers Valuation Report and satisfied ourselves that:

- Como Engineers was a suitably qualified engineering consulting firm and had relevant experience in assessing the values of plant and equipment (also the principal authors of the report, Richard Ladyman and Martin Smith were suitably qualified and experienced);
- Como Engineers was independent from CSD and the SPII Group; and

- Como Engineers had to the best of our knowledge employed sound and recognised methodologies in the preparation of the valuation report on the Mt Garnet Processing Plant.

5.4.5 Como Engineers as stated considered the fair preferred second hand fair market value on a going concern basis to be approximately $50,000,000 with a low value of $35,000,000. The Replacement Value was noted at $115,000,000.

5.4.6 The value on a liquidation value was assessed at between $10,000,000 and $20,000,000 but Como Engineers has considered that Auction Value was not the appropriate methodology to use as SPM has already refurbished and was operating and CSD plans to enhance the Mt Garnet Processing Plant and use the enhanced plant on the development and refining of tin from the Mt Garnet Tin Project. Thus, a non-going concern methodology (Auction Value) was not appropriate in these circumstances.

If we substituted the old valuation figures with the new assessed values as noted above and based on the assumptions provided to us of the other consolidated assets and liabilities of CSD as at 31 December 2016 (as adjusted) as per Balance Sheet A above, the net fair value of CSD is expected to lie in the range as follows:

	Paragraph	**Low $000's**	**Preferred $000's**	**High $000's**
Mineral assets	5.4.3	45,150	60,100	75,040
Mt Garnet Processing Plant	5.4.5	35,000	50,000	50,000
Other Plant & Equipment		3,605	3,605	3,605
Other current assets		2,857	2,857	2,857
Other non-current assets		12,086	12,086	12,086
Liabilities		(79,686)	(79,686)	(79,686)
Total		19,012	48,962	63,902
Number of shares on issue		889,970,521	889,970,521	889,970,521
Net asset value per share (cents) (pre-consolidated)		**2.136**	**5.501**	**7.180**

5.4.7 Based on the preferred values, the adjusted net book values at 31 December 2016 ("Balance Sheet A") equates to a value per share of approximately 5.355 cents (ignoring the value, if any, of non-booked tax benefits). This assumes the Company will be a going concern.

If we used the range of technical values of the CSD/SPM Mineral Assets as noted above, but used the liquidation/auction values for the plant (but ignored further wind up costs), the fair value of a Share may fall in the range of nil cents (low) to 3.809 cents (high) with a preferred fair value of 1.568 cents. In all probability, on a wind-up basis, the shares may well be worthless after taking into account wind costs.

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It is noted, that based on book values as at 30 June 2017, the net book asset value per share is disclosed at approximately 5.90 cents and as at 31 December 2017, the audit reviewed net asset value per share approximates nil cents.

It is noted that values of shell companies vary considerably but for small cap companies may vary between $250,000 and $1,000,000 (assuming no or immaterial debt) for companies listed on the ASX. However, it is noted that the Company cannot sell itself and parties are only prepared to place funds in a company shell on the back of a firm proposal (as is the case with CSD). The amount payable is dependent on a number of factors including shareholder spread, ASX compliance matters and extent of debt amongst many factors. In our view, a company such as CSD may have a shell value not exceeding $750,000 (on the assumption that all debt was eliminated). We have conducted a number of expert's reports involving companies being recapitalised and in all cases the "shell value" was based on no or minimal debt. In view of a poor market and lack of investor sentiment for small cap companies over the past several years, a potential "shell value" may be on the lower side of the above range. Shell value is only paid for on the basis of a recapitalisation proposal and not in isolation.

Based on a potential shell value of $750,000, the value per Share prior to the Subscription Proposals and Additional Purchases would approximate 0.0842 cents. The shell value per Share would be less if the shell value was less.

If the Company went into liquidation, the realisable value of the Company's assets may materially fall short of the adjusted fair values and even the current book values. It is unknown as to what the net realisable values would be on a liquidation basis, but based on past liquidation dealings of mining companies, the Company's liquidators would expect to receive net proceeds that may not exceed total liabilities (that as at 31 December 2016 totalled $79.686 million). As at 31 December 2017, the CSD Group has negative equity of $(10,824,000) as noted above.

It is noted that the Administrators were funded by Ming to the extent of $2,723,913 and Cyan Stone to the extent of $1,213,743.98 (the Category 1 debts). The amount due to Ming will be paid out after all Subscription Amounts are received and the $1,213,743.98 owing to Cyan Stone has been offset against the Subscription Amounts due.

Refer effect on minority Shareholders later on in this report.

5.5 Market Price of Shares (as traded on ASX)

5.5.1 The Shares were suspended from trading from 25 June 2016. For the 5 months prior to that date, the Shares traded in the range of 2.2 cents to 3.9 cents with a last sale on 24 June 2016 of 2.5 cents. As the Shares have been suspended from trading since 25 July 2016, the use of past trading of Shares is not considered useful in valuing the Shares for the purposes of this report.

5.6 The future ultimate value of a Share will depend upon, inter alia:

- the future prospects of its mineral assets and the SPM Mineral Assets;
- the state of the tin, fluorite, copper and base metal markets (and prices) in Australia and overseas;
- the state of Australian and overseas stock markets;
- the strength of the Board and management and/or who makes up the Board and management;
- general economic conditions;
- the ability of the Company to raise new funds via capital raisings and/or debt;
- foreign exchange rates;
- the ability of the Company to secure funding requirements for the development of the Mt Garnet Tin Project;
- the liquidity of Shares; and
- possible ventures and acquisitions entered into by CSD.

6. PREFERRED VALUATION METHOD FOR VALUING A SHARE

6.1 In assessing the fair value of CSD and a Share prior to the Subscription Proposals and Additional Purchases, we have selected the net assets at fair market values on a going concern methodology as the preferred methodology as:

- CSD does not currently generate revenues or profits and per the audited accounts has incurred significant losses in the financial years ended 30 June 2016, 2015 and 2014. Therefore, the capitalisation of future maintainable earnings is not yet appropriate;
- CSD although has potential future net cash inflows, the Company still needs to raise significant cash funds to enter into the development and commercialisation mode and therefore the Discounted Cash Flow methodology is not considered appropriate (but refer comments in paragraph 5.2.1 above); and
- The Shares are currently suspended from trading and thus the use of past share prices to date of suspension from trading (25 June 2016) is not considered appropriate.

6.2 As stated at paragraph 5.4.7 we have assessed the value of CSD prior to the Company entering into administration on a net asset basis as adjusted and on a going concern basis as being approximately 5.335 cents. However, we note that the Company was in Administration to January 2017 and is still suspended (until all Resolutions in the Notice are approved and effectuated) and if the Shares were tradable on ASX, in the absence of a capital raising, it would be expected that the Shares would be traded well below the net asset backing based on assessed fair values.

6.3 We note that, the net asset value may not necessarily reflect fair values in the current economic circumstances of the Company. If the Mt Garnet Tin Project proceeds to development or is sold far in excess of book values, then arguably the fair value of a Share may be in excess of the current fair book value and ASX market values of June 2016 (before suspension from trading).

7. PREMIUM FOR CONTROL

7.1 Premium for control for the purposes of this report has been defined as the difference between the price per Share that a buyer would be prepared to pay to obtain a controlling interest in the Company and the price per Share at which the same person would be required to pay per Share which does not carry with it control of the Company.

7.2 Under TCA, control may be deemed to occur when a shareholder or group of associated shareholders' control more than 20% of the issued capital. In this case, Cyan Stone could hold approximately 53.50% of the expanded issued capital of CSD upon the issue of the Subscription Shares (and up to 56.67% upon the exercise of the Subscription Option and via Additional Purchases). In take-over offers, it is often the case that a premium for control falls in the normal range of 15% to 40% and it is often accepted that a 20% premium for control should be payable. The actual premium may be more or less. In this case, taking into account the financial position of the Company, we have considered a reasonable premium for control should be 20%.

Accordingly, we have addressed whether a premium for obtaining control in the case will be paid.

7.3 Our preferred methodology is to value CSD and a Share on a technical net asset basis which assumes a 100% interest in the Company. Therefore, no adjustment is considered necessary to the technical asset value determined under paragraph 5.5 as this already represents the fair value of the Company or a Share on a pre-proposed subscription and recapitalisation control basis.

7.4 We set out below the comparison of the low, preferred and high values of a Share compared to the issue price for the Subscription Shares.

Pre-Subscription

	Para.	Low (cents)	Preferred (cents)	High (cents)
Estimated fair value of an Share assuming a going concern basis	5.4.6	2.136	5.501	7.180
Issue Prices of the Subscription Shares		1.2615	1.2615	1.2615
Excess (Deficiency) between Issue Price and fair values		(0.8745)	(4.2395)	(5.9185)

	Preferred Value $
Net value of assets (refer paragraph 5.4.6) on a going concern basis	48,962,000
Further cash raised from the Subscription (net of $10 million to the Joint DOCA Deposit	10,446,756
Creditors to the Creditors Trust Fund (no longer payable by CSD) (rounded)	21,514,000
Debts and creditors converted (rounded)	34,664,000
Reduction in employee liabilities	481,000
Total net assets	116,067,756
Number of shares on issue post Completion of the Joint DOCA	**5,046,021,291**
Net asset value per Share post the subscription and recapitalisation (cents)	2.300
Minority interest discount	16.67%
Minority value per Share post the completion of the Joint DOCA (cents)	**1.916**
Increase/(Shortfall) in value to a Minority Shareholder (cents)	**(3.585)**

7.5 In order to reflect the minority interest value, we have applied a minority interest discount to the technical net asset value. The minority interest discount has been calculated as the inverse of the premium for control of 20% as discussed above.

7.6 As noted above the fair market value of a CSD Share post the issue of Subscription Shares on a minority basis, approximates 1.916 cents (before the issue of any further shares and ignoring revenue, expenditure, capital expenditure and other borrowings post 31 December 2016).

7.7 Pre issue of the Subscription Shares on a control basis, the value of a Share approximates 5.501 cents (with a book value of 0.558 cents and a preferred value of around 1.568 cents if technical values were used on the CSD/SPM Mineral Assets and liquidation/auction values were used for the plant). The Subscription Shares are to be issued at 1.2615 cents each.

7.8 In the event that the Subscription Option is exercised, the Company will receive an additional $2,500,000 in cash and the preferred value of a Share on a minority basis would approximate 1.884 cents.

7.9 As noted above, using the audit reviewed consolidated statement of financial position as at 31 December 2017, in the event that all up to 120,000,000 post consolidated shares were also issued to raise say a minimum net $57,000,000, the number of shares on issue on a post-consolidated basis would equate to 644,419,807 shares (assumes the Option is also exercised). The fair value of the net assets, in the absence of any losses, would equate to approximately $151,947,000 (assumes Option is exercised to raise $2,500,000) and the value per post consolidated share would approximate 23.47 cents and on a minority shareholder basis approximately 19.64 cents. As noted above, the fair value of a CSD share prior to the recapitalisation proposals with Cyan Stone approximates 55.01 cents on a post-consolidated basis (5.501 cents on a pre-consolidated basis).

8. CONCLUSION AS TO FAIRNESS

8.1 In arriving at our conclusion on fairness, we considered whether the proposed Subscription Proposals and Additional Purchases involving Cyan Stone is "fair" by comparing:

(a) the fair market value of a Share pre the issue of the Subscription Shares on a control basis; versus

(b) the fair market value of a Share post issue of the Subscription Shares on a minority basis, taking into account the associated dilution resulting from the issue of Subscription Shares, the issue of Shares upon the exercise of the Subscription Option and Recapitalisation Proposals (includes issues of Conversion Shares to various creditors).

8.2 The fair value of a Share pre the issue of Subscription Shares approximates 5.335 cents whilst the fair market value of a Share, post the issue of Subscription Shares on a minority basis, taking into account the associated dilution resulting from the issue of Subscription Shares is 1.884 cents and as low as 1.817 cents in the event that the Subscription Option is exercised, as noted above in paragraph 7.8. Also, see paragraph 7.9 above.

8.3 **In our opinion, taking into account the factors noted in this report, the Subscription Proposals and Additional Purchases as outlined in Resolutions 15 and 16 is considered to be not fair at the date of this report.**

9. REASONABLENESS OF THE SUBSCRIPTION PROPOSALS AND ADDITIONAL PURCHASES

We set out below, some of the advantages, disadvantages and other factors pertaining to the Subscription Proposals and Additional Purchases under Resolutions 15 and 16.

Advantages

9.1 The raising of $34,060,500 from Cyan Stone via the Subscription Agreement and the completion of the Recapitalisation Proposals should avoid CSD entering into liquidation. The Company was in administration and the Administrators appointed PCF Capital Group to seek

expressions of interest for the potential acquisition of CSD's Queensland base metal operation and the tin project ("the Projects"). Notwithstanding the range of fair values of the Projects as noted above, on a liquidation basis, the realisable values are generally well below fair values on a going concern basis. On a liquidation basis, there may be a deficiency in net assets (liabilities exceed realisable values of assets) and thus the shares in CSD could be worthless. The raising of $34,060,500 under the Subscription Agreement along with the other Recapitalisation Proposals should avoid CSD entering into Liquidation (or back into administration) and subject to a number of factors as noted in paragraph 5.7 above (including raising of sufficient equity and/or debt finance), the Company's Shares should be released from suspension and CSD will be given the opportunity to develop the Projects over the ensuring years. Notwithstanding that the Company is now out of administration, the Shareholders need to approve the Resolutions being put to them.

In the absence of Shareholders' approval, the Subscription Amount advanced by Cyan Stone remain as debt and a majority of existing debt and amounts to Creditors would remain payable. There would be an increased chance that the Company could re-enter into administration or enter into liquidation.

9.2 There is an incentive for Cyan Stone to ensure CSD becomes a viable mineral exploration and development company as Cyan Stone will have a significant shareholding interest in CSD following the completion of the Subscription Proposals and Recapitalisation Proposals. There is a huge incentive for Cyan Stone to make CSD a successful company and have the Shares tradable again and hopefully a price rise from the issue price of the Subscription Shares and a lift in the Share price from the last sale price on 24 June 2016 as noted above. All Shareholders would benefit from lifting from the suspension from trading and a rise in the Share price.

9.3 The Company may be better placed to raise further funds by way of share equity and/or debt as a result of completion of the Subscription Proposals and Recapitalisation Proposals. It is proposed that up to 120,000,000 post consolidated shares may be issued at a minimum 50 cents each to raise a minimum gross $60,000,000 and a minimum net $57,000,000. Section 1.12 of the ES noted potential expenditure if all 120,000,000 post-consolidated shares are issued to raise a minimum gross $60,000,000.

<u>Disadvantages</u>

9.4 The number of pre-consolidated Shares on issue may rise by up to 4,354,227,544 Shares to 5,244,198,065- refer paragraph 3.4 above. In total, this could represent an up to approximate 830% increase in the number of Shares of the Company. The Subscription Shares, Shares upon exercise of the Subscription Option and Conversion Share issues dilute the shareholding of the existing non-associated Shareholders by a material amount. However, as noted, the absence of the Subscription Proposals and Recapitalisation Proposals (or some other recapitalisation of at least equal benefit) could ultimately lead to the Company entering into liquidation.

9.5 Having a cornerstone investor such as Cyan Stone has advantages but it may also limit the opportunity for other parties to bid for all or part of the Shares in CSD in the future.

Other Factors

9.6 If the Company can successfully commercialise its existing Projects, there is an increased chance that future capital raisings may be undertaken at a higher price than the issue price of 1.2615 cents for the Subscription Shares (that is equivalent to approximately 12.615 cents on a post consolidated basis). Resolutions 18 and 19 allows for the issue of up to a further 120,000,000 post consolidated shares at a minimum 50 cents reach to raise a minimum gross $60,000,000.

9.7 The Company may need new finance to be put in place in 2018/19 to finance working capital and will need to raise significant sums via equity and/or debt to finance development of the Projects. There is no guarantee that such funds can be raised in a timely manner or on commercial terms acceptable to CSD. The Company may propose to raise further equity capital in 2018 as the Company may have insufficient working capital. The timing and extent of any new capital raising is to some extent dependent on the amount received by CSD from Cyan Stone. The ability of the Company to raise further equity or loan capital is subject to exploration success and market conditions. In any event, the Company will need further funds to meet administration, corporate and exploration costs (discretionary expenditure) in the future. Resolutions 18 and 19 allows for the issue of up to a further 120,000,000 post consolidated shares at a minimum 50 cents reach to raise a minimum gross $60,000,000. Section 5.4.1 notes the pro-forma consolidated statement of financial position as at 31 December 2017, if gross proceeds of $60,000,000 (net proceeds of $57,000,000) are raised pursuant to Resolutions 18 and 19.

It is noted that the Company has put in place two finance facilities since the raising of funds from Cyan Stone, the subject of this report. A $10,000,000 Exploration Loan payable with interest at 6% per annum for a two-year period was entered into with Cyan Stone and all funds received between September 2017 and November 2017. A $20,000,000 Operating Loan Facility was entered into and interest is payable at 6% per annum and is repayable after two years. To 15 February 2018, $8,135,000 of the Operating Loan has been drawn down and the balance is expected to occur by the end of April 2018. Furthermore, the $2,500,000 funds have been received (in August/September 2017) on the assumption that the 198,176,774 Option as alluded to above will be exercised (in effect, pre-exercised but cannot be formally exercised until shareholders' approval obtained and in the meantime treated as a loan). The funds received/receivable that will total $66,560,500 ($34,060,500 Subscription Amount, $10,000,000 Exploration Loan, $20,000,000 Operating Loan and $2,500,000 Option) has been and will be used as $10,000,000 to the Creditors Trust and exploration, operating and capex funds over the past 15 months or so.

In the event that Shareholders do not approve the issue of up to 2.7 billion Subscription Shares (on a pre-consolidated basis) to Cyan Stone in accordance with the Subscription Agreement, the total Subscription Amount that has been prepaid by Cyan will automatically be converted into an interest-bearing loan ("the Loan") in accordance with the Prepayment Agreement. The Loan will be secured by a general security agreement over the Company's assets, will be subject to interest at 10% per annum and will be due and payable immediately.

In the absence of positive drilling results, there is always the possibility that the Share price may recede from the issue price of the Subscription Shares. If new capital is raised, the possibility of Cyan Stone's shareholding in CSD may reduce. This will depend on the

number of Shares issued to Cyan Stone (if any) under a new capital raising. Refer paragraph 1.15 above.

The above Pro-forma balance sheet excludes loan funds raised as noted above and excludes operating losses post 31 December 2016 and capex costs and asset sales post that date. The latest audited accounts for the year ended 30 June 2017 discloses current assets at $2,584,000, non-current assets at $85,602,000, current liabilities at $71,953,000 (after writing back pre-administration creditors), non-current liabilities of $10,981,000 and net assets at $5,252,000. We have undertaken a fair value assessment as noted above that ignores excludes operating losses post 31 December 2016 and capex costs and asset sales post that date and new loans obtained from Cyan Stone.

Refer paragraph 5.4.1 for details on the audit reviewed statement of financial position as at 21 December 2017, along with a pro-forma consolidated statement of financial position assuming the elimination of all debts as envisaged above and the raising of a net $57,000,000 by way of the issue of 120,000,000 shares at 50 cents each (costs $3,000,000).

9.8 The Report to the Creditors of 15 November 2016 notes a comparison between entering and completion of the Joint DOCA, and a liquidation of CSD using estimated low realizable values for the mineral assets of CSD and a liquidation of CSD on using high realization values for the mineral assets of CSD. The estimated return to Creditors under the Joint DOCA initiated by Cyan Stone lies in the range of 25% to 30%, on a low liquidation basis nil% and on a high liquidation basis 11%.

Thus, on a liquidation basis, the value of a Share would be nil cents.

The Administrators in the Report to Creditors of 15 November 2016 state "It is however the objective of Part 5.3A of the Act to maximize the chances of the Company and its business remaining in existence and that it is not possible to enable a better return for the Company's creditors and members than would result from an immediate winding up of the Company".

"The practical implementation of any DOCA proposal will require the support of the Company's members as the proposals for the recapitalization of the Company involve a dilution of existing shareholdings".

9.9 Cyan Stone will be required to pay market price for any additional Shares it may acquire as Additional Purchases as allowed for under Resolution 16 but it would not be paying any premium for increased control.

10. CONCLUSION AS TO REASONABLENESS

10.1 **In our opinion, taking into account the factors noted above and in section 9 of this report and the comments made in the ES to Shareholders accompanying the Notice, the Subscription Proposals and Additional Purchases noted in Resolutions 15 and 16 are reasonable to the non-associated Shareholders at the date of this report.**

11. SHAREHOLDER DECISION

11.1 Stantons International Securities Pty Ltd has been engaged to prepare an independent expert's report setting out whether in its opinion the issues of the Subscription Shares and Subscription Option (and exercise thereof) are fair and reasonable and state reasons for that opinion. Stantons International Securities Pty Ltd has not been engaged to provide a recommendation to Shareholders in relation to the Subscription Proposals and Additional Purchases under Resolutions 15 and 16 (and all other Resolutions) but we have been requested to determine whether the Subscription Proposals and Additional Purchases pursuant to Resolutions 15 and 16 is fair and/or reasonable to those Shareholders not associated with Cyan Stone. The responsibility for such a voting recommendation lies with the directors of CSD.

11.2 In any event, the decision whether to accept or reject Resolutions 15 and 16 is a matter for individual Shareholders based on each Shareholder's views as to value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If in any doubt as to the action they should take in relation to the proposals under Resolutions 15 and 16 (and all other Resolutions) Shareholders should consult their own professional adviser.

11.3 Similarly, it is a matter for individual Shareholders as to whether to buy, hold or sell shares in CSD. This is an investment decision upon which Stantons International Securities does not offer an opinion and is independent on whether to accept the proposals under Resolutions 15 and 16 (and all other Resolutions). Shareholders should consult their own professional adviser in this regard.

12. SOURCES OF INFORMATION

12.1 In making our assessment as to whether the Subscription Proposals pursuant to Resolution 15 and allowing for Cyan Stone to acquire further Shares as Additional Purchases (Resolution 16) (and the Recapitalization Proposals generally) are fair and reasonable, we have reviewed relevant published available information and other unpublished information of the Company that is relevant to the current circumstances. In addition, we have held discussions with the management of CSD about the present and future operations of CSD. Statements and opinions contained in this report are given in good faith, but in the preparation of this report, we have relied in part on information provided by the directors and management of CSD and the announcements made by the Administrators.

12.2 Information we have received, includes, but is not limited to:

- Drafts of the Notice and ES (to 16 March 2018) of CSD for the General Meeting of Shareholders the Company planned for April 2018 or May 2018;
- Discussions with management of CSD;
- Top 20 shareholding and share option details of CSD as at 11 November 2016;
- Share prices of CSD between 1 January 2013 and 24 June 2016;
- Annual Report of CSD for the years ended 30 June 2012 to 30 June 2017;

- Audited consolidated statement of financial position of the CSD Group as at 30 June 2016 and audit reviewed statement of financial position as at 31 December 2016 and 31 December 2017;
- Announcements made by CSD to the ASX from 1 January 2013 to 16 March 2017;
- Information on CSD as provided on the ASX web site, CSD's web site and the Administrator's web site;
- The June 2010 Scoping Study on the Mt Garnet Tin Project and the 2013 PFS;
- The Como Engineering Plant Valuation Report of September 2014 and June 2017 2017;
- The CSD Valuation Report by Minnelex on the mining tenements of the CSD Group dated 29 August 2014;
- The SPM Mining Assets Valuation Report by Auralia of 30 October 2014 on the SPM Mineral Assets;
- The CSD/SPM Valuation Report by Minnelex on the mining tenements of the CSD/SPM Group dated 14 February 2018;
- Schedule of unrelated creditors of CSD as at 19 July 2016;
- Schedule of estimated employee liabilities to be still liable for payment by CSD as at 19 December 2016;
- The Subscription Agreement between CSD and Cyan Stone;
- The Prepayment Agreement between CSD and Cyan Stone;
- The Joint DOCA Proposal from Cyan Stone;
- Various Notices of Meetings of Creditors (of CSD and SPM) and Reports to Creditors (of CSD and SPM) from 20 July 2016 to the date the administration ceased in January 2017;
- The final DOCA dated 8 December 2016; and
- Deed of Variation of Subscription Agreement between CSD and Cyan Stone of December 2016 and other amendments to February 2018.

12.3 Our report includes Appendix A and our Financial Services Guide attached to this report.

Yours faithfully
STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)

John Van Dieren - FCA
Director

APPENDIX A

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons International Pty Ltd trading as Stantons International Securities dated 16 March 2018 relating to the proposals as outlined in Resolutions 15 and 16 to the Notice planned to be forwarded to Shareholders in March 2018 or April 2018 for a planned General Meeting of Shareholders in April 2018 or May 2018.

At the date of this report, Stantons International Securities Pty Ltd does not have any interest in the outcome of the proposal. There are no relationships with CSD and Cyan Stone other than acting as an independent expert for the purposes of this report. There are no existing relationships between Stantons International Securities Pty Ltd and the parties participating in the transaction detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated at $35,000. The fee is payable regardless of the outcome. With the exception of the fee, neither Stantons International Securities Pty Ltd nor John Van Dieren have received, nor will, or may they receive, any pecuniary or other benefits, whether directly or indirectly, for or in connection with the making of this report. In November 2014, Stantons International Securities Pty Ltd signed off on an independent Expert's Report on the proposal to issue the 580 million Consideration Shares to SPM and 30 million SPII Replacement Shares to SPII. Shareholders approved the Acquisitions in January 2015 and due to delays in settling certain key conditions, the Shareholders again approved the Acquisitions in April 2016.

Stantons International Securities Pty Ltd does not hold any securities in CSD, SPM or Cyan Stone. There are no pecuniary or other interests of Stantons International Securities that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities Pty Ltd, Mr J Van Dieren and Mr Martin Michalik have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice.

QUALIFICATIONS

We advise Stantons International Securities Pty Ltd is the holder of an Australian Financial Services Licence (no 448697) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions that involve securities. The directors of Stantons International Audit and Consulting Pty Ltd are the directors of Stantons International Securities Pty Ltd. Stantons International Securities has extensive experience in providing advice pertaining to mergers, acquisitions and strategic for both listed and unlisted companies and businesses.

Mr John Van Dieren, FCA and Mr Martin Michalik (ACA), the persons responsible for the preparation of this report, have extensive experience in the preparation of valuations for companies and in advising corporations on takeovers generally and in particular on the valuation and financial aspects thereof, including the fairness and reasonableness of the consideration offered.

The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the task they have performed.

DECLARATION

This report has been prepared at the request of the directors of CSD in order to assist them to assess the merits of the proposals under Resolutions 15 and 16 in the Notice to be forwarded to Shareholders in either March 2018 or April 2018 for a General Meeting of Shareholders to which this report relates. This report has been prepared for the benefit of non-associated Shareholders (not associated with Cyan Stone) and does not provide a general expression of Stantons International Securities Pty Ltd's opinion as to the longer-term value of the CSD Group or the individual assets of the CSD Group. Stantons International Securities Pty Ltd does not imply, and it should not be construed, that is has carried out any form of audit on the accounting or other records of CSD and its subsidiaries, the ownership of CSD and the ownership of the SPM Mineral Assets and the Mt Garnet Processing Plant. Neither the whole nor any part of this report, nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities Pty Ltd to the form and context in which it appears.

DUE CARE AND DILEGENCE

This report has been prepared by Stantons International Securities Pty Ltd with due care and diligence. The report is to assist Shareholders in determining the fairness and reasonableness of the proposals set out in Resolutions 15 and 16 to the Notice and each individual Shareholder may make up their own opinion as to whether to vote for or against Resolutions 15 and 16.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities Pty Ltd may rely on information provided by CSD and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities Pty Ltd's experience and qualifications), CSD has agreed:

(a) To make no claim by it or its officers against Stantons International Securities Pty Ltd (and Stantons International Audit and Consulting Pty Ltd) to recover any loss or damage which CSD may suffer as a result of reasonable reliance by Stantons International Securities Pty Ltd on the information provided by CSD and the Administrators of CSD; and

(b) To indemnify Stantons International Securities Pty Ltd (and Stantons International Audit and Consulting Pty Ltd) against any claim arising (wholly or in part) from CSD or any of its officers (and CSD Administrators) providing Stantons International Securities Pty Ltd any false or misleading information or in the failure of CSD or its officers (and CSD Administrators) in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities Pty Ltd.

A draft of this report was presented to the CSD Directors and Administrators for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

FINANCIAL SERVICES GUIDE
FOR STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)
Dated 16 March 2018

1. Stantons International Securities Pty Ltd (Trading as Stantons International Securities) ABN 42 128 908 289 and Financial Services Licence 448697 ("SIS" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. **Financial Services Guide**

In the above circumstances, we are required to issue to you, as a retail client a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No: 448697;
- remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. **Financial services we are licensed to provide**

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and notes)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. **General Financial Product Advice**

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. **Benefits that we may receive**

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. **Remuneration or other benefits received by our employees**

SIS has no employees and Stantons International Audit and Consulting Pty Ltd charges a fee to SIS. All Stantons International Audit and Consulting Pty Ltd employees receive a salary. Stantons International Audit and Consulting Pty Ltd employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. **Associations and relationships**

SIS is ultimately a wholly subsidiary of Stantons International Audit and Consulting Pty Ltd a professional advisory and accounting practice. Stantons International Audit and Consulting Pty Ltd trades as Stantons International that provides audit, corporate services, internal audit, probity, management consulting, accounting and IT audits.

From time to time, SIS and Stantons International Audit and Consulting Pty Ltd and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities Pty Ltd
Level 2
1 Walker Avenue
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("FOSL"). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
PO Box 3
MELBOURNE VIC 8007

Toll Free:	1300 78 08 08
Facsimile:	03 9613 6399

10. Contact details

You may contact us using the details set out above.

Telephone	08 9481 3188
Fax	08 9321 1204
Email	jvdieren@stantons.com.au

MINNELEX PTY. LTD.

GEOLOGICAL CONSULTING SERVICES & VALUATIONS
ABN 99 096 513 276

R. C. W. Pyper
Principal, Minnelex Pty Ltd
283 Huntingdale Street
Pullenvale, Qld 4069
Ph/Fx 07 33742443 M 04-19661342

February 14, 2018

INDEPENDENT TECHNICAL AND VALUATION REPORT OF CONSOLIDATED TIN MINES (CSD)

At the Request of Consolidated Tin Mines Limited [CSD or the Company], Minnelex Pty Ltd [Minnelex] has prepared an independent valuation of the tenements held by CSD and the tenements held by Snow Peak Mining Pty Ltd [SPM].

On 19 July 2016, CSD & SPM appointed Blair Alexander Pleash and Kathleen Elizabeth Vouris as joint and several administrators of the Company and Snow Peak Mining Pty Ltd (ACN 161 212 504) **(SPM)** after failing to secure funding arrangements to address its working capital requirements **(Administrators).** A Joint Deed of Company Arrangement **(DOCA)** was proposed by Cyan Stone Pty Ltd (ACN 060 864 840) **(Cyan).** Cyan is an Australian private company with interests in property development, building construction, viticulture. The terms of the proposed DOCA were accepted by Creditors at the second Creditor's meeting held on 23 November 2016. Subsequent to this a revised valuation was then required.

The valuation has used technical and economic data provided by CSD and SPM and from open file reports on the ASX. Minnelex has no reason to doubt the information supplied. Robert Pyper and Minnelex have prepared a wide range of Independent Expert and Specialist's reports relating to the requirements of the ASX and ASIC. A list of Minnelex Independent Reports issued for valuation purposes is available.

This report is generally in accordance with the relevant requirements and listing rules of ASX Limited, the VALMIN Code of the Australasian Institute of Mining & Metallurgy, the JORC Code, and the Australian Securities and Investments Commission (ASIC) Regulatory Guides, 111 and 112. The VALMIN Code sets out the principles and matters, which should be taken into account in preparation of an expert report concerned with mining assets. The JORC code insures that references to Resources follow acceptable guidelines. Regulatory Guide 111 provides guidance on how an expert can help security holders make informed decisions about transactions. Regulatory Guide 112 explains how ASIC interprets the requirement that an expert is independent of the party that commissions the expert report (commissioning party) and other interested parties. Regulatory Guide 55 covers the citing of experts and statements of interest.

The Valuation has used technical and economic data provided by CSD and Minnelex has no reason to doubt the information supplied. The company has made available sufficient material

information to provide for a proper assessment to be carried out. The principal author, Mr Pyper has had over 50 years' experience in the minerals industry and specialises in valuations and project assessments. Although the site was not visited recently for the valuation, Mr Pyper is familiar with the areas held by Consolidated Tin and the project was previously visited and reported in great detail by Auralia Mining Consulting in 2014. Since then little exploration has been undertaken.

The information in this report that relates to historical JORC (2004) Resources and exploration results is based on information compiled by R C W Pyper, BSc. FAusIMM, GAICD. Consultant Geologist. Further information can be found at the company's web site -

http://www.csdtin.com.au/

Mr Pyper observes section 947B of the Corporations Act, 2001 and the associated regulations and amendment and confirm that the Valuation is not financial product advice but is intended to provide investors with expert opinion on matters relevant to an investment in CSD.

All values are in Australian dollars unless otherwise noted.

Technical Value

The report concludes that the Technical value of the CSD/SPM combined tenements project (Table 11.7) is approximately $60.10 million (M) within a range of $45.15 M to $75.04 M .

The report has been prepared by R C W Pyper, BSc. FAusIMM, GAICD. Consultant Geologist.

Yours faithfully

R Pyper

Disclaimer

This document contains certain statements that involve a number of risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements.

Forward Looking Statements

The materials may include forward looking statements. Forward looking statements inherently involve subjective judgement, and analysis and are subject to significant uncertainties, risks, and contingencies, many of which are outside the control of, and may be unknown to, the company.

Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on forward looking statements.

Any forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, the company does not undertake any obligation to publicly update or revise any of the forward looking statements, changes in events, conditions or circumstances on which any statement is based.

Cautionary Statement Reporting of Historical Results

The exploration results and estimates for alluvial tin in this report are historical estimates and results, and are not reported in accordance with the JORC 2012 Code. A competent Person has not done sufficient work to classify the historical estimates as mineral resources or ore reserves in accordance with the JORC (2012) Code. It is uncertain that following and/or further exploration work that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC (2012) Code

Competent Person Statement

The information in this report that relates to exploration targets and exploration results is based on information compiled by R C W Pyper, BSc. Competent Person who is a Fellow of the Australian Institute of Mining and Metallurgy, FAusIMM, GAICD. Mr Pyper is a director of Minnelex Pty Ltd, and has been engaged by CSD, to conduct the valuation of exploration licences and mining licences held by SPM and CSD. Mr Pyper has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" The JORC Code (2012) Mr Pyper consents to the inclusion of the report the matters based on his information in the form and context in which it appears.

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FIGURES

Summary

CSD and SPM hold tenements in North Queensland that cover hard rock base metal, tin and gold projects and hard rock and alluvial tin areas. All projects contain well established resources.

SPM was established in December 2012 to bid for the Kagara Ltd North Queensland Central Region Project, then in Administration. The $40 million acquisition included a processing plant at Mt Garnet and a package of copper and base metal assets including the Surveyor Project, the Einasleigh Project and the Maitland project. The acquisition also included a right to mine at the Baal Gammon Copper Project.

The location of the tenements to be valued are shown in Figure 2. Details of the company can be found at www.csdtin.com.au.

Approximately 1,500km^2 of prospective tenure covers alluvial tin deposits and hard rock tin areas and the company owns the Mt Garnet Tin Project, in close proximity to the base metal processing plant at Mt Garnet. The company completed a Pre-Feasibility Study (PFS) in September 2013 which confirmed the tin project's technical, developmental and financial potential. Based on the positive outcome of the PFS, CSD immediately commissioned a Definitive Feasibility Study (DFS) for the project.

Currently the Mt Garnet processing plant has both copper and polymetallic circuits, with each circuit having the capacity to process about 500,000tpa (total 1Mt pa). The intention is to convert the current configuration to polymetallic only in the near term ,then progressively introduce tin processing equipment over the next twelve to twenty four months to eventually process approximately 1Mt of tin ore per annum to produce about 5,000 tonnes of tin metal in concentrate per annum. The plant is located just nine kilometres from the flagship Gillian tin deposit, which has a near-surface open pit mineable resource and a current Measured Resources of 1.2Mt @ 0.86% Tin (Sn). The tin is associated with around 32% Fe that can be pellitised for premium iron ore sales.

CSD also have base metal and copper/gold tenements within the Einasleigh and Surveyor Projects and include the Balcooma, Maitland, Einasleigh and Kaiser Bill mining areas containing a total Resource of 20.5Mt @ 1% Copper (Cu) and 11g/t Silver (Ag) and 8.6Mt @ 4.9% Zinc (Zn), 1.8% Lead (Pb), 0.5% Copper (Cu) and 43g/t Silver (Ag). Mining operations have been reviewed at the Surveyor Balcooma Project, which has Probable Reserves (JORC 2004). The Surveyor mine is currently on care and maintenance but the Company's intention is to recommence mining.

At Mt Garnet itself, mining operations commenced in March 2014 (under management of CSD), and approximately 975,000 tonnes of ore has been processed with more than 126 dmt of base metal concentrates sent to overseas ports via Townsville. Drilling is currently underway to test the deeper zinc levels below the open pit and current underground workings. The Mount Garnet concentrator was placed on care and maintenance during the VA period and is now being recommissioned with the intended restart of processing on 1^{st} July 2017.

Technical Assessment

1. Introduction

The Company's tenements are located in Northeastern Queensland in the southernmost part of the Hodgkinson Province. The Hodgkinson Province forms a 500 km-long belt of Early- to Middle-Palaeozoic turbiditic sediments, with generally subordinate limestone, chert and basic volcanics that lie to the east of the Palmerville Fault. The company holds alluvial tin areas where drilling has outlined potentially profitable tin deposits and hard rock tin areas where resources are defined and it holds basemetal, gold and silver projects which also have defined resources.

The Herberton-Mount Garnet project area has historically been a substantial tin producing area with an estimated production of 85,000 tonnes (t) of tin metal in concentrate up until 1985. Considerable tonnages of base metals have also been produced in association with gold and silver. CSD, with its Mt Garnet Project holds tin areas where historical drilling has outlined potentially profitable tin deposits at four hard rock tin areas with associated iron and fluorine; these are: Gillian, Pinnacles, Windemere and Deadman's Gully.

CSD also hold a number of project areas with either base metal or copper-gold resources These include the Mt Garnet Project close to the concentrator, the extensive base metal resources at the Surveyor Project located approximately 180k South of Mt Garnet, where most of the current production comes from; the Maitland Project, 50 km west of Surveyor and the Einasleigh Project, which contains significant Cu-Au resources at the Einasleigh and Kaiser Bill deposits and Zn-Pb-Ag mineral resources at the Chloe, Jackson, Stella and Railway Flats deposits. There are also a number of prospects that have returned anomalous exploration values and which warrant further work, these include Nanyetta and Jessie's Dream and Gillian Zinc prospects.

At Mt Garnet, mining operations are currently being prepared for a restart on 1st July 2017.

Current planning is for ore being produced at approximately 450,000 t/y grading 4.38% Zn and 0.4% Cu, and processed through the Mt Garnet plant to produce concentrates of zinc and copper for export. The first stage of the company's exploration strategy is underway to develop additional base metal resources to provide additional ore reserves for the Company's Mt Garnet processing plant and successfully confirmed the existence of a continuous mineralised shoot at depth and parallel to the original Mt Garnet Resources and Reserves. Currently there are approximately 100,000t of Zn at approximately 6% that CSD plan to mine commencing 1st July 2017.

Mineral Resource Statements.

With respect to currently stated Mineral Resources at the Central Region Project which have been estimated and reported in accordance with JORC guidelines, the Mineral Resource estimates were compiled and initially reported by various authors and companies between September 2005 and December 2011 as follows:

- Einasleigh Mineral Resources — initial public reporting by Copper Strike Limited on 30 September 2005 as estimated by Golder Associates Pty Ltd;
- Kaiser Bill Mineral Resources — initial public reporting by Copper Strike Limited on 24 December 2008 as estimated by Golder Associates Pty Ltd;
- Chloe/Jackson/Stella Mineral Resources — initial public reporting by Copper Strike Limited on 3 September 2008 as estimated by I MC Mining Solutions Pty Ltd and Mark Saxon;

- Railway Flat Mineral Resources — initial public reporting by Copper Strike Limited on 22 January 2009 as estimated by Hellman & Schofield Pty Ltd;
- Maitland Mineral Resources — initial public reporting by Glengarry Resources Limited on 23 April 2008 as estimated by Cube Consulting Pty Ltd;
- Mt Garnet Mineral Resources — publicly reported by Kagara Limited on 21 September 2011 as estimated by Kagara in December 2010;
- Dry River South and New Surveyor East Mineral Resources — publicly reported by Kagara Limited on 21 September 2011 as estimated by Kagara in November 2009 and January 2008 respectively; and
- Balcooma North and Balcooma Lens 2 Mineral Resources — publicly reported by Kagara Limited on 11 January 2012, and 5 December 2011 as estimated by Kagara in September and December 2011 respectively.

With respect to the Mineral Resource statements for these projects, SPM relied on the veracity of the original statements and is not aware of any material changes to those statements. The information was prepared and first disclosed under the JORC Code 2004 edition and has not been updated since to comply with JORC 2012 on the basis that the information has not changed materially since it was last reported.

2. Location

The Mt Garnet project site is well-positioned relative to major infrastructure. Access is by National Highway One (Kennedy Highway) that runs through the project area. The Mt Garnet Concentrator is adjacent to this highway and centrally located 9 km east and west from the Gillian and Pinnacles tin resources respectively and approximately 180k from the Surveyor project.

Port facilities at Mourilyan and Townsville are located 145km and 450km respectively from the Mt Garnet Concentrator via all-weather highway. Power is obtained from the local power grid. Power allocation and a transformer sub-station are already established at the project site. The project is serviced by the township of Mt Garnet with primary school, police station, fuel and general provisions available, plus an established workforce now operating the CSD owned concentrator. A regional hospital is located in Atherton with Cairns Base hospital within one hour flight.

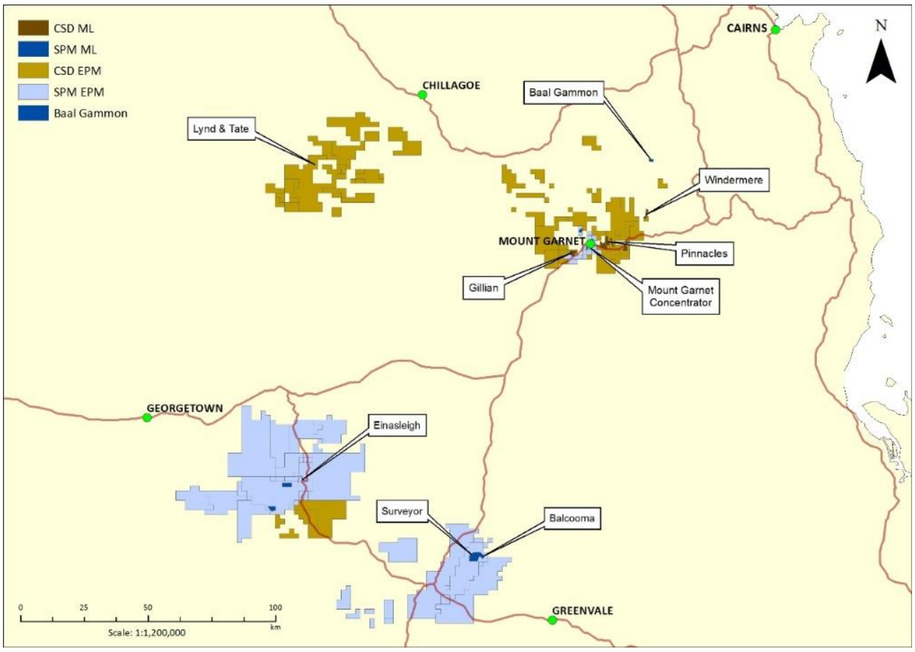


Figure 2: Location of project areas

3. Property

A solicitor's report containing details of the Company's interest in any mining tenements and the rights and obligations of the Company under those mining tenements has been prepared. The tables below are a summary for this report.

4. Schedule of Mineral Tenements

Table 4: Schedule of Tenements as at 31 May 2017

Registered Holder	Tenement No.	Tenement Name	Interest at start	Interest at end	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 17548	Petford East	100%	0%	Expired
	EPM 17550	Herberton Extended	100%	0%	Expired
	EPM 17551	Smiths Creek	100%	0%	Expired
	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%	100%	Granted
	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	1000%	100%	Granted
	EPM 25711	Brownville	0%	100%	Granted
	EPM 25939	Torwood	0%	100%	Granted
	EPMA 26087	Einasleigh Extended	0%	0%	Application
	EPMA 26540	Silver Valley	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	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
	MLA 100023	Boomerang	0%	0%	Application
	EPMA 26453	Lynd Regional	0%	0%	Application

Registered Holder	Tenement No.	Tenement Name	Interest at start	Interest at end	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	Einasleigh	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	Catepillar	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	Einasleigh	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

4.1 Introduction

The Herberton-Mount Garnet Tin field has historically been a substantial tin producing area with an estimated production of 85,000 tonnes (t) of tin metal in concentrate up until 1985. CSD hold a large number of tenements within the historic Herberton Tin field in North Queensland covering tin deposits and prospective tin bearing ground, collectively referred to as the Mt Garnet Project. The Mt Garnet project is located approximately 180 km southwest of Cairns, and includes four deposits with defined tin resources – Gillian, Pinnacles, Windermere and Deadmans' Gully - of which Gillian and Pinnacles are the most advanced. This report reviews

and values the exploration potential of the tenements of CSD and includes a summary of the valuations already carried out over the main project resources.

4.2 Location

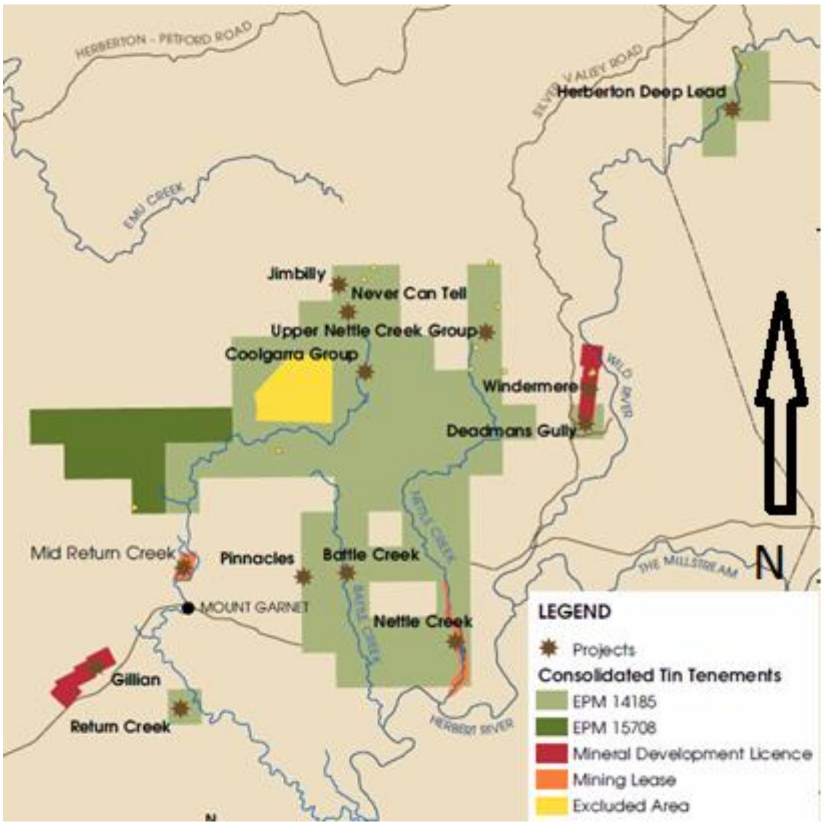


Figure 4.2: Location Plan showing alluvial and hardrock tin areas (Taken from 2007 Prospects

4.3 Geology

The geological setting consists of granite-intruded sediments, with associated contact metamorphism and metasomatism. The mineralisation including cassiterite, magnetite and fluorite, is contained within tabular skarn lenses that formed within carbon-rich sediments. Silurian-age Chillagoe Formation rocks, characterised by limestone - marble, chert, basic volcanics and siliciclastics, lie along the western margin of the Hodgkinson Province. Limestones of this formation are favourable hosts for skarn-associated zinc mineralisation as evidenced at Mount Garnet.

Regionally, Permo-Carboniferous igneous activity resulted in emplacement of extensive granitic plutons and widespread eruption of sub-aerial felsic volcanic sequences.

Mineralisation in the district includes skarn-associated zinc (e.g. Mount Garnet), copper, lead, iron and fluorite (e.g. Wriggly Prospect), vein-style deposits of tin and tungsten hosted by Permo-Carboniferous granitic rocks and Siluro-Devonian Hodgkinson Formation sedimentary rocks, and some gold mineralisation with interpreted porphyry affinity such as is found at Nymbool and Triple Crown. Irregular outcropping exposures of ironstone outcrops are present prospective for tin. Exposure of goethite and magnetite/hematite ironstone highlighted the similarity of the Windermere ironstone and Gillian ironstone deposits, The Pinnacles deposit having slightly different ironstone containing high values of fluorite. The tin occurs as the mineral cassiterite.

The alluvial and hard rock tin holdings are shown in Table 4.5. These lie within protective EPMs. Considerable historical work has been carried out but there has been only minimal exploration expenditure since CSD held the areas.

4.4 Historical

EPM14185 surrounds most of the company's main alluvial projects, referred to as *Battle Creek, Nettle Creek and Return Creek.*

The Nettle Creek deep lead, 10 km east of Mount Garnet, was discovered in 1881 and was worked intermittently over 50 years. From 1931 to 1946, Nettle Creek Company and The Broken Hill Pty Company Ltd sluiced the area and produced ~400 t of cassiterite concentrate. Alluvial Gold Ltd investigated the deep zone in Return Creek in 1970 and interpreted the deposit as a ‘kaolinised lode’

Ravenshoe Tin Dredging Company Ltd carried out dredging operations in Battle Creek from 1957 to 1965 for a recorded production of about 14 M bench cubic metres (bcm) for 4104 t of tin concentrate (~29 g/ bcm) cassiterite concentrate. From 1965 to 1982, they dredged Nettle Creek and produced 6725 t of cassiterite concentrate from 30.7 M bcm at an average grade of 153 g/bcm cassiterite. The dredge started from upstream and continued southwards downstream. Its path took it across the Kennedy Highway at the small settlement of Innot Hot Springs.

4.5 Alluvial Tin Holdings

EPM 14185 of CSD contains historical volume and grade estimates amounting to approximately 3,700 t of contained tin. These include the Herberton Deep Lead and the Battle Ck - Nettle Ck Deep Leads.

The **Nettle Creek Deep Lead** is a large volume of wash amounting to 5 M cubic metres at 500gm Sn/m3. Drilling is required to confirm volume and grade as well as depth of overburden, which is in part dredge tailings and in part unmined alluvium and basalt. ML 4069 of 9 ha. ML 4073 of 145 ha and ML 4074 of 99 ha are contiguous over 6 km of Nettle Creek

Battle Creek (EPM14185) has some 683,000 cubic metres at 832gm Sn/m3. The deposit is in a weathered greisen. In 1985, an aircore drill program was completed to test deeper sections of the altered granite, which showed the mineralisation extending to approximately 68 m below surface. In late 1985, a mine planning schedule was formulated. A strip ratio of overburden (1.1) to mineralisation (1.0) was estimated with low-angle pit walls planned because of the soft nature of the ground. Recommendations included drilling further alluvial mineralisation downstream of the altered granite deposit, which, if economic, would double the Battle Creek Project life however this work was never undertaken

The **Herberton Deep Lead** is a potentially large high grade tin alluvial system. Historic grades were exceptionally high from ore mined from under a basalt cover. Grade and volume, and a method of mining are yet to be determined.

Tate River (Soda Springs) (EPM14185), has about 1.96 M bcm grading 625 g/bcm tin, with a further 3.2 M bcm warranting testing.

Return Creek

The alluvial area was divided into three parts; upper, middle and lower. The Upper Return is held by others. Middle Return Creek was dredged mainly from 1939 to 1952 when about 26 M bcm were recorded as treated for 6,114 t of cassiterite concentrate.

The Lower Return Creek Project has been explored but has not been worked. In drill testing, traverse “Line 13”, approximately 6 km south of the Kennedy Highway crossing of Return Creek, recorded favourable wash grades. Line 13 comprised 11 holes and tested the alluvial terrace on the western side of Return Creek. An 800-m width of terrace returned wash grades averaging 930 g/bcm tin. No estimate has been made of this high-grade wash. One sub block of EPM 14185 secures the prospective area.

The Mid Return Creek Project is covered by ML application 20544. Drill testing the early 1980s showed a deep lead under the dredged creek. Cemented wash was mined along the western edge of Return Creek. No estimate has been made of the remaining high grade wash.

Currently the company has not carried out any definitive work on its alluvial areas but has applied for additional MLs.

Table 4.5: Alluvial Tin MLs

Number	Status	Name	Ha	Expenditure
ML 4069	GRANTED	Nettle Ck	9	16,957
ML 4073	GRANTED	Nettle Ck	145	60,568
ML 4074	GRANTED	Nettle Ck	99	45,953
MDL 448	GRANTED	Herberton deep lead	1071	150000

Cautionary Statement Reporting of Historical Results

The exploration results and estimates of tin grades and volumes are historical estimates and results, and are not reported in accordance with the JORC (2012) Code. A competent Person has not done sufficient work to classify the historical estimates as mineral resources or ore reserves in accordance with the JORC (2012) Code. It is uncertain that following and/or further exploration work that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC (2012) Code

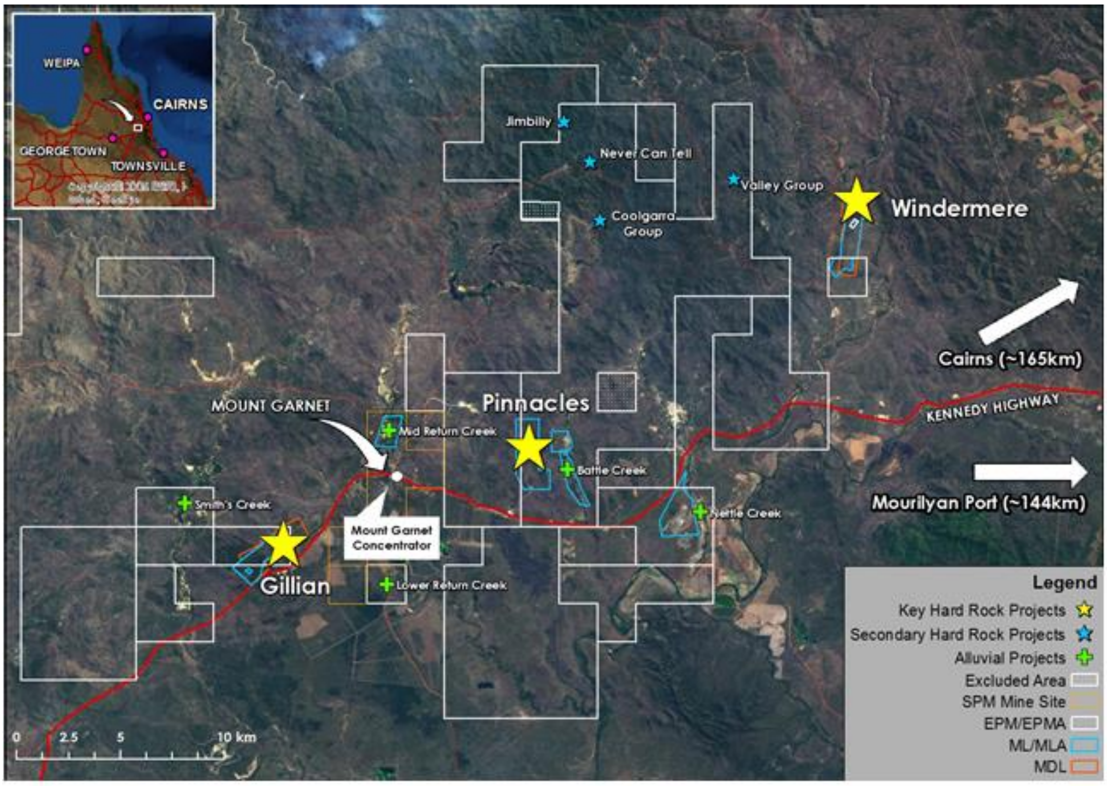


Figure 4.5: showing alluvial and Hard rock tin areas (Source ASX release 11/4/16)

4.6 Value of Main Alluvial Tin Deposits

Although tin wash has been defined as listed in Table 4.6, and mining methods are fairly well established there has been no recent study on likely profitability and cut-off grades. Considerable drilling is still required to define a resource.

Using a price of $27,520 (US$21600/t and exchange rate of 0.785) a rule of thumb valuation has been used valuing the tin mineralisation at between 3% and 5% of historical calculations to allow for the associated costs of defining, extracting and selling the product. This suggest a value between $3.3 M and $5.5 M.

Table 4.6: Value of Alluvial Tin

	Confidence	Cubic m	Sn/Cum (gm)*	Tns tin	Value $M	5% $M	3% $M
Nettle Ck	Low	5,000,000	500	2,500	68.80	3.44	2.06
Battle Ck	Moderate	683,000	832	568	15.64	0.78	0.47
Tate River	Low	1,500,000	625	938	25.80	1.29	0.77
Totals		7,183,000	1,457	4,006	110.24	5.51	3.31

*Midpoint values. Possibly accurate to 20%

The alluvial tin is valued between $3.3 M and $5.5 M with a preferred value of $4.4M

5. Hard Rock Tin Projects

5.1 Introduction

Tin mineralisation in the district includes skarn-associated zinc (eg Mount Garnet deposit), tin (eg Gillian deposit) and iron and fluorite (eg Wriggly prospect), vein-style deposits of tin and tungsten and gold, hosted by Permo-Carboniferous granitic rocks and Siluro-Devonian Hodgkinson Formation sedimentary rocks.

Large-scale alluvial tin mining in the Mt Garnet district, evidenced by extensive tailings deposits that extend for several km, particularly along Battle Creek, Nettle Creek, Return (Nanyeta) Creek and Tunmerindah (Smiths) Creek.

The most advanced hard rock tin deposits are Gillian and Pinnacles. Gillian was the main focus of the PFS and is the focus of the DFS and will be the first deposit to be mined. Pinnacles is less advanced and Windermere and Deadman's Gully deposits are much less advanced. Resource estimates (JORC 2012) for the main projects, Gillian, Pinnacles, Windermere and Deadman's Gully were estimated by Optiro in May 2013. Optiro updated the resource estimates for Gillian in June 2014.

Recently two areas were located close to the Gillian tin Deposit referred to as Tin 01 and Wriggly prospects where tin bearing ironstone occurs (ASX release 11/4/16).

5.2 Gillian

"The Gillian deposit (ML20743) is a 5 to 10 m wide outcropping magnetite/haematite skarn with a 1 km strike length. Basement geology of the Gillian Project area is a roof pendent of Silurian aged Chillagoe Formation intruded by member granites of the O'Briens Creek supersuite. The outcropping dimensions of the pendent are approximately 1 km by 200 metres. Mineralisation in the western extent is defined by a number of steeply dipping tabular lenses, while mineralisation in the eastern extent is defined, primarily, as a single main lens which dips steeply from surface before shallowing out into an almost flat to shallow grid south dipping body with a moderate to steep east plunge on from the eastern extent of the outcrop. The changing dip and thickness of this grid eastern lens is likely a structural feature related to shape of the underlying granites. The central 150 m of strike extent of non-mineralised zone at Gillian occurs as a result of granite intruding to surface and separating the eastern and western skarn. Recently two areas were located close to the Gillian referred to as Tin 01 and Wriggly prospects where tin bearing ironstone potentially simular to Gillian occurs (ASX release 11/4/16)

5.3 Pinnacles

The Pinnacles deposit is interpreted as a series of irregular skarn lenses within the roof pendent of Chillagoe Formation surrounded and underlain by intruded O'Briens Creek supersuite member, the Coolgarra Granite. The intrusion of the mineralising granites into the carbonate rich rocks of the Chillagoe Formation has produced a wide aureole of structural deformation and contact metasomatism, resulting in skarn related mineralisation of tin, iron and fluorite. Tin in the form of cassiterite is generally very fine and is associated with magnetite. The skarn lenses were reasonably large and as a result potentially containing large tin content.

5.4 Windermere

The Windermere deposit (MDL 381) contains en-echelon arrayed, irregularly outcropping lines of north trending cassiterite bearing ironstone skarns, which are over 3 km in length. The series of tabular lenses trends northerly and has a generally steep easterly dip. Individual lenses were up to 800 m long. The Windermere deposit was drilled on a nominal 40 m by 40 m grid spacing,

and the Deadman's Gully deposit was drilled on a nominal 20 m by 20 m grid spacing. A combination of reverse circulation and HQ diamond drilling was used in the resource estimate. All available QAQC data was reviewed and found to be acceptable.

The global resource estimate for the Windermere deposit at a 0.25% tin equivalent cut-off (Table 5.8.2) is for 2.04 Mt at an average grade of 0.41% tin equivalent. This includes 0.83 Mt at an average grade of 0.40% tin equivalent that is classified as Indicated; and 1.21 Mt at an average grade of 0.41% tin equivalent that is classified as Inferred.

5.5 Deadman's Gully

The Deadman's Gully prospect occurs 700 m south-southwest of the main Windermere deposit as a small skarn development offset from the Windermere skarn. The deposit is a small roof pendent of Chillagoe Formation carbonate and siltstone surrounded and underlain by granite. Tin mineralisation occurs in massive red-brown weathered magnetite-hematite skarn. The global resource estimate for the Deadman's Gully deposit at a 0.18% tin equivalent cut-off is for 0.44 Mt at an average grade of 0.49% tin equivalent, which is classified as Indicated.

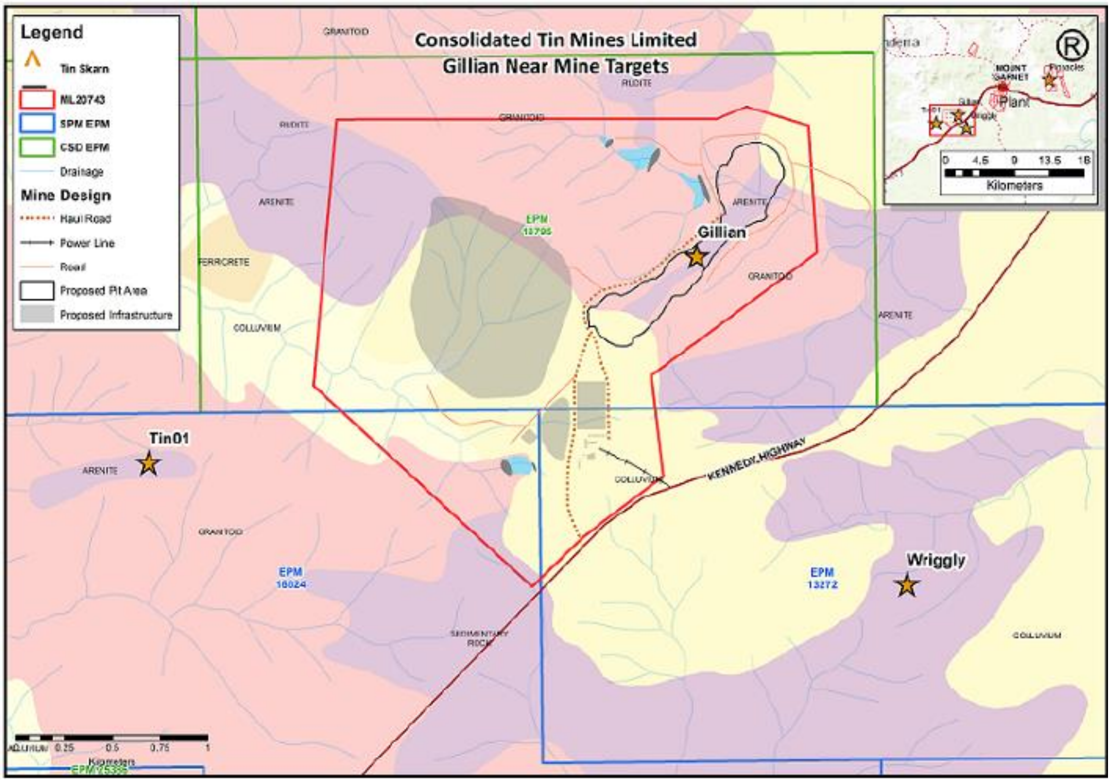


Figure 5.6: Gillian style targets – location plan

5.6 Proposed Mining Method

Based on Gillian, Prism Mining (ASX 30/9/13) was commissioned by CSD to undertake the mining studies associated with the Mt Garnet Pre-Feasibility Study (PFS). Mining method to be by open cut with an average mining cost per tonne of A$24.25/t. Pit designs were based on Whittle optimisation shells generated using preliminary operating cost estimates. Mine development and operation is reflected as contractor mining in the PFS. Ore was to be transported to the Mt Garnet concentrator now owned by CSD.

5.7 Mineral Processing

Based on Gillian also, extensive metallurgical test programs have been completed to date by ALS AMMTEC Ltd, Burnie Research Laboratory (BRL), CSIRO, Walk Institute, Downer EDI, Minnelex Pty Ltd. Valuation

Nagrom and Newcastle Institute for Energy & Resources (NIER). These programs have confirmed the metallurgical recovery characteristics of the Mt Garnet ore.

The Company commissioned Como Engineering to complete the mineral processing component of the PFS, including capital estimates for the reconfiguration of the Mt Garnet concentrator.

The essential elements of the process plant design allow for the combined high iron concentrate material containing tin to report to final filter where moisture is extracted prior to being pelletised and fed to the tin roasting circuit. Tin fume at 68% Sn will be recovered through a gas handling system. Magnetite will be continuously recovered from the rotary kiln discharge. Process water is available from water bores and an existing external water supply dam.

The study indicated (ASX 11/4/16) that based on the then current tin price (~Au$17,000/t) further tin resources would be required to extend the Gillian mine life.

5.8 Hard rock Tin Resources

In September 2013, the combined resources of CSD were summarised by Optiro and subsequently revised as shown in **Table** 5.8.1 as later recovery information from metallurgical testing was incorporated

Table 5.8.1: Tin Resource Table (JORC 2012)

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	**2,530,000**	**0.78**
Pinnacles	0.33	-	-	5,461,000	0.30	1,575,000	0.30	**7,035,000**	**0.30**
Deadmans Gully	0.18	-	-	444,000	0.34	-	-	**444,000**	**0.34**
Windermere	0.25	-	-	829,000	0.26	1,211,000	0.27	**2,040,000**	**0.27**
TOTAL		**1,200,000**	**0.86**	**7,894,000**	**0.36**	**2,966,000**	**0.30**	**12,049,000**	**0.40**

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	**2,530,000**	**32.80**
Pinnacles	0.33	-	-	5,461,000	19.12	1,575,000	21.04	**7,035,000**	**19.55**
Deadmans Gully	0.18	-	-	444,000	26.70	-	-	**444,000**	**26.70**
Windermere	0.25	-		829,000	25.79	1,211,000	23.68	**2,040,000**	**24.54**
TOTAL		**1,200,000**	**34.20**	**7,894,000**	**22.21**	**2,966,000**	**22.37**	**12,049,000**	**23.44**

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	**7,035,000**	**5.80**
TOTAL		**-**	**-**	**5,461,000**	**6.28**	**1,575,000**	**4.14**	**7,035,000**	**5.80**

Table 5.8.2: Mount Garnet Tin Project – Sn equivalent grade tonnage summary, as at June 2014

TIN EQUIVALENT (Sn_EQ)	Cut-off Sn_EQ %	Measured tonnes	Grade Sn_EQ %	Indicated tonnes	Grade Sn_EQ %	Inferred tonnes	Grade Sn_EQ %	Total tonnes	Grade Sn_EQ %
Gillian	0.20	1,200,000	1.05	1,160,000	0.92	180,000	0.68	**2,530,000**	**0.97**
Pinnacles	0.33	-	-	5,461,000	0.50	1,575,000	0.47	**7,035,000**	**0.49**
Deadmans Gully	0.18	-	-	444,000	0.49	-	-	**444,000**	**0.49**
Windermere	0.25	-	-	829,000	0.40	1,211,000	0.41	**2,040,000**	**0.41**
TOTAL		**1,200,000**	**1.05**	**7,894,000**	**0.55**	**2,966,000**	**0.46**	**12,049,000**	**0.58**

Source: Company web site

NB: values rounded

This tin equivalent value is based on the following formula, product pricing and metallurgical recoveries:

Sn %+ (Fe%*FREC*Fe$/t/Sn$/t) + (F%*FREC*F$/t/Sn$/t)

(Sn %) + (Fe%*0.75*(150/20,000)) + (F%*0.7*(400/20,000))

Sn 70% recovery @ AUD 20,000/tonne

Fe 75% recovery @ AUD 150/tonne

F 70% recovery @ AUD 400/tonne

REC Recovery

Pricing has been based on an approximate five year average commodity price. In the case of Iron, the price is based on Iron Ore Pellets as the reduction process produces high grade iron pellets which sell for a premium over Iron Ore Fines. Product marketing will continued to be reviewed and revised as part of the DFS process. CSD considers the assumed Sn metal equivalent values for Fe and F are reasonable based on recoveries of these by-products during testwork on respective ore bodies. Conservative recovery values of Sn 70%; Fe 75% and F 70% have been used. CSD is confident reasonable potential exists to achieve these recoveries. An initial market review indicated that concentrates can realistically be sold for values used in the calculation.

Bulk density measurements elsewhere were determined using the Archimedes Principle and a regression formula was calculated. No relative densities were collected at the deposits and a value of 2.9 m/t3 was assigned. Top-cuts for tin only were applied to reduce the influence of outlier grades during the estimation.

A PFS was completed by Prism Mining in September 2013. Since the study the tin price fell and made the project uneconomic. The project is likely to become profitable once the tin cycle rises again.

Key points to come out of the study were:

- 1 Mtpa open cut mine forecast to produce average 2,944t per annum of tin in concentrate
- Minimum 9 year mine life
- NPV of A$184.1M before tax (A$110.3M after tax) at 8% discount rate using base case tin price of A$24,000/t
- Capital payback indicated at 2 years, IRR of 111% after tax
- Competitive production costs of A$91.94/tonne of ore Free On Board' (FOB)
- Robust combined total cost of A$13,917/t tin FOB (with by-product revenue credits)
- Project capital cost to first production of A$76M

- Project average annual revenue expected to be A$127.4M
- Annual average operating cash flow (after capital costs, before tax) of A$29.7M

Further reductions in the capital and operating cost base were expected through optimisation of processing and mine design and the progression to a Definitive Feasibility Study (DFS) was recommended. Similar commercially proven processes were examined in the study which included Waelz Kilns, fuming and recapture of Sn in a reducing atmosphere. Ausmelt, fuming and recapture of Sn in a top submerged lance furnace. Operaciones Metalurgicas, fuming and recapture of Sn in a rotary furnace.

A Sensitivity Analysis shown below showed that the project is mainly vulnerable to sale price and exchange rate.

The study concluded that:

- Future tin supplies were constrained at the time especially due to supplies, from Myanmar which kept US prices low.
- Producers were facing lower grades and increasing operating costs
- New uses were adding to demand pressure
- Few new sustainable tin projects were in development
- Tin production and refined tin consumption were currently in balance at about 340,000t

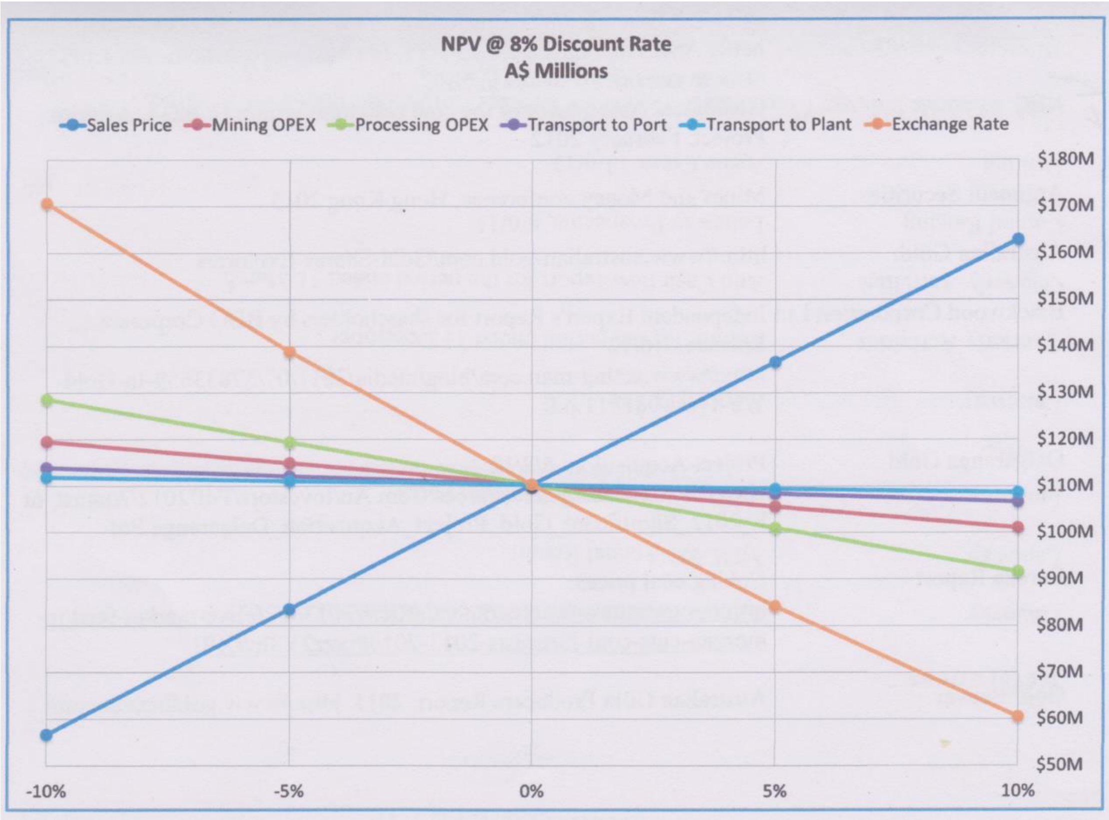


Figure 5.6.3: Sensitivity analysis. (Tin Price $A24,000t, exchange rate A$0.95/US$1.00,)

Source Auralia SPM Tech. Valuation

5.9 EV of $/Resource tonne Projects

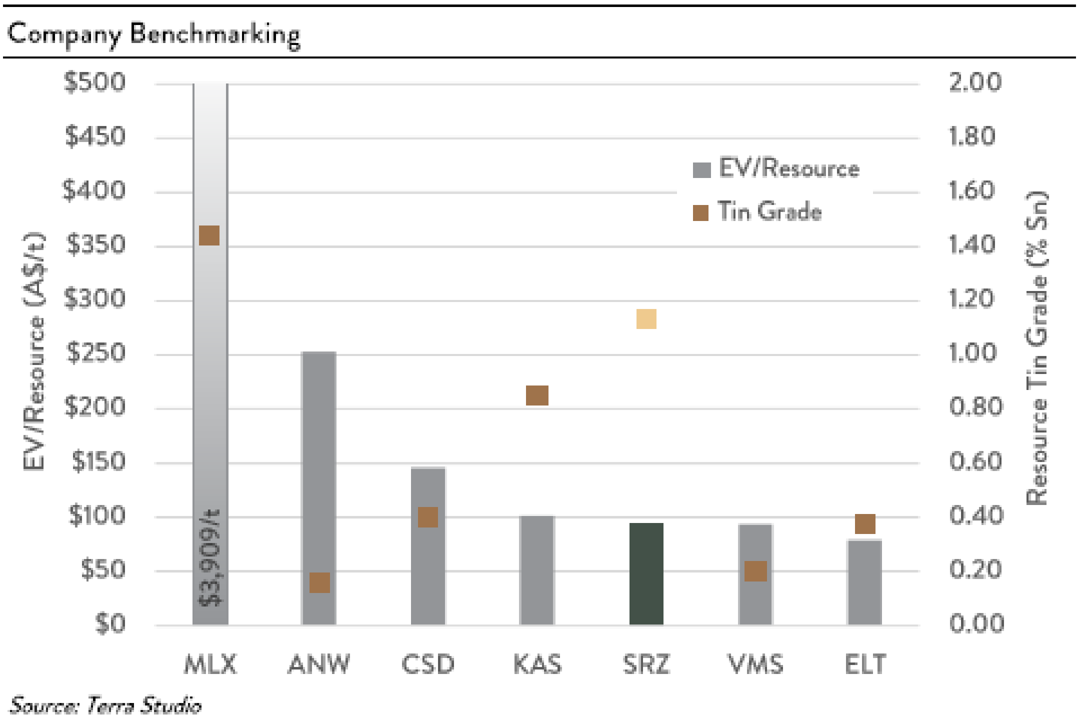
Mt Garnet Tin

The 2013 Mt Garnet Tin Project PFS had an NPV of A$110M. The resource stands at 12.05 Mt @ 0.58 Sn Eq for a total resource of 69,552t tin giving an EV of $100/resource, assuming the Mt Garnet Plant would be in operation.

Renison

Renison (MLX-ASX) remains the only major tin project in production in Australia and one of the few publicly held tin projects in the world, thus there is little information on comparative projects apart from Australian Tin Mining and Stellar Resources Ltd.

Table 5.9.1: EV/Resource values



Source: Hunter Capital Advisors. Equity Research. Stellar Resources, 3/4/17

Australian Tin Mining Pty Ltd

Australian Tin Mining Pty Ltd (ANW-ASX) has developed the Granville (Taronga) Tin Project which is re-treating tailings carrying 1% Sn and has 23 Mt of probable ore with 0.16% Sn in an open cut that will run for 9 years or greater for a total resource of 57,000 t Sn. Recovery of tin is assessed at 70%. Assuming 70% of the copper is recovered the copper is equivalent to an additional 5000 t Sn for an EV of about $268/t less the value from the ANW cobalt tenements.

Stella Resources

Stella Resources has two deposits the Heemskirk with 6.35 Mt @1.13% Sn Measured and Indicated and the St Dizier with 2.26 Mt @ 0.61% Indicated and Inferred.

Table 5.9.2A: Summary of related tin projects

	Granville Tin	Stellar Resources	CSD
Tin metal Eq	62,000 t	85,700 t	69,500 t
NPV	$122 M	$59 M	110 M
Enterprise value	$3 M	9.6 M	10 M
EV	~$45/t	$112/t	$145/t

Source: Hunter Capital Advisors. Equity Research. Stellar Resources, 3/4/17

Based on the above review, then for the CSD Measured, Indicated and Inferred Resource a value range between Stella Resources and CSD is used.

Table 5.9.2B: Hard rock Tin Valuation

Name	Resource tns	Grade %	Sn metal t	$112/t	$145/t
Gillian	2,530,000	0.86	21758.00	2,436,896	3,154,910
Pinnacles	7,035,000	0.47	33064.50	3,703,224	4,794,353
Deadman's Gully	444,000	0.40	1776.00	198,912	257,520
Windemere	2,040,000	0.32	6528.00	731,136	946,560
Totals	12,049,000	0.52	63126.50	7,070,168	9,153,343

The value of the hard rock resource is between $7.1 M and $9.1 M with a preferred value of $8.1M.

5.10 Total Value of CSD tin resources:

The alluvial tin is valued between $3.3 M and $5.5 M with a preferred value of $4.4M. The value of the hard rock resource is between $7.1 M and 9.1 M with a preferred value of $8.1 M, indicating a most likely value for the hard rock and alluvial tin of $12.5 M.

6. Base Metals and gold projects

6.1 Introduction

The Company has a number of project areas with either base metal or copper-gold resources. These include the Einasleigh Project where significant Cu-Au resources have been defined at the Einasleigh Copper Mine and Kaiser Bill deposits and Zn-Pb-Ag mineral resources at the Chloe, Jackson, Stella and Railway Flats deposits. The Einasligh Project is located approximately 100k by gravel road west of the Surveyor Project. The Company considers it doubtful that ore from the Einasleigh Project could be economically transported to the Mt Garnet Concentrator. In addition to the Mt Garnet underground deposit there are a number of prospects that have returned anomalous exploration values and which warrant further work, these include Nanyeta and Jessie’s Dream and Gillian Zinc. Extensive base metal resources are also held at the Surveyor Project and also at the Maitland Project

At Mt Garnet, mining operations are currently being refurbished in preparation for a restart on 1st July 2017 at approximately 450,000 t/y grading 4.38% Zn and 0.4% Cu is currently planned to be processed through the Mt Garnet plant to produce concentrates of zinc and copper for export. Approximately 100,000t of Zn at approximately 6% will come from Mt Garnet

underground, with the remainder coming from Dry River South, a deposit within the Surveyor Project approximately 180k south of the Mt Garnet concentrator.

The first stage of the company's exploration strategy is underway to develop additional base metal resources to provide additional ore reserves for the Company's Mt Garnet processing plant. To date the Company has successfully confirmed the existence of a continuous mineralised shoot at depth and parallel to the original Mt Garnet underground Resources and Reserves.

6.2 Historical work

Zinc Corporation, Metals Exploration and CRA Exploration ("CRAE") undertook resource delineation activities in the Mt Garnet area (including diamond drilling) from 1947 through 1974. Reverse Circulation ("RC") and diamond drilling were completed by the Mt Garnet Joint Venture partners Perilya Mines N.L., Cove Mining N.L., Foster Allan N.L., and Falcona Exploration and Mining N.L between 1989 and 1991 inclusive.

The project was acquired by Kagara Limited ("Kagara") in 1997 with a further 150 diamond and RC drillholes completed.

Kagara commenced mining at Mt Garnet in 2002 with open pit and underground mining operations producing 484kt @ 6.9% Zn and 0.45% Cu from the open pit and 600kt @ 10.3% Zn, 0.35% Cu from underground activities (Table 2-1).

The underground mine at Mt Garnet was placed on care and maintenance in September 2011 for a few years with the processing plant continuing to treat ore until April 2012, at which time it was also placed on care and maintenance.

6.3 Regional Geology

Silurian-age Chillagoe Formation rocks, characterised by limestone, chert, basic volcanics and siliciclastics, lie along the western margin of the Hodgkinson Province. Limestones of this formation are favourable hosts for skarn-associated zinc mineralisation as evidenced at Mount Garnet and Grub Gossan.

Regionally, Permo-Carboniferous igneous activity resulted in emplacement of extensive granitic plutons and widespread eruption of sub-aerial felsic volcanic sequences.

Mineralisation in the district includes skarn-associated zinc (e.g. Mount Garnet), copper, lead, iron and fluorite (e.g. Wriggly Prospect), vein-style deposits of tin and tungsten hosted by Permo-Carboniferous granitic rocks and Siluro-Devonian Hodgkinson Formation sedimentary rocks, and gold mineralisation with interpreted porphyry affinity at Nymbool and Triple Crown.

Project areas are located within the eastern section of the outcropping Proterozoic sequences of the Georgetown Province. Here, a triangular window of the Palaeoproterozoic Einasleigh Metamorphics is juxtaposed against Permo-Carboniferous volcanic and intrusive rocks of the Newcastle Range Volcanics (Eveleigh and Wirra Cauldrons). Some Carboniferous granite occurs in the southeast and Tertiary-Quaternary basalts occupy the area around the Einasleigh and Copperfield rivers. There are also extensive areas of shallow alluvial cover south and west of the Einasleigh Township.

Igneous activity in the Late Carboniferous to Early Permian resulted in the widespread intrusion of granitic rocks, extrusion of felsic volcanic rocks and the localised emplacement of high-level rhyolitic porphyry stocks in the Mount Garnet region

Much of the Chillagoe Formation and the trace of the Palmerville Fault have been removed by granitic plutons between Almaden, 30 km southeast of Chillagoe, and Mount Garnet.

Structural features within the area are dominated by the Palmerville Fault and the Burdekin River Fault. The Palmerville Fault separates the Siluro-Devonian Hodgkinson Province from the Proterozoic Georgetown Inlier. The position of the fault in the area is problematic due to the extensive Tertiary cover and extensive Permo-Carboniferous igneous intrusion and extrusion. The Burdekin River Fault is positioned to the east of the area and separates the Silurian-Devonian Broken River Province from the Proterozoic Georgetown Inlier.

Proterozoic high-grade metamorphic sequences in the Einasleigh region host a number of Pb-Zn-Ag and Cu-Au-Ag occurrences. These show a variety of metallogenic affinities ranging from Broken Hill-type (BHT) Pb-Zn-Ag (e.g. Cannington, Broken Hill) to Iron Oxide Cu-Au (IOCG) associations (e.g. Starra, Eloise, Osborne), together with extensive vein, skarn and breccia-hosted gold-base metal occurrences probably related to Permo-Carboniferous events (e.g. Kidston, Red Dome).

A variety of mineralisation and alteration styles are present in the area. The main ones are:

- Fe-Cu lodes; examples are Kaiser Bill, Teasdale, some of the Stockman occurrences. These lodes are typically quartz-magnetite-sulphide lodes, often extensive along strike (although in some cases disrupted into a series of separate lodes) with shear and breccia textures, and sulphides within the breccia. In the case of Kaiser Bill, there are multiple intersecting lodes. In the past these have been interpreted as stratigraphic horizons, but there is some evidence they may be mineralised faults.
- Silicate-hosted Pb-Zn sulphide lodes; examples include Chloe-Jackson, South Teasdale, Bloodwood Knoll and Big Goanna. Characteristics of these lodes include Pb-Zn-Ag dominated sulphides, hosted by garnet-epidote, quartz ±magnetite within the 'biotite gneiss' package.

6.4 Mt Garnet Mine Area

Historical

Originally the Mt Garnet mine the Mount Garnet Freehold Copper and Silver Mining Co. Ltd commenced mining secondary copper in 1898 and commenced smelting copper ore in 1901. Ore was sourced from two main pits, the No. 1 Pit developed on the South Shoot, and the smaller No. 2 Pit developed on the North Shoot.

Underground development extended to around 72.6 metres depth with limited stoping. The oxide and transition ore was exhausted by 1902 and smelting operations ceased. Tribute mining continued in 1904 and, in 1915 to 1917, a trial zinc mining operation was attempted, unsuccessfully.

Kagara commenced mining at Mt Garnet in 2002 with open pit and underground mining operations producing 484kt @ 6.9% Zn and 0.45% Cu from the open pit and 600kt @ 10.3% Zn, 0.35% Cu from underground activities (Table 2-1). The underground mine at Mt Garnet was placed on care and maintenance in September 2011 with the processing plant continuing to treat ore until April 2012, at which time it was also placed on care and maintenance. It has since

reopened and mining operations commenced in March 2014 (under management of CSD), and approximately 975,000 tonnes of ore has been processed with more than 126,000 dmt of base metal concentrates sent to overseas ports via Townsville. Drilling is currently underway to test the deeper tin levels below the open pit. The Mount Garnet concentrator is being refurbished in reperation of a restart on 1st July 2017 .

Geology

The Mt Garnet ore body was a garnet-pyroxene-amphibole skarn-altered, northerly-trending, fossiliferous limestone and limey siltstone unit hosts sphalerite-rich mineralisation. The skarn zone dips sub-vertically, is typically 30 to 60 metres wide, and extends beyond 400 metres below surface, the limit of drill investigations.

High-grade massive and semi-massive sphalerite-rich mineralisation (notionally >10% Zn) is largely confined to two distinct, sub-parallel, shallow to moderately north-plunging “shoots”, termed the South Shoot and the North Shoot. The South Shoot was mostly extracted during the open cut phase of mining, completed by Kagara in 2008. The North Shoot ore-grade mineralisation has been tracked down-plunge for about 550 metres (from 4600mN to 5100mN in horizontal projection).

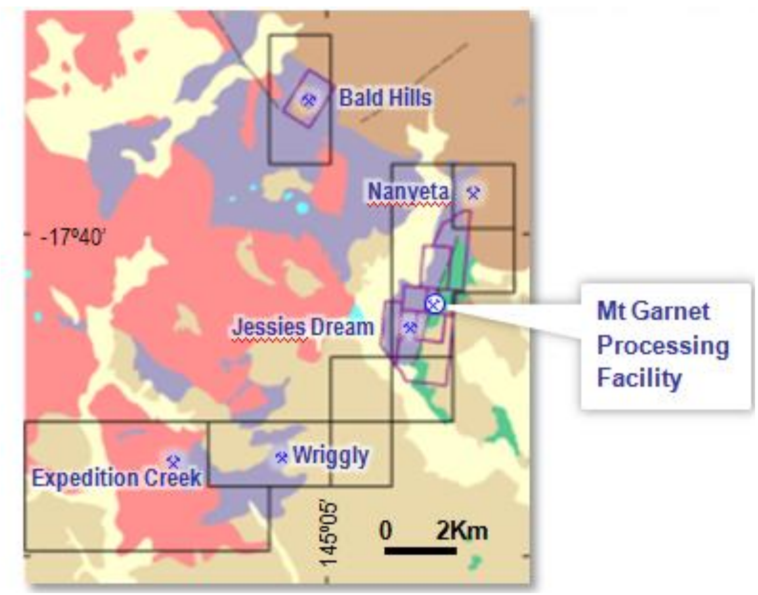


Figure 6.4.1: Mt Garnet showing Geology, MLA locations and main project areas

Mt Garnet Deeps

Historical production from the Mt Garnet mine amounts to 600,000t x 10.3% Zn. Recent drilling completed by Kagara (Bates, 2012), has confirmed skarn alteration and low grade mineralisation extends to approximately 5300 mN. The orebody plunges about 40º to the north for 300 metres and then flattens to around 25º. The shoot is roughly trapezoidal in cross section with average width of about 10 to 20 metres and down-dip extent of around 50 to 80 metres. The North Shoot provided the bulk of the ore feed from underground operations from 2009-2011 and ore is still being produced at approximately 450,000 t/y grading 4.38% Zn and 0.4% Cu, with the plant producing concentrates of zinc and copper for export.

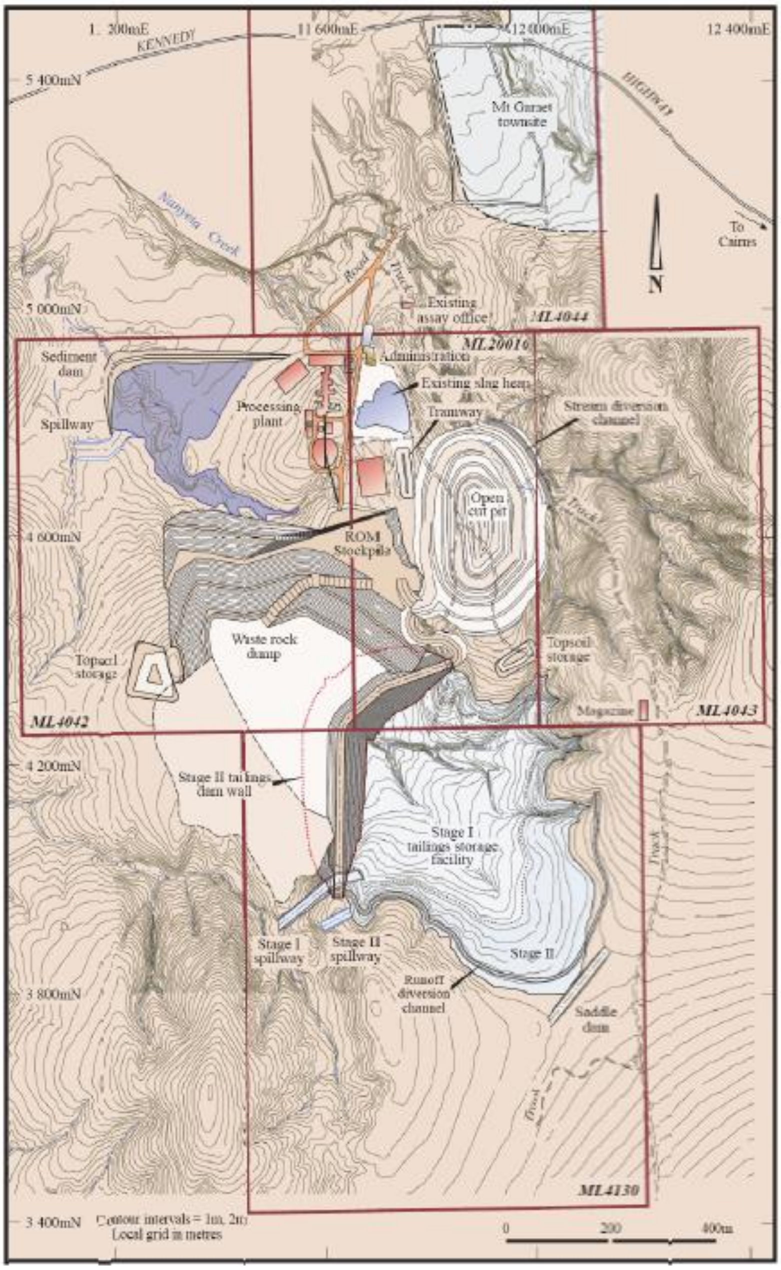


Figure 6.4.2: Mt Garnet ML20016, 4042, 4043, 4044, 4130, within EPM 16072

CSD advised (ASX May, 2017) that the latest drilling program had been completed. The drilling program represented the first stage of the company's exploration strategy to develop additional base metal resources to provide additional ore reserves for the Company's Mt Garnet processing plant and successfully confirmed the existence of a continuous mineralised shoot at depth and parallel to the original Mt Garnet Resources and Reserves. This drilling program confirmed the presence and continuity of mineralised shoot with higher grade zones. 17 holes were drilled for a total of 5,383m. Drilling was designed to infill a gap in deeper drilling and confirm the presence of an interpreted mineralised shoot parallel and at depth to the main orebody.

Significant intersections from the program include:

- 10.9m @ 2.77% Zn from 308.1m (GTD240)
- 5.0m @ 4.22% Zn from 310.6m includes 3m @ 6.13% Zn (GTD241)
- 13.25m @ 2.42% Zn from 322.0m includes 3m @ 6.22% Zn (GTD243)

- 5.75m @ 2.36% Zn from 341.1m includes lm @ 8.47% Zn (GTD246)
- 16.0m @ 3.20% Zn from 425.0m includes 6.2m @ 5.34% Zn (GTD251)
- 9.0m @ 3.49% Zn from 449.0m includes 3.0m @ 4.96% Zn (GTD253)
- 16.4m @ 3.74% Zn from 270.9m includes 3.6m @ 9.24% Zn (GTD254)

Drilling successfully confirmed the presence of this mineralised shoot and also indicates that it extends up dip near surface to the south of the current open pit and underground development. Drill hole GTD254 was drilled to target the shallower portion of this zone and intersected a broad zone of mineralisation 16.4m @ 3.74% Zn with a high grade core of 3.6m @ 9.24% Zn. Two areas within the shoot have potential to be developed further. Due to its shallower depth, relative proximity to existing underground development and higher grades one area in particular will be tested by a further six holes in the next program.

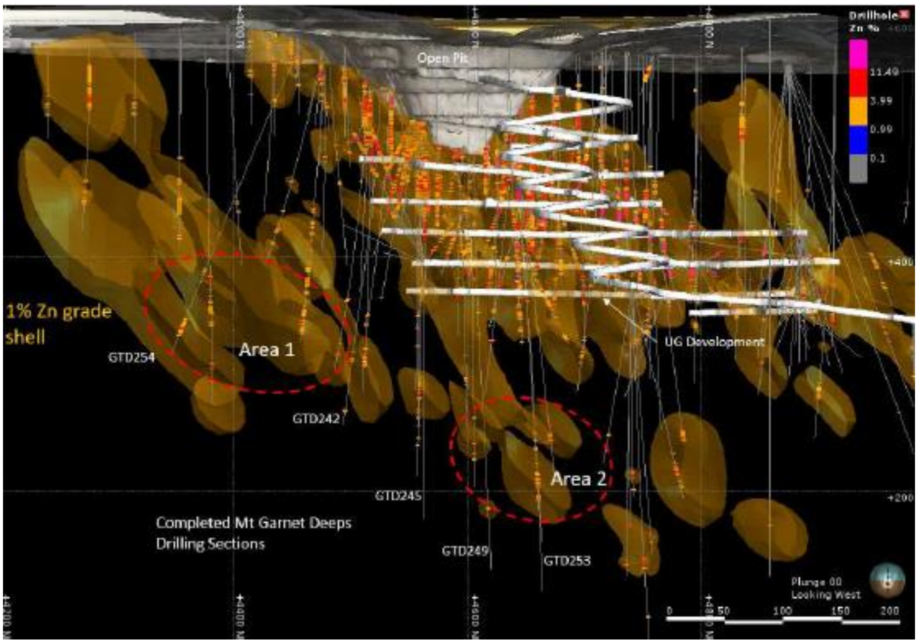


Figure 6.4.3: Mt Garnet Deeps looking west showing main target areas for further drilling

Source: Consolidated Tin. ASX report 1/5/17

Table 6.4: 2017 Mt Garnet drill results

HOLE ID	DEPTH	EASTING	NORTHING	RL	DIP	AZIMUTH	FROM (m)	TO (m)	INTERVAL	Zn %	Cu%	Pb%	Ag (g/t)
GTD240	345.60	11728.75	4518.24	580.68	-63	90	266.10	268.00	1.90	1.29	0.01	0.00	11.5
							275.00	276.95	1.95	1.77	0.05	0.01	16.0
							300.30	303.20	2.90	4.49	0.18	0.18	17.3
							308.10	319.00	10.90	2.77	0.25	0.06	21.6
silver interval (adjacent to Zinc mineralisation)							319.00	321.00	2.00	0.03	0.02	1.38	230.5
GTD241	327.60	11731.32	4517.89	580.76	-61	95	253.30	257.60	4.30	2.89	0.09	0.41	55.4
							310.60	315.60	5.00	4.22	0.16	0.03	15.8
						includes	312.60	315.60	3.00	6.13	0.10	0.03	15.3
GTD242	378.40	11700.61	4525.92	580.29	-62	88	309.00	316.40	7.40	2.15	0.10	0.11	24.3
						includes	316.10	316.40	0.30	10.40	0.81	0.04	25.0
							327.02	329.40	2.38	7.47	1.63	2.07	105.3
GTD243	372.60	11725.16	4554.55	580.50	-67	82	141.00	144.10	3.10	4.62	0.61	4.66	59.5
							230.00	233.20	3.20	1.69	0.17	0.07	9.1
							322.00	335.25	13.25	2.42	0.47	0.08	29.2

						includes	329.00	332.00	3.00	6.22	0.33	0.12	27.7
GTD244	336.70	11730.45	4554.95	580.57	-63	84	178.60	182.00	3.40	1.12	0.27	0.04	18.5
							290.00	292.00	2.00	1.95	0.01	0.00	14.0
GTD246	405.70	11707.27	4552.39	580.03	-65	80	250.50	254.50	4.00	2.03	0.24	0.15	15.5
						includes	250.50	251.50	1.00	4.63	0.62	0.48	43.0
							341.10	346.85	5.75	2.36	0.00	0.04	16.6
						includes	342.30	343.30	1.00	8.47	0.01	0.05	16.0
							350.00	353.00	3.00	1.13	0.00	0.01	14.0
							368.00	370.10	2.10	1.26	0.41	0.11	27.8
GTD247	366.38	11687.23	4589.01	579.45	-58	83	201.10	203.35	2.25	2.92	1.85	0.62	170.6
GTD248	423.40	11670.00	4600.38	578.50	-60	83	364.80	368.40	3.60	4.72	0.72	0.01	17.6
							388.05	393.00	4.95	2.60	0.00	0.04	5.7
							407.00	409.05	2.05	1.54	0.31	0.15	7.1
GTD249	504.60	11655.28	4601.87	578.10	-62	84	254.00	256.00	2.00	1.36	0.16	1.90	15.0
							443.80	447.80	4.00	2.42	0.72	0.10	26.5
GTD250	426.60	11659.57	4628.23	578.04	-58	75	385.30	387.50	2.20	8.86	0.07	0.04	14.2
							393.70	403.00	9.30	1.57	0.26	0.04	16.6
GTD251	459.50	11647.19	4633.69	577.59	-60	75	381.60	386.30	4.70	2.24	1.13	0.06	26.7
							425.00	441.00	16.00	3.20	0.02	0.03	11.3
						includes	430.80	437.00	6.20	5.34	0.01	0.02	11.1
GTD253	480.40	11629.36	4628.70	577.27	-60	73	402.00	405.90	3.90	2.21	0.00	0.00	9.5
							449.00	458.00	9.00	3.49	0.24	0.12	18.6
						includes	449.00	452.00	3.00	4.96	0.42	0.09	27.3
GTD254	306.20	11785.15	4459.68	585.01	-60	140	88.00	90.00	2.00	2.03	0.49	0.64	29.5
							96.00	102.00	6.00	4.40	0.10	1.33	49.7
						Includes	96.00	98.00	2.00	9.72	0.01	3.01	114.0
							175.00	177.30	2.30	2.11	0.22	1.01	28.2
							185.00	189.00	4.00	4.61	0.50	0.00	50.3
						includes	187.00	189.00	2.00	7.98	0.66	0.01	69.0
							223.20	230.60	7.40	2.15	0.00	0.01	11.7
							270.90	287.30	16.40	3.74	0.05	0.00	11.0
						includes	278.30	281.90	3.60	9.24	0.23	0.00	11.5

Note:

Significant intersections are determined by combining sample intervals greater than or equal to 2m in width and greater than or equal to a cut-off 011% In which does not include more than 2m of below cut-off grades.

Table 1 Information

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• A total of 17 drill holes with Reverse Circulation (RC) precollars and diamond tails have been completed for a total of 2,217m of RC and 3,166.8m of DD. Of this 4 holes totaling 249.50m of RC were terminated early due to excessive hole deviation or ground conditions. RC precollars are utilized to reduce costs through the predominantly barren hanging wall sequence. • Sampling of the drillholes reported within this release have been undertaken in the diamond core portion only, by taking a ½ split of the NQ2 diameter diamond drill core.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Holes are drilled towards grid east with dips of approximately 60 degrees to optimally intersect the steeply dipping north-south striking mineralised zones • Drill core has been cut longitudinally in half using diamond saws. Sampling is nominally on 1m intervals but is varied to account for lithological and mineralization contacts with minimum lengths of 0.3m and maximum lengths of 1.5m allowable. • The drill hole locations have been surveyed up by the CSD surveyor using a DGPS (Differential Global Positioning System). • Holes detailed in this release have utilised a Reflex EZ-Trac tool for down hole surveys. Down hole surveys have been conducted at 30m intervals however survey intervals are reduced to 15m for better control in areas where hole deviation is occurring.
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Diamond core is logged by CSD geologists who select intervals for laboratory analysis on the visual presence of mineralization
	In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• Sub-samples of ~3 kg are sent to the laboratory for assaying. Analysis has been performed by SGS Townsville. The samples sent to SGS follow standard SGS crushing and pulverization procedures and a 4 acid digest to effect as near to total solubility of the sample as possible • Both SGS laboratory and CSD insert QC samples into the routine sample stream to monitor sample quality as per industry best practice
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC drilling utilizes 6m rods whilst DD drilling uses 3m drill rods. Diamond drilling has employed a 47.6mm diameter NQ2 'standard tube' core drilling methods. RC drilling has been completed using a 5.25 inch diameter face sampling hammer bit. • Diamond drill core is orientated every run with core orientation utilizing a Reflex ACT II orientation tool. Core lengths and orientations are checked by trained CSD personnel or experienced contractors
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• As the RC section of the drillholes is essentially devoid of mineralization no recovery data is collected for this interval • Diamond core was reconstructed into continuous runs for orientation and depth marking. Recovery is assessed by measuring the recovered drill length against the actual drilled.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Diamond core is selected for drilling through the target horizon to provide a high quality sample • Diamond drill recovery has not been assessed at this time however due to the competent nature of the lithologies there has been little core loss experienced to date in the program. Core recovery is monitored by CSD geologists.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No detailed analysis of grade versus recovery has been undertaken at this stage however no notable core loss has occurred through the mineralized zones.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill holes have been logged in full and record standard qualitative data such as lithology, alteration, mineralisation, weathering and oxidation. Diamond core was quantitatively logged for geotechnical parameters such as recovery and RQD. Structural data such as faults, fractures and veins are also recorded. • All RC precollar intervals were wet-sieved and stored in chip trays • All logging is entered directly into excel spreadsheet templates with drop down menus of logging codes for validation. These spreadsheets are then imported into Surpac routinely for visual validation.

		▪ All diamond core and chip trays (from RC drilling) are photographed in a wet and dry state.
Sub-sampling techniques and sample preparation	▪ *If core, whether cut or sawn and whether quarter, half or all core taken.* ▪ *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* ▪ *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* ▪ *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* ▪ *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* ▪ *Whether sample sizes are appropriate to the grain size of the material being sampled.*	▪ Holes are sampled taking a representative ½ core split of the NQ2 diamond drill core. Drill core is cut longitudinally in half using diamond saws along a center line. Sampling is nominally on 1m intervals but is varied to account for lithological and mineralization contacts with minimum lengths of 0.3m and maximum lengths of 1.5m allowable. ▪ ¼ core duplicates are taken every 25m to monitor the representativeness of the sampling process. To date the performance of duplicate samples has been within acceptable limits relative to the mineralization and duplicate method. ▪ Sample sizes are considered to be appropriate for the mineralization present at Mt Garnet
Quality of assay data and laboratory tests	▪ *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* ▪ *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* ▪ *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	▪ The selected samples sent to SGS follow standard SGS crushing and pulverization procedures then undergo digestion via method DIG40Q which performs a 4 acid digest to effect as near to total solubility of the sample as possible ▪ The solution from DIG40Q digest is presented to an ICP-AES for the quantification analysis of 7 elements using method ICP 41Q. ▪ Zinc values that exceed the upper detection limit are re-assayed using digestion method DIG43B followed by ICP43Q which are designed to cope with large concentrations of the elements of interest. ▪ Sampling techniques, other than drill hole samples already discussed, are not utilised as part of the current drill program ▪ CSDs field QAQC procedures included the insertion of field duplicates, commercial pulp blanks and standards. Insertion rates of QC samples is at a rate of 1 every 25 samples. ▪ Performance of standards for monitoring the accuracy, precision and reproducibility of the zinc assay results received from SGS are monitored. The standards generally performed well with results falling within prescribed two standard deviation limits. ▪ The performance of the pulp blanks have been within acceptable limits with no significant evidence of cross contamination identified ▪ Field duplicates are taken as ¼ core to compare against the original ½ core sample. To date no sampling bias has been identified in the duplicate sampling. Duplicate sample variability is within acceptable limits for the sampling method and mineralization. ▪ SGS laboratory undertake industry standard QC checks to monitor performance. SGS checks have returned acceptable levels during the period of analysis for CSD samples
Verification of sampling and assaying	▪ *The verification of significant intersections by either independent or alternative company personnel.* ▪ *The use of twinned holes.* ▪ *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* ▪ *Discuss any adjustment to assay data.*	▪ Samples are selected by CSD personnel based on the presence of visible mineralization. Significant intersections confirm the visual selection and significant intersections have been verified by at least 2 CSD geologists. ▪ Recent drilling has not been designed to provide twin holes, but the program is designed as infill drilling between existing holes and aims to confirm the tenor and width of mineralisation encountered in the previous drilling. ▪ The formalisation of procedures is currently in progress. Data is collected in the form of spreadsheets for drill hole collars, surveys, lithologies, sample intervals and assays. ▪ The data from the spreadsheets is then imported into the existing Mt Garnet ACCESS database. This data is then imported into SURPAC for visual checks. ▪ Assay values designated less than detection are assigned a value 0.5 x LTD limit value. Where the assay value is returned as insufficient or no sample then the assay value is set to absent.
Location of data points	▪ *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* ▪ *Specification of the grid system used.* ▪ *Quality and adequacy of topographic control.*	▪ The drill hole collar locations have been surveyed by CSDs surveyor using a Real Time Kenetic (RTK) GPS to an accuracy of 0.01m. All drillholes were angled; the azimuth was initially set up using a compass and the inclination was set up using a clinometer on the drill rig mast. In cases where the ground materials effect the accuracy of the compass the azimuth of the hole has been surveyed ▪ Downhole surveys have been undertaken using a digital Reflex EZ Trac multi shot tool which also records the magnetics of the surrounding lithologies to identify any ground conditions which may affect surveys ▪ Collar locations are surveyed using the local Mt Garnet Mine Grid. Transformations to MGA GDA94 Zone 55 is well controlled ▪ All planned RL's are originally allocated to the drill hole collars using detailed DTMs generated from detailed mine surveys carried out by mine surveyors. The accuracy of the RLs is estimated to be +/- 0.5m.
Data spacing and distribution	▪ *Data spacing for reporting of Exploration Results.* ▪ *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* ▪ *Whether sample compositing has been applied.*	▪ Drillholes in the current program are drilled on a 50x25m grid spacing in the target area ▪ The data density is sufficient to demonstrate grade continuity to support a Mineral Resource estimate (MRE) under the 2012 JORC code should the results of the program identify a material difference to the existing resource ▪ The holes in this program have not yet been incorporated into a reported Reserve and Mineral Resource Statement. ▪ No sample compositing is undertaken. All RC drilling is sampled at 1m intervals which is standard for the industry. Diamond core is selectively sampled on a nominal 1m interval which is varied to account for geological features with interval ranges from 0.3m to 1.5m.
Orientation of data in relation to geological structure	▪ *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* ▪ *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	▪ The nature and controls on mineralization at Mt Garnet are well understood. Holes are drilled towards grid east with dips of approximately 60 degrees to optimally intersect the steeply dipping north-south striking mineralised skarn zone. Mineralised shoots plunge moderately (40 degrees) north within the vertical plane ▪ The sampling is considered to be unbiased with respect to drillhole orientation versus strike and dip of mineralisation.
Sample security	▪ *The measures taken to ensure sample security.*	▪ Chain of custody is managed by site personnel. Samples are stored onsite and delivered to SGS Townsville by CSD personnel or CSD contractors. ▪ Samples submission sheets are in place to track the progress of sample batches and the laboratory provides a web based tracking system to monitor job progress.
Audits or reviews	▪ *The results of any audits or reviews of sampling techniques and data.*	▪ No audits or reviews of the sampling processes has been undertaken.

Mineral tenement and land tenure status	▪ *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* ▪ *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	▪ The drilling program is being undertaken on ML20016 and ML4042 held by CSD Tin Pty Ltd. CSD has purchased all SPM tenures under an Asset Sale Agreement however the transfer of the tenures is yet to take effect, therefore they are still officially registered as being held by Snow Peak Mining. There is no Native Title Agreements over the Mining Lease and no valid registered or determined claims that affect the tenements ▪ The tenements are in good standing and no known impediments exist.
Exploration done by other parties	▪ *Acknowledgment and appraisal of exploration by other parties.*	The project area has an extensive exploration history dating back to the late 1800s. Key project dates are: ▪ In 1898 Mt Garnet Freehold Copper and Silver Mining Company Limited was granted title to the property. During 1899 and 1900, the ore-body was developed by winzes and cross cuts and overburden removal. Smelting started in 1901, peak production was achieved in 1902 with the extraction of 43,288 tons of ore (one ton = 1.016047 tonnes), and the mine ceased operations in 1903 after the oxide copper ore was depleted. ▪ In 1904, a tribute was taken over the mine by Chillagoe Railways and Mines Limited with only limited production of 9,124 tons. ▪ During the period 1901 to 1904, a total of about 99,000 tons of ore was mined with 75,000 tons from the No. 1 Pit (centred on local grid 4490N, 11870E) and 10,000 tons from No. 2 Pit, located 150 metres to the north. The remaining ore was mined from several small pits along strike to the north and south. A total of around 150,000 tonnes (77,000 cubic yards) of overburden was removed. ▪ In 1915 to 1917 an unsuccessful zinc production operation was attempted, with a small amount of ore removed from the 150ft level (approx 542 RL) below No. 1 Pit. In 1926, tributors mined 966 tons of oxidized lead ore from the Lead Workings. ▪ Zinc Corporation acquired title to the freehold lease in 1946 and, in 1947, completed mapping, costeaning, sampling of the open pits, and drilled five diamond drill holes (GTO 01 to GTO 05). Holes 01 to 04 tested below No. 1 and No. 2 Pits, intersecting moderate and high grade mineralisation. ▪ In 1956, Metals Exploration, by way of agreement with CRA (Zinc Corporation), completed diamond core hole GTO 06 immediately north of No. 1 Pit and intersected high and moderate grade mineralisation. ▪ Between 1971 and 1984, CRA pursued a syngenetic stratiform model and completed extensive mapping, trenching, ground and airborne magnetics surveys, and soil geochemistry over the freehold lease area. The known mineralisation produced pronounced magnetic and geochemical responses but no new targets were identified. Three deep diamond core holes, GTO 07 to GTO 09, completed in 1974 at nominally 250 metre intervals along the known strike length of the mineralisation, intersected sub-economic zinc mineralisation in calcsilicate. The southernmost of these holes, GTO 09, intersected 91 metres of patchy low and moderate grade mineralisation, centred in the still poorly defined "southern zone", located about 200 metres south of the main orebody. ▪ The project was acquired by Perilya Mines NL in 1989. Between 1989 and 1993, the project was managed by Perilya or various joint venture partners including Cove Mining NL, Foster Allan Mines NL and Falcona Exploration and Mining NL. During this period they completed 50 core holes (GTD01 to GTD50) and 12 Reverse Circulation percussion holes (GTR01 to GTR12), mostly targeted on the interpreted orebody and testing down-plunge extensions. The main body of mineralisation was interpreted to plunge approximately 30 degrees to the north over a strike length of about 500 metres, and remained open down-plunge. The area covering most of the granted mining leases was mapped. Preliminary metallurgical and mining studies were completed and baseline environmental monitoring undertaken. ▪ In November, 1998, Kagara Zinc Limited entered into an agreement with Perilya giving Kagara the exclusive right to earn up to a 75% interest in the Mt Garnet tenements. Kagara was listed on the ASX in December, 1999, and started drilling on 1st February 2000. This drill program consisted of 97 holes totaling 12,997.25m of drilling covering resource infill, geotechnical, sterilization, ground seepage testing and water bore drilling. This drilling formed the basis for the open pit feasibility and subsequent mining. ▪ From 2006 to 2011 Kagara Zinc Limited undertook a number of surface and then later underground drill programs to target down plunge extensions below and to the north of the pit. These programs totaled 162 diamond holes for 21,771.62m ▪ In December 2012 Snow Peak Mining Pty Ltd acquired the Kagara Central Region Project with Consolidated Tin Mines Limited managing and operating the Kagara Project. ▪ The Mount Garnet Mine produced more than 90,000 tonnes of primary zinc ore during a five-month underground mining program completed in December 2014. ▪ In 2015 CSD acquired Snow Peak Mining assets which included the Mt Garnet Mine
Geology	▪ *Deposit type, geological setting and style of mineralisation.*	▪ Mt Garnet is a zinc skarn hosted deposit and is hosted by a steeply-dipping, northerly-trending skarn horizon that locally exceeds 50 metres thick and has a mapped exposed strike length of about 800 metres (Hartley and Williamson, 1995). Wall rocks comprise an eastwards-younging arkosic sequence to the west and mylonite and schistose rocks to the east. North-easterly plunging drag folds were identified by Knight (1947) along the skarn horizon; he suggested they exerted some control on the localisation of mineralisation.
Drill hole Information	▪ *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar*	▪ Refer to diagrams, tables and appendices within the release

	o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. ▪ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	▪ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. ▪ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ▪ The assumptions used for any reporting of metal equivalent values should be clearly stated.	▪ Grades are reported as down-hole length weighted averages with no top cut applied on the reporting of grades ▪ Only those intervals deemed to be significant and are given in this report. Significant intersections are determined by combining sample intervals greater than 2m in width and greater than or equal to a cut-off of 1% Zn, which does not include more than 2m of below cut-off grades. Statistically 1% Zn presents as separate population for the mineralized zone and is considered important in defining mineralization. ▪ No metal equivalent calculations have been reported
Relationship between mineralisation widths and intercept lengths	▪ These relationships are particularly important in the reporting of Exploration Results. ▪ If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ▪ If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	▪ The results are reported as downhole lengths only ▪ Drill holes are drilled perpendicular to the north-south strike of mineralization. Mineralisation is interpreted to be generally steeply dipping with mineralization plunging to the north at approximately 40 degrees. Holes have been drilled with a dip of -60 degrees. True widths have not yet been calculated for the intercepts.
Diagrams	▪ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	▪ Refer to diagrams, tables and appendices within the release
Balanced reporting	▪ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	▪ This release contains all results greater than 1% Zn as detailed above. It is considered impractical and not material to report intervals below 1% Zn
Other substantive exploration data	▪ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	▪ The collection of magnetic susceptibility readings are also taken on both RC and DD sections of the drill hole with increased magnetics associated with mineralization.
Further work	▪ The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). ▪ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	▪ Ongoing exploration work will include further drilling to confirm and extend existing targets where appropriate.

Mt Garnet Mineral Resources

Historical production from the Mt Garnet mine amounts to 600,000t x 10.3% Zn. A Mineral Resource of 1.98Mt grading 7.8% Zn**,** 0.4% Cu and 17 g/t Ag was estimated by Kagara in December 2010 using an Inverse Distance Squared Estimation ("ID') technique (Kagara Limited, 2010). The currently stated Mineral Resource comprises the material remaining following depletion of mined ore from the model.

Sectional interpretations were completed throughout the Mt Garnet orebody and three geological zones were established based on the amount and style of mineralisation: a high grade massive sulphide zone (code HG), a low grade sulphide stringer zone (code LG) and an enveloping skarn (Code SK). Three dimensional wireframed solids were designed for these high grade, low grade and skarn units, with the high grade core of the skarn interpreted based upon massive sulphide mineralisation and a nominal zinc grade of 8%. The lower grade stringer mineralisation surrounding this was defined by a **4%** zinc cut off, and the enveloping skarn was defined by the calc-silicate contact between the mylonite and arkose geology as logged in drillholes.

The geological wireframes were verified against drillholes on a cross sectional basis. The skarn wireframe is based on the lithological contacts of the skarn with the arkosic sediments to the west and mylonite to the east.

The 1D` estimation method was used for the interpolation of grade into the block model. All domain boundaries were hard i.e. no composites from outside the domain were used to estimate grade into the domain.

The recently stated Mineral Resource following depletion of mined ore is tabled below. Of this CSD estimate about 100,000t remains at around 6% Zn

Table 6.5: Mt Garnet Resource

Deposit	Category	Type	Tonnes	Zn%	Pb%	Cu%	Au%	Ag%
Mt Garnet	Measured	Fresh	115,000	9.6	0.1	0.3	0.0	0
	Indicated	Fresh	537,000	5.2	0.0	0.4	0.0	14
	Inferred	Fresh	31,000	6.6	0.0	0.3	0.0	46

Source: Kagara overview of operations PP July 2012

Proposed 12 month Budget:

Complete drilling below the main zinc skarn lode at Mt Garnet

Prioritise the drilling of three prospects at Jessies Dream , Nanyeta And Gillian Zinc.

- The proposed additional work includes: digitizing all historic data;
- detailed mapping with emphasis on identifying controls on mineralization;
- detailed ground magnetics to identify zones of magnetite and/or pyrrhotite concentrations – common associations with skarn mineralization throughout the Chillagoe Formation;

7. Einasleigh base metal and copper Project areas

7.1 Introduction

Significant Cu-Au resources have been defined at the Kaiser Bill deposit and Zn-Pb-Ag resources at the Chloe, Jackson, Stella and Railway Flats deposits. The area has been the focus of exploration activity by various companies. The main areas of interest Kaiser Bill, Chloe/Jackson and the historic Einasleigh Copper Mine where the principal focus is the search for additional copper and polymetallic mineralisation.

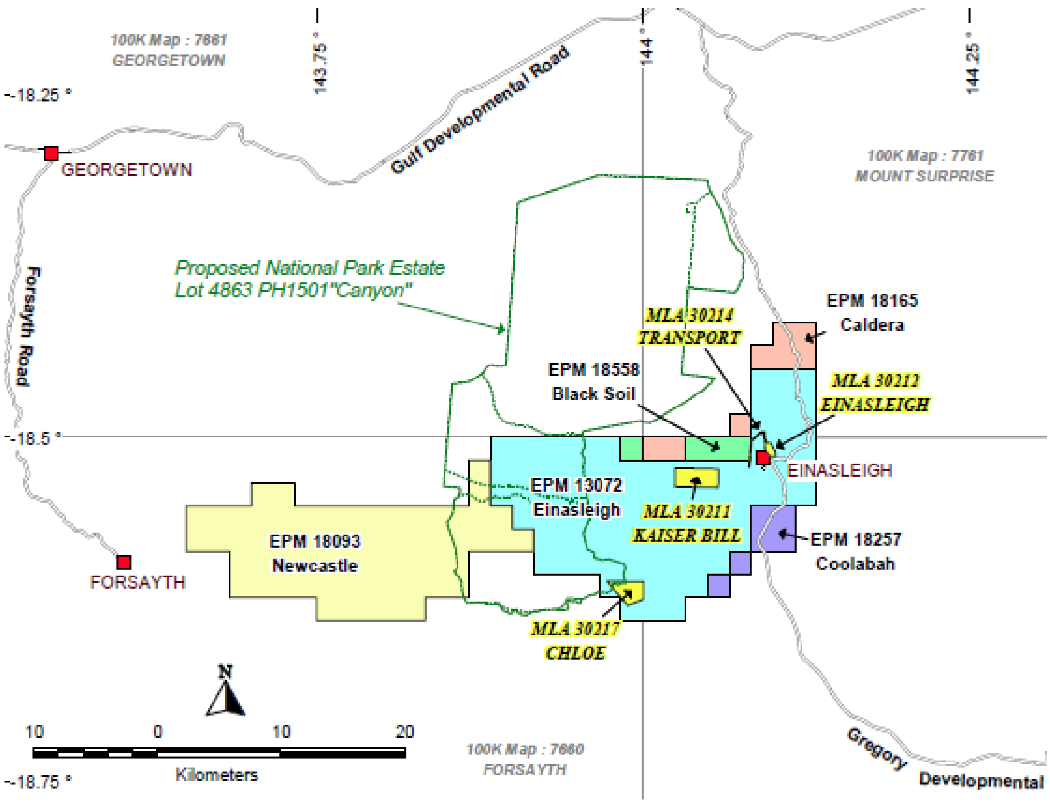


Figure 7.1: Location of principal project areas

Minnelex Pty Ltd. Valuation

7.2 Historical Work

From 2005 to 2010 Copper Strike Ltd focused activity on resource evaluation at the Einasleig Copper Mine, Kaiser Bill, Chloe and Jackson prospects. Regional programs were defined to evaluate further prospects. These activities have been reported in detail in the 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010 Annual Reports (Walters et al, 2004; McLean, 2005, Gregory et al., 2006; Eadie and Lees, 2007; Eadie and Lees, 2008; Eadie and Lees, 2009; Eadie and Lees, 2010).

Wanguo International Mining Group collected approximately 1500 soil samples in 2015 from the Surveyor, Balcooma and Einasleigh areas, as well as completing approximately 60 line kilometres of ground based IP surveys over various prospects within the Einasleigh project area including Black Rock Gossan, Teasdale, Railway Flat, Kaiser Bill East, Kaiser Bill West and Chloe – Jackson, and a further 9.52 line kilometres of ground magnetics over Chloe – Jackson.

7.3 Regional Potential

Substantial resources of copper, zinc, lead, silver and minor gold have been located within the project area. In 2014-15. Copper Strike developed several of the larger prospects that have resources, eg Kaiser Bill, Einasleigh Copper Mine, Chloe-Jackson-Stella and Railway Flat and there are a number of other prospects with mineralisation that may have the size and grade to become resources, such as Teasdale and Bloodwood Knoll. Lastly, there are numerous mineral occurrences in the area, most of which have limited potential. The Project area represents a potential new production centre especially with the upside potential indicated for increased resource base – particularly copper. The Einasleigh Copper Mine – Kaiser Bill copper-gold resources are IOCG deposits similar in style to those developed in the world-class Cloncurry district of NW Qld.

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The regional potential is defined by soil sampling, magnetics, geology and drilling. These areas are shown in Figure 7.3. The prospectivity includes:

- Potential to extent Einasleigh Copper Mine and Kaiser Bill resource down dip and/or plunge.
- The Teasdale prospect which has strong copper soil anomaly comparable to Kaiser Bill - remains open to the east and west (best drill intersection 45m @ 0.9% Cu, 15g/t Ag – hole TSRC01) – drilling budgeted.
- The strong copper soil anomaly over Grub Gossan – IP survey and RC drilling planned
- The major gaps in regional soil sampling coverage - regional soil sampling program planned (red outline).
- Significant areas of strong magnetic response with no previous exploration.

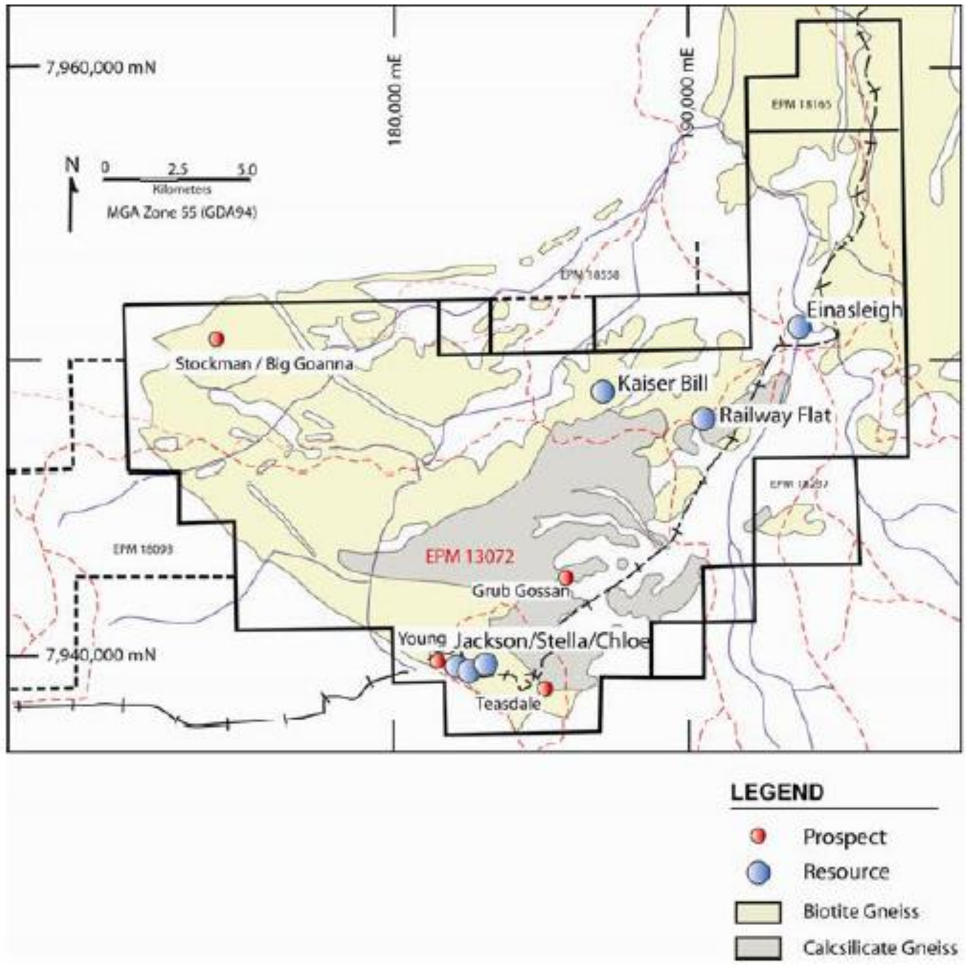

Figure 7.3: Geology, Prospects and Resource areas

7.4 Einasleigh Copper Mine

Geology and Mineralisation

Copper mineralisation at Einasleigh Copper Mine occurs as chalcopyrite associated with variable amounts of pyrrhotite and lesser pyrite within altered quartz-sulphide breccias. Brecciation in the host rocks and within the massive sulphide mineralisation is common.

The Main Orebody is correlated with the eastern limb of the mineralised zone tested by Copper Strike, and consists of breccia bodies with semi-massive to massive sulphide matrix containing pyrrhotite-chalcopyrite, pyrite and magnetite and high copper. A second mineralised zone, the New Orebody, occurs about 75m to the northwest of the Main Orebody. Its extent and orientation are not well defined but it appears to have approximately the same strike as the Main Orebody and a dip of approximately 60° to the southeast. This zone may correlate with the western limb of the mineralised zone tested by Copper Strike, and comprises lower grade skarn-like replacements in thin tabular stratiform bodies with stringer and disseminated sulphides.

A Footwall Fault appears to displace the Main Orebody by about 35m on Level 2 and a sinistral movement is inferred. CME reported that three drill holes (DDH1, 2 and 3) drilled in 1972 from the main crosscut on Level 6 in south-easterly directions did not intersect any significant mineralisation. The drill core was logged in detail but not sampled due to the lack of mineralisation.

Einasleigh Copper Mine Deposit Mineral Resource

The Einasleigh Copper Mine Deposit hosts Mineral Resource of 1.1Mt grading 2.9% Cu, 0.1g/t Au and 13g/t Ag estimated in accordance with JORC 2004 guidelines.

Type	Tonnes	Zn%	Pb%	Cu%
Indicated	500,000	0	0	4
Inferred	600,000	0	0	1.9

The Mineral Resource estimate was completed by Golder Associates in September 2005 for then owners of the project, Copper Strike Limited. This work is presented in Kagara's 2014 PP IOGC presentation.

The main zone of high grade mineralisation occurs south of the Footwall Fault and includes the Main Orebody mined in the historical mine, the eastern limb mineralisation and upper zone of western limb mineralisation delineated by Copper Strike. It was interpreted using a nominal 1.0% Cu cut-off, lowered to 0.5% Cu where necessary to maintain continuity (primarily at the extremities). The zone, as presently defined south of the limit of mining, is 200m long in the plunge direction and is up to 200m wide in the dip direction. The true thickness varies from about 1.5 m at the western extremity to 30 min the keel of the synform. Five other zones have been defined of lesser importance.

7.5 Kaiser Bill Project

Mineralisation at Kaiser Bill occurs within a broad alteration zone that has been intersected in drilling over a distance of at least 1.4km. The resource has dimensions of up to 80m in thickness, extending at least 400m down dip and over a length of 1km. The thickest core of the resource plunges at between 10° and 30° WSW and is open down plunge. Down-dip from this "core", mineralisation breaks up into a number of prongs, becoming progressively thinner and weaker.

The mineralisation occurs as chalcopyrite, associated with quartz-pyrite-pyrrhotite-magnetite as disseminations, stringers and breccia hosted by quartz-feldspar-biotite gneiss. Alteration forms a relatively broad zone up to 120m wide with magnetite and weak quartz-chlorite and lesser epidote with very minor actinolite. The main ore zone occurs within quartz-feldspar-biotite gneiss close to the contact with a massive, felsic leucogneiss that forms the hanging-wall.

Indicated and Inferred resources at Kaiser Bill amount to 15.5 Mt at 0.93% Cu (ASX release 17/10/2017).

Category	Type	Tonnes	Zn%	Pb%	Cu%
Kaiser Bill	Indicated	13,300,000	0	0	0.93
	Inferred	2,200,000	0	0	0.92

It occurs within a broad alteration zone that has been intersected in drilling over a distance of at least 1.4km. The resource has dimensions of up to 80m in thickness, extending at least 400m down dip and over a length of 1km. The thickest core of the resource plunges at between 10° and 30° WSW and is open down plunge. Down-dip from this "core", mineralisation breaks up into a number of prongs, becoming progressively thinner and weaker.

Kaiser Bill Resource

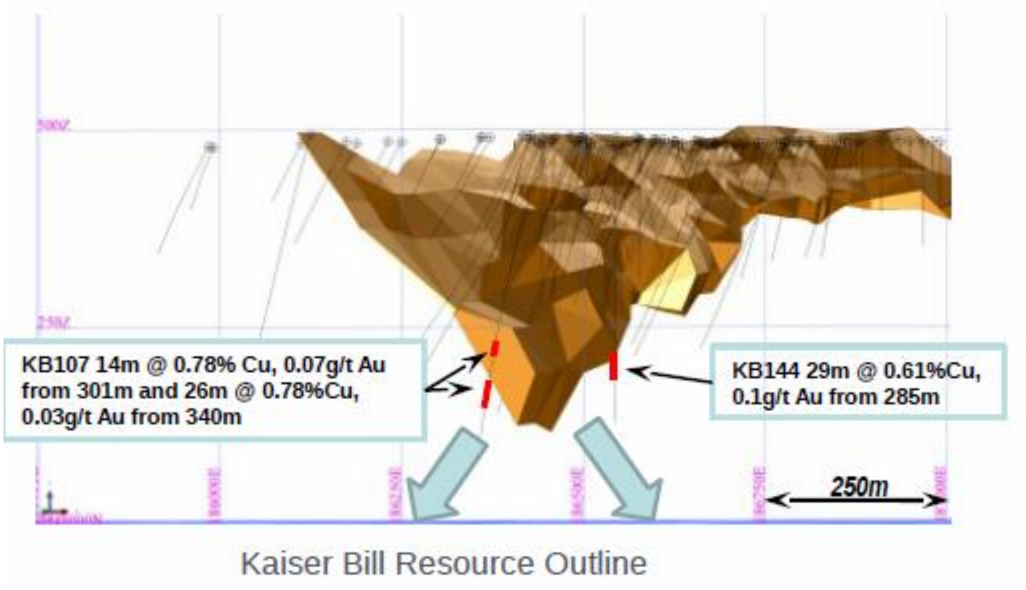

Figure 7.5.1: Kaiser Bill Resource

Combined resource: 15Mt @ 0.8% Cu, 0.1g/t Au, 7g/t Ag

Resources remain open down plunge/dip.

At Kaiser Bill definitive work (ASX report10/3/16) included:

- Drilling to more closely define and upgrade the resource (ASX October 2009-December 2009; KB124 to KB134 inclusive with KB124-KB130 reported in the 2009 annual report;
- Drilling to expand the deeper, western part of the resource (KB142 to KB145);
- Revision of the Resources (Golder Report, dated July 2010);
- Geotechnical drilling (KB135 to KB141 inclusive);
- Downhole acoustic televiewer scanning surveys to assist in geotechnical assessment;
- Geotechnical assessment and report by Coffey Mining;
- Ongoing assessment and review of the siting of proposed infrastructure on the Kaiser Bill MLA.

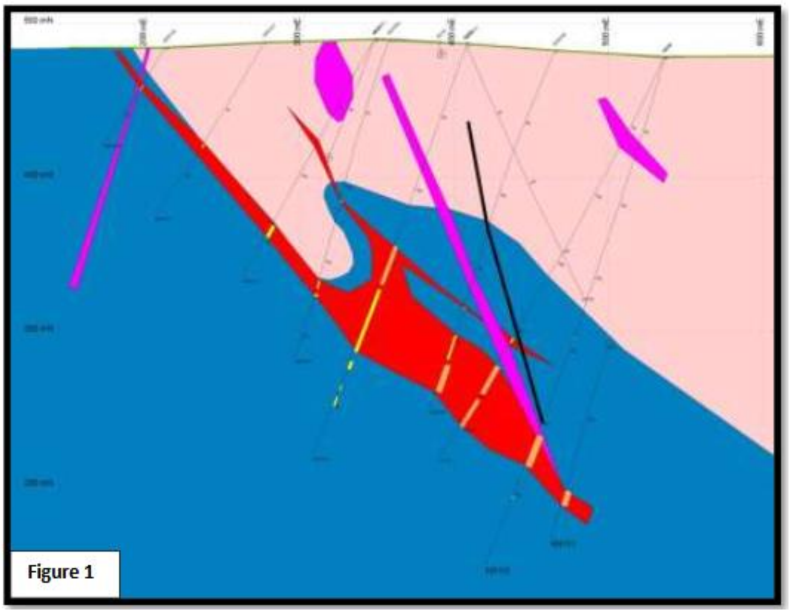

Figure 7.5.2: Cross Section of KB153 showing sulphide mineralisation in red.
Source ASX 10/3/16
Histogram values Cu: Yellow 0.4 – 1.0%; Orange: 1-2%; Purple: >2%
Red is sulphide mineralisation, blue is gneiss, pink is dolerite.

As significant mineralisation was achieved in drill hole KB151 (ASX release 15 October 2015), drill testing was undertaken on the southern down-dip edge of Kaiser Bill. Of particular note was the copper and gold grades being well above the grades of the current resources.

Table 7.5. Results from drilling released on 10/3/2016. Kaiser Bill, Drill Hole KB153 and KB155,

KB153	Northing (m) 7948448	Easting (m) 186780	RL (m) 478.4	EOH (m) 333.9	Dip -75	Azi (AMG) 326.5°
	FROM	TO	INTERVAL	%Cu	g/t Ag	g/t Au
	259	281	22	1.57	1.3	0.34
Includes	263	275	12	2.3	4.8	0.54
Ho le	Northing (m) 7948490	Easting (m) 186870	RL (m) 478	EOH (m) 351.7	Dip -75	Azi (AMG) 316.5°
	FROM	TO	INTERVAL	%Cu	g/t Ag	g/t Au
	305	319	14	1.59	5.55	0.27
Includes	308	315	7	2.08	6.14	0.32
	323	327	4	3.3	13.5	0.74

7.6 Chloe / Jackson / Stella Projects

The Chloe/Jackson Deposits host combined Mineral Resources of 3.0Mt grading 5.3% Zn, 2.0% Pb, 0.2% Cu and 53g/t Ag.

Deposit	Type	Tonnes	Zn	Pb	Cu	Ag g/t
Chloe/Jackson	Indicated	1.700,000	5.0	2.2	0.2	61
	Inferred	1,300,000	5.6	1.9	0.2	44

Mineralisation is interpreted to have been part of one larger system that has since been dismembered and now occurs as a series of discrete massive sulphide lodes. The three lodes have similar alteration and mineralisation assemblages and overprinting relationships.

Jackson

The Chloe and Jackson deposits were previously known as Mount Misery and Railway Pb-Zn-Ag Horizons. The Mount Misery and Railway Pb-Zn-Ag Horizons were discovered in the early 1970s by Otter as base metal gossans after follow up on stream sediment anomalies.

Otter entered into a Joint Venture with CRA in the mid-1970s, with Otter owning the tenement and CRA conducting the exploration activities. Exploration under the Joint Venture was conducted over the prospect area through to the early 80's and included mapping, costeans, soil sampling, ground magnetics and drilling over the outcropping gossan.

A total of 10 diamond drill holes were drilled below the gossans, with the best intersection being from hole MD8 with 15.6m at 5.9% Zn, 2% Pb, 41g/t Ag, 0.3% Cu from 631m. Only 4 holes intersected significant mineralisation. A mining lease was granted to Otter In the early 1980's that covered the main prospects, and in 1983, CRA pulled out of the Joint Venture to focus on projects elsewhere.

There was no further exploration over the prospect until 2003 when Teck Cominco took ownership. Teck completed mapping, soil sampling, a ground magnetic survey, fixed loop surveys and a single diamond drill hole. Extension drilling over the prospect was conducted after the project was transferred out of Teck to float Copper Strike, who completed 152 drill holes between 2006 and 2010.

Following on from significant mineralisation intersected in JA086 (ASX Oct 15, 2015) further drill testing to extend the Jackson resource was undertaken with JA087b and JA088. Both holes targeted the extension of the north-dipping, sheet-like deposit beyond the limits of the currently defined resources. Much of the Jackson resource is a relatively simple north-dipping sheet. The project is under the recent farmin agreement with Wanguo International Mining Group (Wanguo)

An early hole, JA004, suggested this sheet terminated; however JA087b 14m@ 1.6% Pb, 4.3% Zn 0.3% Cu from 370m down hole shows that the sheet-like lens steepens but is still present. This opens up a further area of potential mineralisation. This result appears to extend the zone of mineralisation beyond earlier drilling.

Hole JA088 - 5m @ 4.2% Zn, 1.1% Pb, and 0.18% Cu from 207m down hole; confirms the presence of the north-dipping sheet beyond the currently defined resource, in an area not previously drilled.

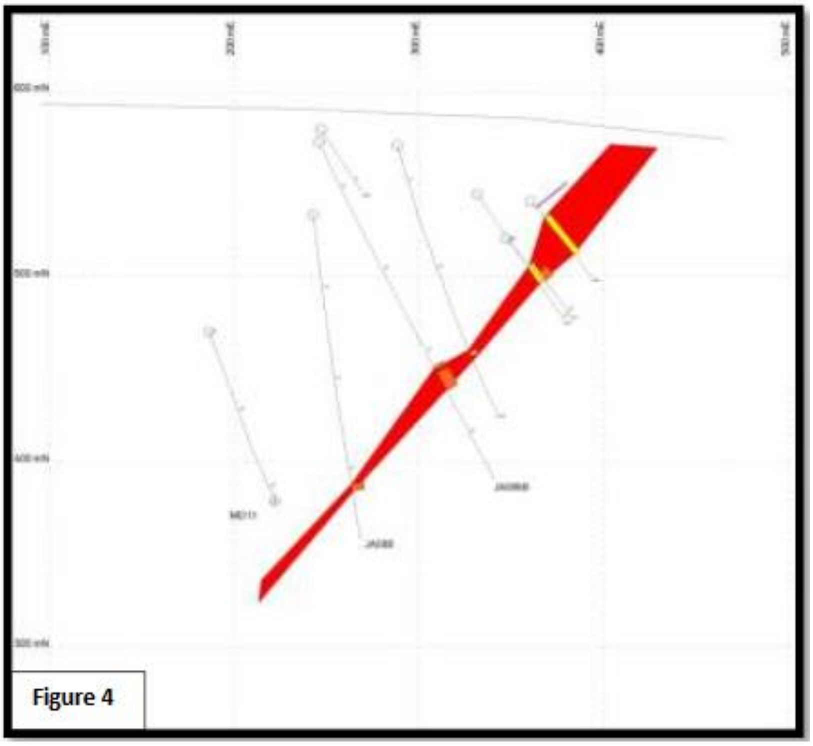

Figure 7.6: Jackson Cross Section JA088b showing north dipping sulphide mineralisation in red.

Source ASX 10/3/16

Histogram values Pb+Zn. Yellow 3-5% Pb; Orange 5 – 7%; Purple >7%. Red is north dipping sulphide mineralisation

Airborne magnetics cover the main project area.

Ground magnetics surveys were completed in 2 areas;

Adjoining and extending the earlier Chloe-Teasdale ground magnetic survey and at a new prospect “Eureka”.

7.7 Railway Flat Project Geology and Mineralisation

The Railway Flat Deposit hosts a Mineral Resource of 0.9Mt grading 3.4% Zn, 0.9% Pb, 0.2% Cu and 16g/t Ag.

Railway Flat was discovered in the 1970s. In 1977, Railway Flat was targeted for more detailed exploration, due to its relative proximity to Einasleigh and Kaiser Bill. It was also considered to be under-explored due to extensive soil cover. A total of 16.5km of gridding along a 10.5km base line was completed over the prospect area and an auger drilling program was completed on a 500 x 25m grid. This initial drilling outlined an anomalous zone of lead and zinc over a 2km strike length. Several costeans and percussion drill holes were also completed with encouraging results (Walters, 2000).

Exploration continued over the following years to the early 1980s, including further gridding, auger drilling, percussion and diamond drilling, a ground magnetic survey, a Pulse EM survey and DHTEM surveys. A total of 32 percussion holes and 5 diamond holes defined a resource of 500,000 tonnes at 4.2% ***Zn,*** 1.3% Pb, 25 g/t Ag and 0.3% Cu. CRA withdrew from the Joint Venture in 1983 and Otter pegged mining leases over the most perspective areas of the belt which included mining lease MDL92 over Railway Flat (Walters, 2000).

In the mid-1990s, BHP Exploration and Otter conducted minor exploration including soil sampling, ground magnetics and drilling.

Having taken control over the prospect area, Copper Strike completed two drilling campaigns during 2007 and 2008 for a total 37 drill holes, increasing the resource to 0.94 Mt @ 3.4% Zn, 0.9% Pb, 0.2% Cu and 17g/t Ag.

Base metal mineralisation consists of two sub-parallel sulphide lodes, the Hanging Wall Lode ("HW") and the Footwall Lode ("FW"), which are between 10-20m apart. The two lenses may coalesce in places to produce thick intersections of better grade material. The lodes strike northwest-southeast and dip about 45° to the southwest.

7.8 Total resources of Einasleigh Project

Table 7.8.1. Copper Resources,

Deposit	Category	Type	Tonnes	Zn%	Pb%	Cu%	Au g/t	Ag g/t	*
Balcooma North	Indicated	Fresh	121,000	0.1	0.0	2.0	0.0	6	
	Inferred	Fresh	12,000	0.2	0.1	2.3	0.0	11	1
Maitland	Indicated	Oxide + Fresh	1,450,000	0.0	0.0	1.5	0.0	0	2
	Inferred	Fresh	40,000	0.0	0.0	1.1	0.0	0	2
Einasleigh	Indicated	Fresh	500,000	0.0	0.0	4.0	0.2	18	3
	Inferred	Fresh	600,000	0.0	0.0	1.9	0.1	8	3
Kaiser Bill	Indicated	Oxide + Fresh	13,300,000	0.0	0.0	0.9	0.1	7	5
	Inferred	Oxide + Fresh	2,200,000	0.0	0.0	0.9	0.1	7	5
Total			18,223,000	0.0	0.0	1.1	0.1	6.8	

Table 7.8.2: Polymetallic Resources

Deposit	Category	Type	Tonnes	Zn%	Pb%	Cu%	Au g/t	Ag g/t	*
Balcooma Lens 2	Indicated	Fresh	456,500	5.6	2.4	1.1	0.4	35	4
	Inferred	Fresh	575,500	3.1	1.2	1.5	0.3	24	4
Dry River South	Measured	Fresh	92,000	9.6	3.9	1.1	0.7	76	2
	Indicated	Fresh	78,300	7.2	2.4	1.1	0.7	68	2
	Inferred	Fresh	560,000	6.4	2.3	0.9	0.6	59	2

New Surveyor East	Indicated	Oxide	179,000	0.0	6.4	0.1	1.2	93	2
Mt Garnet	Measured	Fresh	115,000	9.6	0.1	0.3	0.0	0	2
	Indicated	Fresh	537,000	5.2	0.0	0.4	0.0	14	2
	Inferred	Fresh	31,000	6.6	0.0	0.3	0.0	46	2
Chloe/Jackson	Indicated	Fresh	3,400,000	4.7	2.1	0.2	0.0	47	6
Railway Flat	Inferred	Fresh	900,000	3.4	0.9	0.2	0.0	16	3
			6,524,300	5.0	1.8	0.5	0.2	42	

1* Kagara Limited ASX release 11 January 2012 (JORC Code 2004 Edition)

2* Kagara Limited ASX release 21 September 2011 (JORC Code 2004 Edition)

3* Kagara Limited ASX release 25 October 2011 (JORC Code 2004 Edition)

4* Kagara Limited ASX release 5 December 2011 (JORC Code 2004 Edition)

5 Jason McNamara ASX release 17 October 2017

6 Jason McNamara ASX release 19 September 2017

*With respect to the resource statements for these projects Consolidated Tin Mines Limited has relied on the veracity of the original resource statements. Consolidated Tin Mines Limited confirms it is not aware of any material changes to the resource statements. This information was prepared and first disclosed under the JORC Code 2004 Edition. It has not been updated since to comply with the JORC Code 2012 Edition on the basis that the information has not materially changed since it was last reported.

8. Surveyor Project

8.1 Introduction

The Project, includes the Balcooma, Dry River South and Surveyor East deposits, and hosts a combined primary copper Mineral Resource of 133kt grading 2.0% Cu and 6g/t Ag as well as a combined polymetallic Mineral Resource (JORC2004) of 1.94 Mt grading 4.8% Zn, 2.5% Pb, 1.1% Cu, 0.5g/t Au and 47g/t Ag.

Two high priority targets have been identified at the Surveyor Project, with extensions to the mineralised lenses at Balcooma Mine indicated by drilling which intersected high-grade massive sulphide approximately 200 metres down-plunge of the Upper Lens position (2.8m @ 21.7% Zn, 17.8% Pb, 0.6% Cu, 52 g/t Ag and 0.22 g/t Au). This position remains untested down plunge, while Lens 2 has not been fully defined either down-dip or up-plunge. The interpreted target zone at The Hill prospect has potential for both polymetallic and copper-gold mineralisation.

8.2 Historical

Base metal mineralisation within the Surveyor Project area was first identified with the discovery of the Surveyor gossan by Geopeko in 1975 and, as a result, the original Surveyor Mining Lease (ML 1393) was pegged. In 1978, Carpentaria Exploration was granted the exploration tenement around the Surveyor ML and, in late-1978, discovered the Balcooma zinc-rich and copper-rich massive sulphide deposits 2km north-east of Surveyor.

Initial drilling at Surveyor in 1980-1981 was not successful until in 1981, Geopeko entered into a JV with Noranda who discovered the Surveyor zinc-rich polymetallic massive sulphides with drillhole PDH-11/SD13 in December 1982.

Prior to the Surveyor discovery, several of the earliest holes, including the first two holes drilled in the Surveyor environs, PDH01 and PDH02, tested gossans to the east of Surveyor. In 1983, drillhole SD41 intersected the Surveyor East high-grade secondary lead mineralisation with 1.6m from 10m depth grading 53.5% Pb, 620 g/t Ag and 7.4 g/t Au.

In 1985, Carpentaria tested an electromagnetic ("EM") conductor about 1km south of Surveyor and intersected zinc-rich polymetallic massive sulphides in hole DRS15, the 15th hole drilled in the Dry River South ("DRS") environs and the deposit discovery hole. The DRS orebody is a faulted southerly extension of the Surveyor orebody.

Kagara acquired the Balcooma tenements, EPM 9323 and the small Surveyor Mining Lease ML 1393, in late 2000. Resource definition drilling commenced in mid-2002, initially targeting the northern portion of the DRS orebody and the Surveyor deposit, before commencing an extensive drilling programme on the Balcooma polymetallic and copper deposits in 2003. During this period, Kagara increased its tenement holding by successfully applying for EPMs 13229 and 14107 and Mining Lease 30156 which encompasses the Surveyor, DRS and Balcooma deposits.

Kagara commenced mining operations in late 2002 when pre-stripping started at Surveyor. The mine was placed on care-and-maintenance in April 2012 when Kagara entered into Voluntary Administration.

Mine production to date from the separate deposits is as follows:

Surveyor open pit mine produced 600,000t at 16.6% Zn, 6.2% Pb and 1.0% Cu from a pre-mining reserve of 630,000t at 15.8% Zn, 5.8% Pb and 0.7% Cu;

DRS underground mine produced 850,000t at 9.0% Zn, 3.1% Pb and 1.0% Cu from a pre-mining reserve of 756,000t grading 12.2% Zn, 4.1% Pb and 0.9% Cu;

Balcooma open pit mine produced 2.42Mt of copper ore grading 3% Cu from a pre-mining reserve of 2.32Mt grading 3.2% Cu, and 600,000t of polymetallic ore grading 6.5% Zn, 3.9% Pb and 2% Cu from a pre-mining reserve of 470,000t grading 8% Zn, 4.4% Pb and 2.6% Cu; and -

Balcooma underground mine produced 1.06Mt of copper ore at 3.1% Cu from a pre-mining reserve of 960,000t at 3.1% Cu, and 180,000t of polymetallic ore grading 5.4% Zn, 2.1% Pb and 0.7% Cu from a pre-mining resource of 960,00t at 7.5% Zn, 3.5% Pb and 1% Cu.

8.3 Balcooma Orebodies

The Balcooma group of orebodies comprises three zinc-rich polymetallic deposits and two copper deposits. All deposits plunge gently to the south, with ore-grade mineralisation extending for 1.1km down-plunge. The deepest of the polymetallic lenses extends to about 350m below surface.

The three zinc-rich polymetallic massive sulphide lenses are vertically stacked about 100m apart in cross section and, with depth, each lies to the north of the overlying lens. With increasing depth, the lenses are called Upper, No.1 and No.2 zinc lenses. The main copper-rich massive and stockwork sulphide lens, referred to as Main Copper, is centred roughly between and about 100m east of the Upper and No 1 lenses and is the largest of the Balcooma group of deposits and

the largest deposit found to date in the BMG belt. A small copper lens immediately to the north of Main Copper, called Balcooma North, is connected to Main Copper by low-grade mineralisation and may represent a structurally displaced portion of the Main Copper orebody. The copper mineralisation is interpreted as a footwall feeder zone to the polymetallic mineralisation.

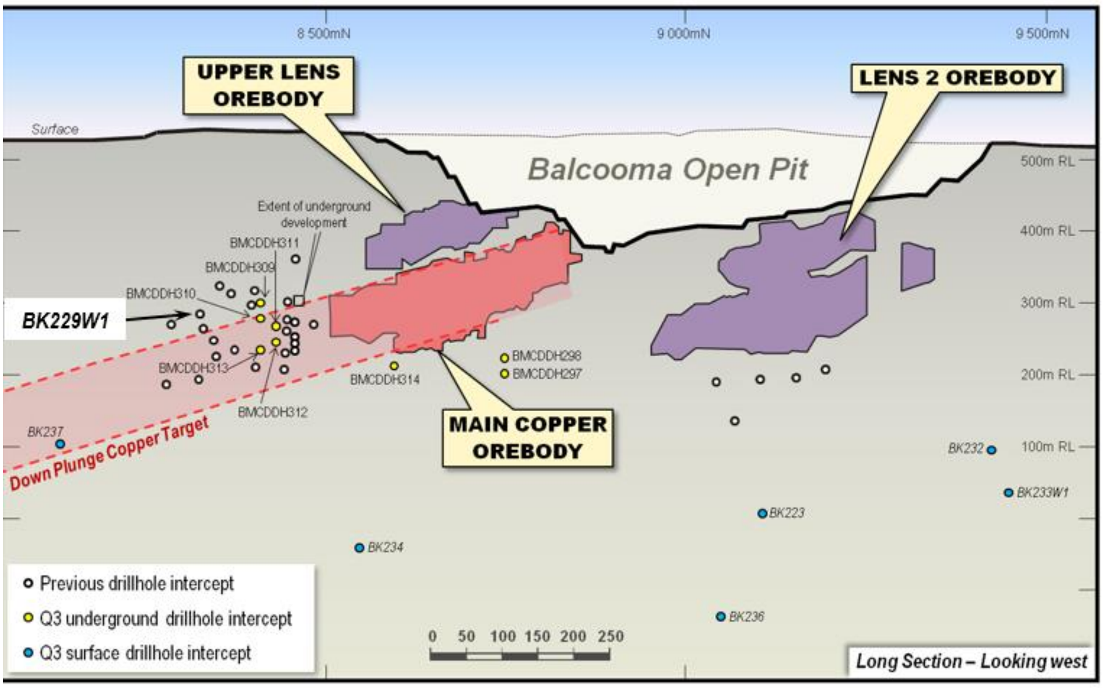

Figure 8.3: Balcooma orebodies.

Approximate dimensions of the main mineralised lenses at Balcooma are:

The polymetallic deposits typically extend for about 100 to 150m down-dip, range from 300m down plunge (No.2 Lens) to 500 metres down-plunge (Upper Lens) and are generally 5 to 10m thick; The Main Copper lens has a down-dip extent of approximately 100m, extends down-plunge for one kilometre and is up to 50 metres thick; and Both the Upper Lens and Main Copper lens outcrop and their original sizes are indeterminable.

Balcooma Lens 2 Polymetallic Resource

The Balcooma Lens 2 Mineral Resource was updated in December 2011 by Kagara and has been depleted to account for mining. The Lens 2 Resource is located in five related lenses.

The main lens is quite robust and contains approximately 75% of the Resource. Three of the other four lenses are minor and of generally lower grade tenor. The Lens 2 mineralisation is zoned from zinc rich up-dip to copper rich down-dip. Geological/wireframe interpretation of Lens 2 was based on 92 holes, 90 of which were diamond and 2 RC. A strict grade cut-off was not adhered to during wireframing, rather a combination of geology, structure and anomalous grades was applied. Indicative cut-off grades were approximately 3% Zn and 0.5% Cu (Kagara Limited, 2011).). The current resource stands at :

> Indicated Resource: 456,500t at1.5% Cu, 1.2% Pb and 3.1 % Zn with minor associated gold and silver.
>
> Inferred Resource: %75,470 t at 1.5% Cu, 1.2% Pb and 3.1%Zn with minor associated gold and silver.

Balcooma North Copper Resource

The resource comprises Indicated, 120,580t at 2% Cu, and Inferred, 12,480t at 2.3% Cu. A block model and Mineral Resource update for Balcooma North was estimated in-house by Kagara in September 2011 following close-spaced (25 x 25m pattern) surface core drilling during Q1FY12. Tonnes and grade are reported for all blocks containing greater than 1% copper.

Reserves

At Balcooma underground there are approximately 221kt of copper and polymetallic Reserves remaining in situ. Approximately 64kt of this material is readily available. A further 23kt is accessible following further rehabilitation, backfill or development. The remaining 134kt is contained within ore zones adjacent to the main decline and is only recoverable on final retreat.

Auralia's review of mining costs and physicals for Balcooma over 3 years (2010 to 2012) showed an average mining and processing (including smelting) costs of approximately \$1.70/lb Cu and \$1.45/lb Cu respectively. At the time, with a copper sell price of \$3.75/lb (currently \$2.54/lb), this represented a cash margin of \$0.60/lb Cu. Applying this cash margin to the remaining Reserves and using 100% mining recovery and 90% process recovery, the Balcooma Underground Mine would have had an approximate operating cash flow of \$5M.

8.4 <u>Dry River South Deposit</u>

The Dry River South zinc-rich polymetallic orebody is a sheet of massive pyritic sulphides that dips at a shallow angle to the ESE and plunges gently to the SSW. Massive pyritic sulphides lie along, and just below, the upper contact between highly altered felsic volcanics and relatively unaltered hangingwall metasediments and extend for up to 250m down-dip and approximately 800m down plunge. The orebody reaches a maximum thickness of about 15m in structurally thickened domains. The orebody is delimited to the west by late faulting and an extensive body of quartz feldspar porphyry. Downdip and down-plunge limits are defined by a decrease in sulphides. To the north, the DRS orebody is cut by a complex array of late faults including the NE-trending Andesite Fault. This is interpreted to represent the first stage of structural separation of the DRS orebody from the Surveyor orebody, which lies about 600m to the north.

Dry River South Polymetallic Resource

The Dry River South ('DRS') deposit hosts a current Mineral Resource - measured, indicated and inferred - of 730kt @ 6.9% Zn, 2.5% Pb, 0.9% Cu, 0.6g/t Au and 62g/t Ag (Table 3-5). The resource estimate was compiled by Kagara in January 2008, resulting in the estimation of an undepleted resource of 2.4Mt @ 8.0% Zn, 2.7% Pb, 1.0% Cu, 0.7% Au and 67g/t Ag (Kagara Limited, 2008). The Dry River South deposit comprises a single massive sulphide lens composed of predominantly pyrite, sphalerite and galena, which occurs just below the contact between rhyolite of the Dry River Volcanics and an overlying meta-greywacke sequence interpreted to form part of the Clayhole Schist.

8.5 <u>Surveyor Deposit</u>

The high-grade, zinc-rich polymetallic Surveyor orebody occupies a syncline bound by late brittle faults to the east and west and by post-mineralisation, pre-deformation quartz-feldspar porphyry bodies. The asymmetric fold is approximately 300m long, up to 100m wide and up to 25m thick in the core of the fold. Massive sulphides, comprising sphalerite, pyrite, galena and chalcopyrite are concentrated near the top of highly altered and schistose felsic volcanics, overlain by a relatively unaltered, post mineralisation magnetic orbicular dacite peculiar to the immediate Surveyor environs. Disseminated footwall sulphides immediately below the massive body contained ore-grade zinc and comprised part of the mined orebody.

New Surveyor East Polymetallic Resource

The New Surveyor East Inferred Resource amounts to 179kt grading 6.4%Pb, 0.1% Cu, 1.2g/t Au and 93g/t Ag. The deposit consists of three mineralised zones:

The first lens (Zone500) has been logged as a gossan. It ranges in true thickness from 1m to 10m.

The second lens (Zone510) is a sub horizontal pod ranges in thickness from 1 to 12m thick

The third is a semi massive sulphide lens which sits below the base of oxidation. This lens has been defined by one hole. There was insufficient information to model this zone. The base of oxidation ranges from 30 to 60m below the surface.

Surveyor Project Exploration and Prospectivity

Exploration by Kagara since 2000, as with previous explorers, has been concentrated along the Mine Corridor. Outside the Mine Corridor, regional exploration by Kagara included: extensive soil sampling using a handheld XRF unit, with analyses collected from 32,634 sites; a detailed heli-borne magnetics/radiometrics survey along the extent of the BMG belt; a low-level heli-borne electromagnetic/magnetics survey over West Boyds Creek, Boyds 5, DRS and The Hill prospect; the drilling of 43 holes for a total of 11,558m.

Kagara’s exploration added to the prospect inventory, identifying the Lochlea, West Boyds Creek South, Kingston, Red Dragon and Dragons Claw prospects.

8.6 Balcooma Mine Corridor.

Two main prospective targets have been identified within the Balcooma Mine Corridor:

- Extensions to the mineralised lenses at Balcooma mine; and
- The Hill Prospect.

Balcooma Extensions

Drilling by Kagara intersected high-grade massive sulphides approximately 200 metres down-plunge of the Upper Lens position with hole BK229W2 intersecting 2.8m from 347.3m grading 21.7% Zn, 17.8% Pb, 0.6% Cu, 52 g/t Ag and 0.22 g/t Au. Approximately 65m up-dip of this high-grade intercept Hole BK179 intersected 4.4m from 274m grading 1.22% Cu and 0.21 g/t Au in massive and semi-massive pyritic sulphides and hole BK229 intersected 1.2m of weakly mineralised semi-massive pyrite approximately 25m down-dip of the high-grade BK229W2 intersection. This position remains untested down-plunge. The No.2 Lens has not been fully defined with potential for incremental increases both down-dip and up-plunge.

8.7 The Hill

The Hill prospect magnetic anomaly and associated highly anomalous stockwork chalcopyrite-pyrite magnetite, is interpreted as a stockwork feeder zone, thrust over a potential massive sulphide body. The interpretation is supported by structural and stratigraphic setting. The interpreted target zone has potential for both polymetallic and copper mineralisation.

The location of The Hill prospect in a structurally complex setting between, and along strike from the Surveyor and Balcooma orebodies, presents a first-order target for further investigation. The overall orientation of the stratigraphy appears to be more easterly than at both Surveyor and Balcooma; this is attributed to large-scale drag folding associated with D3 dextral faulting. Structural elements at The Hilt include large- and small-scale and commonly over turned D2 folds, zones of intense D2 strain, commonly with intervals of mylonite, and zones of intense 53

crenulation cleavage, indicative of potentially significant displacement during D3. Similar structural complexity is evident at Balcooma.

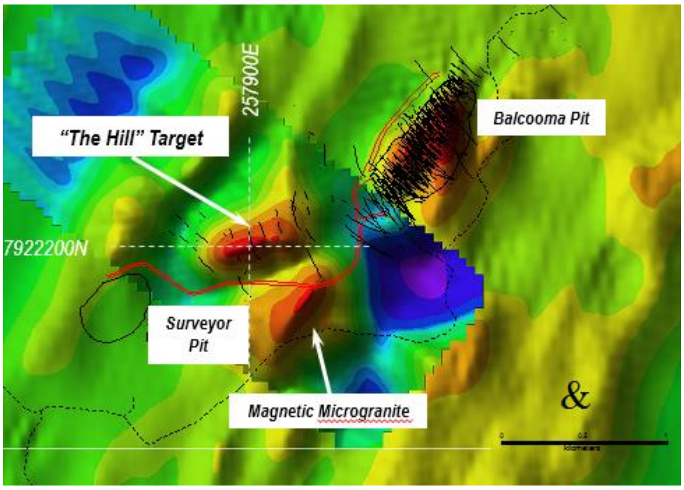

Figure 8.7: Balcooma Hill target.

An interpretation of the potential of The Hill to host economic mineralisation is supported by the following features:

- Magnetite associated with copper-gold mineralisation is common to both The Hill and Balcooma Main Copper deposit;
- Magnetite is a significant component of polymetallic mineralisation at Balcooma, particularly the Upper and No.1 lenses;
- Copper mineralisation at The Hill is consistent with footwall alteration typically associated with VMS-style massive sulphides;
- Intense folding and shearing suggests that gross reorientation and displacement of potential orebodies is to be expected, as evidenced at Balcooma.

9. Maitland Project

9.1 Maitland Mine

The project area is covered by EPM 12510 and 12513. Previous exploration targeted various styles of base metal mineralisation and unconformity-related uranium mineralisation at the base of Devonian conglomerates within the Maitland Sub-basin, which covers an area of about 100 km^2.

9.2 Historical

Glengarry Resources Limited, 2005-2008: Glengarry's programme specifically targeted anomalous copper-in-soils geochemistry, identified by Laskan Minerals in 1969, along the interpreted trend of the Maitland Shear Zone where it crosses into EPM12510. The Maitland Shear Zone is interpreted as a splay off the Lynd Mylonite Zone. During its tenure, Glengarry sold the uranium exploration rights to Mega Georgetown Pty Ltd (a wholly owned subsidiary of Mega Uranium Ltd).

Mega Georgetown, 2007-2010: completed a low level aeromagnetic/radiometric survey flown at 100m line spacings, over the Maitland tenements, including EPM12510

9.3 Resource

The Maitland Deposit, formerly the Daintree Copper Mine, hosts an Indicated and Inferred (JORC 2004) Mineral Resource (Table 11.5.1) of 1.5 Mt grading 1.5% Cu, 14g/t Ag and 0.02% Mo. (Cube Consulting, March 2008).

No ore reserves have been estimated for Maitland, however metallurgical testwork and a high level scoping study were undertaken by Glengarry Resources in 2007 and 2008 respectively. Mineralisation is hosted in two distinct shoots (northern and southern) for which there are footwall and hangingwall domains.

For each shoot there are distinguishable grade domains. Drilling at Maitland is limited to a depth of 200m through the ore position, except for one hole which intersected 14m @ 1.48% Cu from 309m. This intersection lies just below the interpreted down plunge position of the Southern Lens. The deposit remains open down-plunge on the Southern Lens and along strike (and possibly down-plunge) to the south on the Northern Lens. Previous drilling has outlined a higher-grade core to the Southern Lens which is +2.5% Cu, demonstrating the presence of higher grade mineralisation.

Mineralisation occurs as a shear-controlled, quartz body with disseminated chalcopyrite and molybdenite hosted in calc-silicate gneiss with the ore body cut by a number of amphibolite sills. In detail, the mineralisation is associated with two 45-60°, south-southwest plunging, lozenge shaped orebodies. The shape of the orebodies is controlled by the intersection of subvertical shears with the shallow south plunging stratigraphy. The mineralisation appears epigenetic, structurally controlled and possibly coeval with north south trending shears.

Drilling at Maitland is limited to a depth of 200m through the ore position, except for one hole which intersected 14m @ 1.48% Cu from 309m. This intersection lies just below the interpreted down-plunge position of the Southern Lens. The deposit remains open down plunge on the Southern Lens and along strike (and possibly down plunge) to the south on the Northern Lens. Previous drilling has outlined a higher-grade core to the Southern Lens which is +2.5% Cu, demonstrating the presence of potential extensions of higher grade mineralisation.

10. Valuation Methodologies

10.1 Introduction

There are a number of valuation methods in common use. As the methodology is highly subjective and can only be carried out by a geologist more than one method is used where possible and a range of values for each method is estimated, encompassing the valuer's highest and lowest estimates. Within this the valuer will select his most likely value.

- The multiple of exploration expenditure method; this applies a multiplier known as a prospective enhancement multiplier (PEM) usually in the range 0.5 — 3.0, to past expenditure which is considered to have been effective in advancing prospectivity. Sometimes committed future expenditure also may be taken into account.
- The actual transaction method which, as its name suggests, uses recent transactions for the property in question as a basis for assessing a value which may be modified for the results of exploration since the time of that transaction.
- The comparable transaction method involves comparison with recent, transactions for properties with similar exploration prospectivity characteristics in the same geological environment or geographical region. Often such transactions are of a "farm-in" or joint venture nature.
- The expected value method is also a semi-quantitative method which can be used when it is reasonable to assess the likely economic parameters of a target. The value is

estimated by using discounted cash flow analysis, subtracting from that value the costs of proving the target and applying to the result a judgmental probability factor that the target will be achieved.

- The rating system method (Geoscientific) which assigns a value by applying to a "basic acquisition cost" (BAC) of an exploration tenement a relative rating assigned to a number of different attributes of the property. The BAC is the unencumbered value of any type of tenement in the mining industry and is the cost of acquiring the ground and keeping it for one year. The value of the underlying mineralisation, if any, is not part of this initial valuation that is it is independent of what lies below the ground.
- The yardstick value method which can be used when there is a defined resource or when the data that is available permits the valuer to make a reasonable estimate of the likely parameters of the exploration target. Typically for a gold property this yardstick value is based on the ounces of gold contained in the resource and is derived from comparison with a number of other recent transactions for similar properties. This may also apply to well established zones of mineralisation which have not formally been categorised under the JORC code. An additional risk weighting may be appropriate in these circumstances. A popular 'rule of thumb' method to value tenements is to apply a factor to the gross metal value in ground. This factor is commonly around 3% but will vary considerably according to the level of confidence in the resource figures used and the economic strength of the project.

Figure 10.1.1: Historical Resource Values – gold and copper

Source: http://goldprice.org/spot-gold.html

Figure 10.1.2: Historical copper Prices

Source: http://www.infomine.com/investment/metal-prices/copper/all/

Risks

Estimation of risk needs to be taken into account in assessing mineral projects, the principal risks being summarised as follows:

Mining and Exploration Risks. The successful exploitation of mineral exploration resources and the design and construction of efficient mining facilities has inherent risks which can be hampered by force majeure circumstances, cost over-runs, inconsistent grades and other unforeseen events. The technical risks attached to resource project development and production is unknown until economic resources are outlined.

Environmental Impact Constraints. Exploration and development of any resources will be dependent on the projects meeting environmental guidelines. The grant development permits are dependent on approval of environmental management programmes.

Native Title. The effect of various legislation is that mining tenements may be affected by native title negotiation processes.

Land Access. A mining company may be required to seek consent of landholders to obtain access to resources and for exploration. Legislation could restrict access to tenements.

Geological risk: the actual characteristics of an ore deposit may differ significantly from initial interpretations.

Resource risk: all resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

Commodity price risk: revenues will be derived through the sale of tin concentrate expose the potential income to tin price risk. The tin price fluctuates and is affected by many factors beyond the control of CSD. Such factors include supply and demand fluctuations, technological advancements, forward selling activities and macro-economic factors.

Exchange Rate risk: The revenue CSD derives from the sale of tin concentrate exposes the potential income to exchange rate risk. International prices of various commodities are denominated in United States dollars, whereas the financial reporting currency of CSD is the Australian dollar, exposing the company to the fluctuations and volatility of the rate of exchange between the USD and the AUD as determined by international markets.

Processing risks: A reduction in plant throughput would result in reduced revenue. In all processing plants, some metal is lost to the tailings stream rather than reporting to the valuable product. If the recovery of metal is less than forecast, then revenue will be reduced.

Operational cost risk: an increase in operating costs will reduce the profitability and free cash generation of the project.

Management and labour risk: an experienced and skilled management team is essential to the successful development and operation of mining projects.

10.2 Valuations used for Exploration Projects without mineral resources

Valuing projects without resources is carried out by looking at the exploration prospectivity of the tenements and may use a combination of:

- The Geoscientific method.
- The prospectivity gained from past expenditure.
- Comparative valuation looking at properties that have reached a similar stage of development

Geoscientific Method

The Geoscientific rating (or Kilburn approach) is an attempt by the Expert to quantify the various technical aspects of a property through the use of multipliers which are applied to a base (or intrinsic) value. This intrinsic value is the keystone of the method as it provides a standard base from which to commence a valuation. This intrinsic value is known as the basic acquisition cost (BAC) which represents "the average cost to identify, apply for and retain a base unit of area of title". Previous valuations using the method in Australia have determined that the BAC is to be applied to a tenement of average area and average tenure period (i.e. the total average expenditure per standard unit area, typically per block or per sq km). It is important to note that different practitioners use slightly differing approaches to calculate the BAC.

To arrive at a value for each property the valuer then grades four key technical attributes which either enhance or downgrade the intrinsic value of each property. The factors comprise off-property attributes, on-property attributes, anomalies and geology. The attributes are given

incremental, fractional or integer ratings to arrive at a series of multiplier factors. These multipliers are then applied sequentially to the BAC to estimate the Technical Value of each mineral property. A fifth factor reflecting the current state of the market is then applied to estimate the Market Value.

The market component may be estimated according to the expert's knowledge of the particular property. This can include a discount by considering conceptual exploration target models for the area.

The geoscientific rating approach makes an attempt to implement a system that is both systematic and defendable. It demands a degree of detached rigor whilst endeavouring to account for the key factors that can be reasonably considered to impact on the exploration potential of a property. There is a body of theory that can be used to support that judgement. However, it is important to note that application of the method should be undertaken by qualified valuers and supported by other valuation methods otherwise there can be a tendency for a "value by numbers" approach.

Geoscientific Assumptions Used

The valuation of an asset using the geoscientific rating method is based on a standard cost for a typical exploration project, to which a series of multipliers are applied to determine the Technical Value. This is then adjusted for local market conditions to determine the Fair Market Value of the project as at the effective valuation date. Components of the BAC include the identification costs and retention costs, application fees (including lodging caveats and assigning) rental, administration costs, security costs, heritage expenditure, rehabilitation and the expenditure commitment required by the Department for one year.

Given the nature of the exercise, there is inevitably a degree of subjectivity in making assessments regarding the applicable multipliers and base acquisition costs. Consequently another party may not necessarily reach the same conclusions as the selection of the appropriate costs and market factors to apply to the geoscientific rating method is fundamentally a matter of judgement. However, one of the major benefits of the geoscientific rating method is that it discloses in clear, unambiguous terms the subjective judgements made by the valuer in assessing the merits of the project tenements.

Metals Multiplier Table

Multipliers or ratings and the criteria for rating selection are summarised in the table below. In determining the technical value for the tenements, the company's equity interest in the property is taken into consideration, if they are subject to either a farm-in, joint venture or option to purchase arrangement.

Table 10.2: Geoscientific Metals Rating Criteria

Rating	Off Property Factor	On Property Factor	Anomaly Factor	Geological Factor
0.1				Unfavourable geological setting
0.5			Extensive previous exploration gave poor results	Poor geological setting

0.9			Poor results to date	Generally favourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation on lease	No targets outlined	Generally favourable geological setting
1.5	Minor workings	Minor workings or mineralised zones exposed	Target identified, initial indications positive	
2.0	Several old workings in district	Several old workings or exploration targets identified	”	Favourable geological setting with structures or mineralised zones
2.5	”	”	Significant grade intercepts evident but not linked on cross or long section	”
3.0	Minor abundant workings with significant previous production	Minor abundant workings with significant previous production	”	Significant mineralised zones exposed in prospective host rocks
3.5	”	”	Several economic grade intercepts on adjacent sections	
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from a world class mine	”		
10.0		World class mine		

Appraised Value Method

The Appraised Value Method is one of the methods most applicable for valuing exploration properties that have neither viable ore reserves nor any imminent commercial production possibilities on which to establish a value. Its value is related to its potential for the existence of an economically viable ore body. An objective way to value a property's exploration potential is to equate it to the cost of exploration work that is warranted to assess that potential. This is mainly determined by figures and estimations of additional expenditure that might still be required.

Past and planned expenditures on a property of merit can be used to give a current dollar value for that property. Any expenditure considered as contributing to the value of the property are those, which are judged to be relevant, prudent, and which were incurred in accordance with normally accepted industry practices. Useful past expenditure saves the company from having to test areas that have already been tested, eg by soil and stream sediment sampling, RAB drilling etc. It also highlights more prospective areas on which the budget should be concentrated.

Evaluating the results of a previous exploration programme and its relevance to the appraisal process involves attempting to assess such parameters as:

- the geological environment of the property and its exploration potential
- the exploration programme planning and implementation.
- the exploration procedures used and their applicability to the style of mineralisation being sought or expected
- the overall scope of the work performed
- the effectiveness of the work conducted
- the depth and experience of the management team involved.

As a result of this evaluation process, the valuer must decide as to what degree the exploration efforts have enhanced or diminished the value of the property. Only those expenditures deemed relevant to the overall value of the property are retained and used in the valuation process. In cases where inconclusive results are obtained, a subjective judgement may be made by the appraiser either on the basis of his own experience or in consultation with other technical experts. It is relevant to consider the intention of the current owners regarding their exploration plans for the property and in this regard any funds committed to exploration work in the future budget period can be taken into account when arriving at an appraised value. New geological models may be relevant opening up areas once considered not worth further expenditure.

The expenditure on a project considered effective in terms of advancing the prospectivity of the areas is used, in conjunction with a subjective prospectivity enhancement multiplier, (PEM) to derive a value of the project, which takes into account the valuer's judgment of prospectivity and the value of the database. Future planned committed expenditure for the next 12 months should also be included as a measure of the estimated investment value of the property. The multiples of expenditure generally range from 1.0 to 3.0 with values greater than 1.0 applying where exploration has upgraded the property.

The multiples are listed below.

0.75	Previous exploration indicates that the area has very limited potential for a significant discovery.
1.0	Little past work is available but regional information is positive and warrants further exploration
1.5	Existing data is sufficient to warrant further exploration. Further work is expected to define interesting targets
2.0	An interesting target or targets are present for evaluation
2.5	The tenement contains a defined drill target with significant geochemical intersections.
3.0	Exploration is well advanced and limited infill drilling is likely to define an Inferred Resource

Comparative Valuation

A study of related exploration projects by Auralia (Memo to SPM 8/10/120) indicated a range of $2,000 to $6,000 per sq km could be applied.

10.3 <u>Valuations used for projects with mineral resources</u>

Valuing projects with mineral resources but which are not sufficiently developed for DCF calculations on profitability use a number of methods including:

Yardstick, where the total value of the resource is discounted to allow for recoveries and costs of extraction. This usually ranges from 1 – 5% of the total value

Comparative. Comparing costs with similar projects if they can be found

Joint Venture. JV terms can give an indication of value

10.4 Previous Valuations

There have been a number of previous valuations described below. These have not been incorporated into the current valuation as metal prices have changed considerably, the size of tenements has changed and the reports were not inclusive of all tenements except in the case of Auralia.

Kagara Limited entered into voluntary administration on 29th April, 2012, and appointed Taylor Woodings as administrators. On 25th January, 2013. SPM a company controlled by the Company's major Shareholder SPII, acquired the former Kagara Ltd's Central Region Assets, for $29,300,000 plus the assumption of $10,700,000 in environmental bonds for a total consideration of $40,000,000. SPM was then owned approximately 90% by SPII and 10% by CSD. This included an operating 1Mtpa concentrator and associated infrastructure at Mt Garnet (**Mt Garnet Processing Plant**) as well as a number of mining tenements, including those underlying the Mt Garnet Processing Plant, the Surveyor-Balcooma Mine, the Baal Gammon Mineral Rights Agreement, and projects at Einasleigh and Maitland. The Mt Garnet Processing Plant is centrally located in close proximity to the significant tin resources at the Gillian and Pinnacles deposits.

Auralia Mining Consultants, 30/10/2014, carried out an Independent Technical Valuation of the SPM Mineral Assets for Stanton International Securities Pty Ltd. Auralia gave the project a technical value of $38.3 M within a range of $23 M to $60 M

Minnelex carried out a valuation of some of the tenements for stamp duty assessment in 2014 and also provided an "Independent Technical and Valuation Report of Consolidated Tin Mines (CSD) by R Pyper 29.8.14"

Minnelex carried out an "Independent Technical and Valuation Report of Consolidated Tin Mines (CSD)" dated 3/8/2016

Wanguo Agreement. In the July 2014 ASX announcement Wanguo are required to complete 150,000m of drilling outside the main resource area to earn 50%. Assuming an overall cost of $50 - $75/m for drilling and assaying this would value the exploration tenements at around $15 - $22.5 M

Consolidated Tin Agreement with Snow Peak Mining

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 controlled by Mr Si He Tong.

The Asset Sale Agreement (Agreement) was for the acquisition of the assets, and associated liabilities, (together the Snow Peak Assets) of SPM by the Company and its subsidiaries Surveyor Mining Pty Ltd and Colinacobre Pty Ltd (the Group).

Snow Peak Assets acquired pursuant to the Agreement include 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.

The material terms of the Agreement are as follows:

Minnelex Pty Ltd. Valuation

Consideration for the acquisition included:

- Issue of 580,000,000 ordinary fully paid shares (Shares) to SPM, which are subject to a 2 year escrow period from date of issue; and
- Issue of a $16,500,000 convertible note to SPM, which is convertible into 165,000,000 ordinary fully paid shares. The convertible debt incurs interest at 7% per annum, payable quarterly in arrears, and mature 12 months from the date of issue.
- The Company assumed all liabilities of SPM that relate to the assets acquired.
- $2,000,000 paid to SPM in quarterly instalments of $500,000.

Following completion of the conditions precedent under the Agreement, on 5 April 2016 a General Meeting of Shareholders approved the terms and conditions of the issue of securities pursuant to the Agreement. The consideration payable pursuant to the Agreement was completed on 11 April 2016, at which time the Company recognised the acquisition of the Snow Peak Assets.

Consideration

The Group issued 580,000,000 Shares and a $16,500,000 convertible note as equity based consideration for the Snow Peak Assets. Independent advice was obtained regarding the fair value of the convertible notes, ordinary share and cash consideration. These items were valued in accordance with the Bloomberg method and are summarised below:

Details of Consideration		**Fair Value ($)**
Cash	$2,000,000 in equal quarterly instalments of $500,000 per quarter	1,974,483
Shares	580,000,000 Shares at ASA contract price of 2.5 cents per Share[1]	14,500,000
Convertible Note	Convertible notes with a face value of $16,500,000 convertible into 165,000,000 Shares	16,046,835
Total Consideration		**32,521,318**

This acquisition includes:

1. The 1Mtpa Mt Garnet concentrator facility and associated tenements
2. Replacement of Environmental Bonds (A$11.4M)
3. All mining plant and equipment
4. The Surveyor-Balcooma and Mt Garnet mines
5. The Einasleigh & Maitland projects and associated mining tenements
6. All associated mining information
7. The Baal Gammon Minerals Rights Agreement

The allocation of the 580,000,000 Consideration Shares (at an agreed value of 5 cents each) is as follows:

• 245,274,100 for the plant and equipment (deemed value $12.3 M)

• 228,725,900 for the Environmental Bonds ($11.4 M)

• 52,000,000 for the Tenements Part B as noted in the Asset Sale Agreement ($2.6 M

• 6,000,000 for the Baal Gammon Mineral Rights Agreement ($0.3 M)

• 8,000,000 for the Tenement Applications Part B as per the Asset Sale Agreement ($0.04 M)
• 40,000,000 for Mining Information and Records Part B as noted in the Asset Sale ($2.0 M) Agreement

CSD issued SPM with 580M ordinary shares and a convertible note for A$16.5M (converting into 165M ordinary shares ($0.10) twelve months from the issue date), plus four quarterly payments of A$500,000 (totalling A$2M) as consideration for SPM's entire suite of assets (as listed above).

The total consideration amounts to approximately $48 M with the cash and convertible note and with the shares valued at $0.05. After subtracting the value of the plant and equipment and the environmental bond and the value of the plant and equipment then the value the tenements would be $48 M less about $24 M giving a value of approximately $24 M for the tenements and mineral rights.

11. Valuation of Basemetal and Gold Projects

11.1 Geoscientific Valuation

The geoscientific method uses a basic acquisition cost of an EPM in Queensland of $400/sq km

Table 11.1.1: Base metal tenements

BAC $400	Off Property		On Property		Anomaly		Geology		Factors	
per sq. km	L	H	L	H	L	H	L	H	L	H
Base Metals										
EPM 9323	1.1	1.4	1	1.4	1.6	1.9	1.6	1.9	2.816	7.076
EPM 12510	1.1	1.4	1	1.4	1.6	1.9	1.6	1.9	2.816	7.076
EPM 12513	1.1	1.4	1	1.4	1.6	1.9	1.6	1.9	2.816	7.076
EPM 13072	1.1	1.4	2.1	2.4	2.1	2.4	2.1	2.4	10.187	19.354
EPM 13229	1.1	1.4	1.6	1.8	1.6	1.9	1.6	1.9	4.506	9.097
EPM 13272	1.6	1.9	2.1	2.4	2.1	2.4	2.1	2.4	14.818	26.266
EPM 14107	1.1	1.4	1.6	1.9	1.6	1.9	1.6	1.9	4.506	9.603
EPM 14626	1.1	1.4	1.6	1.9	1.6	1.9	1.6	1.9	4.506	9.603
EPM 16024	0.9	1.3	2.1	2.4	1.6	1.9	1.6	1.9	4.838	11.263
EPM 16072	1.6	1.9	2.1	2.4	2.1	2.4	2.1	2.4	14.818	26.266
EPM 18093	0.9	1.3	2.1	2.4	1.6	1.9	1.6	1.9	4.838	11.263
EPM 18165	0.9	1.3	2.1	2.4	1.6	1.9	1.6	1.9	4.838	11.263
EPM 18257	0.9	1.3	2.1	2.4	2.1	2.4	2.1	2.4	8.335	17.971
EPM 18284	1.1	1.4	1.6	1.9	1.6	1.9	1.6	1.9	4.506	9.603
EPM 18558	0.9	1.3	2.1	2.4	2.1	2.4	2.1	2.4	8.335	17.971
EPM 18806	1.6	1.9	2.1	2.4	2.1	2.4	2.6	2.9	18.346	31.738
EPM 25199	1.1	1.4	1.6	1.9	2.1	2.4	1.6	1.9	5.914	12.130
EPM 25200	1.1	1.4	1.6	1.9	2.1	2.4	1.6	1.9	5.914	12.130
EPM 25202	1.1	1.4	1.6	1.9	2.1	2.4	1.6	1.9	5.914	12.130
EPM 25211	1.1	1.4	2.1	2.4	2.1	2.4	2.1	2.4	10.187	19.354
EPM 25299	1.1	1.4	1.6	1.9	2.1	2.4	1.6	1.9	5.914	12.130
EPM 25276	1.1	1.4	1.6	1.9	2.1	2.4	1.6	1.9	5.914	12.130

EPM 25277	1.1	1.4	1.6	1.9	2.1	2.4	1.6	1.9	5.914	12.130
EPM 25424	1.1	1.4	1.6	1.9	2.1	2.4	1.6	1.9	5.914	12.130
EPM 25498	1.1	1.4	1.6	1.9	2.1	2.4	1.6	1.9	5.914	12.130
EPMA 25522	1.1	1.4	1.6	1.9	2.1	2.4	1.6	1.9	5.914	12.130
EPMA 26453	1.1	1.4	1.6	1.9	2.1	2.4	1.6	1.9	5.914	12.130

Table 11.1.2: Tin Tenements

BAC $400	Off Property		On Property		Anomaly		Geology		Factors	
per sq. km	L	H	L	H	L	H	L	H	L	H
EPM 14185	1.75	2.25	2.5	3	2.5	3	2.5	3	27.344	60.750
EPM 15611	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 17073	1.6	1.9	1.5	2	0.9	1.2	1.5	1.9	3.240	8.664
EPM 17547	1.6	1.9	1.6	1.9	1	1.2	1.5	1.9	3.840	8.231
EPM 17551	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 17623	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 17753	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 17875	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 17917	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 18000	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 18118	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 18323	1	1.5	1.2	1.5	1.2	1.5	0.9	1	1.296	3.375
EPM 18795	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 19105	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 19204	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 19323	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 19468	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 25386	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 25427	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 25428	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 25689	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 25702	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 25711	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 25939	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 26087	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289
EPM 19603	1.6	1.9	1.6	1.9	1.2	1.5	1.5	1.9	4.608	10.289

To reach a value the factors are multiplied by the BAC and the area as shown in Tables 11.1.3 and 11.1.4.

Table 11.1.3 Base metal tenement values

BAC $400	Factors			Values		
per sq. km	L	H	sq km	L	H	Averaged
EPM 9323	2.816	7.076	163.35	183,997	462,320	323,159
EPM 12510	2.816	7.076	13.07	14,720	36,986	25,853
EPM 12513	2.816	7.076	81.68	91,999	231,160	161,579
EPM 13072	10.187	19.354	261.36	1,065,000	2,023,303	1,544,151
EPM 13229	4.506	9.097	3.27	5,888	11,888	8,888
EPM 13272	14.818	26.266	6.53	38,727	68,648	53,688
EPM 14107	4.506	9.603	9.80	17,664	37,646	27,655
EPM 14626	4.506	9.603	9.80	17,664	37,646	27,655
EPM 16024	4.838	11.263	13.07	25,291	58,875	42,083
EPM 16072	14.818	26.266	16.34	96,818	171,619	134,219
EPM 18093	4.838	11.263	101.28	196,007	456,281	326,144
EPM 18165	4.838	11.263	13.07	25,291	58,875	42,083
EPM 18257	8.335	17.971	9.80	32,676	70,454	51,565
EPM 18284	4.506	9.603	104.54	188,413	401,558	294,986
EPM 18558	8.335	17.971	13.07	43,568	93,939	68,754
EPM 18806	18.346	31.738	6.53	47,948	82,949	65,449
EPM 25199	5.914	12.130	326.70	772,789	1,585,096	1,178,943
EPM 25200	5.914	12.130	199.29	471,401	966,909	719,155
EPM 25202	5.914	12.130	326.70	772,789	1,585,096	1,178,943
EPM 25211	10.187	19.354	101.28	412,688	784,030	598,359
EPM 25299	5.914	12.130	284.23	672,327	1,379,034	1,025,680
EPM 25276	5.914	12.130	16.34	38,639	79,255	58,947
EPM 25277	5.914	12.130	6.53	15,456	31,702	23,579
EPM 25424	5.914	12.130	104.54	247,293	507,231	377,262
EPM 25498	5.914	12.130	326.70	772,789	1,585,096	1,178,943
EPMA 25522	5.914	12.130		Application only		
EPMA 26453	5.914	12.130		Application only		
Total				6,267,844	12,807,595	9,537,720

Table 11.1.4: Tin tenement values

BAC $400	Factors			Values		
per sq. km	L	H	sq km	L	H	Averaged
EPM 14185	27.344	60.750	171	1,870,313	4,155,300	3,012,806
EPM 15611	4.608	10.289	39	71,885	160,501	116,193
EPM 17073	3.240	8.664	30	38,880	103,968	71,424
EPM 17547	3.840	8.231	30	46,080	98,770	72,425
EPM 17551	4.608	10.289	36	66,355	148,154	107,255
EPM 17623	4.608	10.289	9	16,589	37,039	26,814
EPM 17753	4.608	10.289	117	215,654	481,502	348,578
EPM 17875	4.608	10.289	9	16,589	37,039	26,814
EPM 17917	4.608	10.289	6	11,059	24,692	17,876

EPM 18000	4.608	10.289	27	49,766	111,116	80,441
EPM 18118	4.608	10.289	213	392,602	876,580	634,591
EPM 18323	1.296	3.375	21	10,886	28,350	19,618
EPM 18795	4.608	10.289	6	11,059	24,692	17,876
EPM 19105	4.608	10.289	6	11,059	24,692	17,876
EPM 19204	4.608	10.289	15	27,648	61,731	44,690
EPM 19323	4.608	10.289	36	66,355	148,154	107,255
EPM 19468	4.608	10.289	72	132,710	296,309	214,510
EPM 25386	4.608	10.289	9	16,589	37,039	26,814
EPM 25427	4.608	10.289	24	44,237	98,770	71,503
EPM 25428	4.608	10.289	75	138,240	308,655	223,448
EPM 25689	4.608	10.289	147	270,950	604,964	437,957
EPM 25702	4.608	10.289	69	127,181	283,963	205,572
EPM 25711	4.608	10.289	60	110,592	246,924	178,758
EPM 25939	4.608	10.289	90	165,888	370,386	268,137
EPM 26087	4.608	10.289				
EPM19603	4.608	10.289				
Tin Total				3,929,167	8,769,289	6,349,228

Table 11.1.5: Total Geoscientific value

Source	Low	High	Averaged
Con Tin EPM	3,929,167	8,769,289	6,349,228
Snow Peak EPM	6,267,844	12,807,595	9,537,720
Total Value $ M	10.20	21.58	15.89

The Geoscientific Value of the EPMs and MLs from Table 11.1.5 is approximately $15.89M within a range of $10.2M to $21.58M.

11.2 Exploration Value of EPMs using $/sq km

The EPMs cover an area of 2749 sq km and generally represent tenements which have been substantially reduced in area as reductions have been required by the Department. They still have some prospectivity and budgets have been prepared to test the few targets remaining.

Using Auralia's applied a range of values (Auralia memo 8/10/12) of $2,000 to $6,000 per sq km to give values for the SPM tenements ranging from $5 M to $15.1 M and a preferred value of $10 M, and values for the CSD tenements ranging from $2.6m to $7.9M and a preferred value of $5.3M.

11.3 Appraised Value using Multiples of Exploration

The Appraised Value can be calculated from useful past expenditure.

The SPM costs estimated at $3.5 M include the cost of drilling the Einasleigh and Kaiser Bill Resource along with an estimate of regional exploration costs which includes alluvial tin areas. At the Einasleigh Project approximately 6000 m of drilling is estimated, which for diamond work is valued at $200/m for a total of $1.2 M. At the Kaiser Bill Project 7,500 m of drilling is

estimated for a cost of $1.5 M. Regional drilling on other prospects is estimated at 10% of this or $270,000.

Considerable airborne magnetics has been carried out. The minimum cost is approximately A$15.00 7/line Km. A flat 20 x 30 Km, or 600 square Km block, flown at 100 m spacing would be about 7,000 line km. Cost would be $105,000 plus mob, (about $5000). If the block is hilly to mountainous budget up to $35.00 /line Km for a fixed wing and $50.00 /Km for helicopter. Geophysical costs with interpretation are probably in the vicinity of $150,000. Assume a useful expenditure of $150,000.

Extensive soil sampling has also been completed where costs for XRF along with geologist and field hand and XRF are about $1,000 day for around 100 sample points per full day depending on the landscape. With geological mapping this would amount to $50,000.

In using Multiples of Exploration it was assumed that:

- 70% of capitalised expenditure can be regarded as exploration expenditure that had advanced the projects. This allowed for historical expenditure dating back to the 1980s.
- the budget for the next 12 months was $10,000,000.
- The PEM ranged from 0.8 to 1.2.

Total expenditure amounted to $8.85 M:

CSD - $5.7 M

SPM - $3.15 M

Table 11.3.1 Appraised Value

	Total$	Past$	P low	P high	Min	Max	Budget	L val	H val	Av
SPM	3.15 M	2.205	0.8	1.2	1.77	2.64	9.5	11.27	12.14	11.70
CSD	5.7 M	3.99	0.8	1.2	3.19	4.79	0.5	3.69	5.29	4.49
Total	8.85M	6.195	0.8	1.2	4.96	7.43	10	14.96	17.43	16.19

The total EPM Appraised Value ranges from $15 M to $17.4 M. with a preferred value of $16.2M.

Combining the exploration value using the three valuation methods and weighting the geoscientific values at 50% and the others at 25% each gives the following table:

Table 11.3.2: Summary Table of SPM Base Metal Exploration Value

Method	L	H	M	Prob	L	H	M
Geo Sc	6.3	12.8	9.5	0.5	3.1	6.4	4.8
Appraised	11.3	12.1	11.7	0.25	2.8	3.0	2.9
$/sq km	5.0	3.8	2.5	0.25	1.3	3.8	2.5
Total					7.2	13.2	10.2

The exploration value of the SPM base metal tenements is estimated to be $10.2 M within a range of $7.2 M and $13.2 M.

Table 11.3.3: Summary Table of CSD Tin Exploration Value

Method	L	H	M	Prob	L	H	M
Geo Sc	3.9	8.8	6.3	0.5	2.0	4.4	3.2
Appraised	3.7	5.3	4.5	0.25	0.9	1.3	1.1
$/sq km	2.6	7.9	5.3	0.25	0.7	2.0	1.3
Total					3.5	7.7	5.6

The exploration value of the CSD tin tenements is estimated to be $5.6 M within a range of $3.5 M and $7.7 M.

11.4 Gold and silver resource valuation using the Yardstick method

For this calculation the total in-ground resource is calculated at current metal prices and then discounted. Discounts for this method commonly range from 1% to 5% depending on the confidence of the figures. As the figures are mostly Indicated and Inferred a discount of between 1% and 1.5% is used for this valuation. Recoveries of 70% and 85% have been used for silver and gold respectively.

Table 11.4.1: Yardstick values for gold and silver

					Value	Value
			Grade	Grade	Ag $/gm	Au $/gm
Deposit	Type	Tonnes	Ag g/t	Au g/t.	0.68	54.36
					t x grade x$/g	t x grade x$/g
Einasleigh	Indicated	500,000	18	0.2	6.119	5.436
	Inferred	600,000	8	0.1	3.263	3.262
Kaiser Bill	Indicated	13,300,000	7	0.1	63.296	72.305
	Inferred	2,200,000	7	0.1	10.470	11.960
Balcooma N	Measured	235,000	13	0	2.077	0.000
	Indicated	124,000	5	0	0.422	0.000
	Inferred	53,000	4	0	0.144	0.000
Maitland	Indicated	1,450,000	14	0	13.801	0.000
	Inferred	40,000	0	0	0.000	0.000
Chloe/Jck	Ind & Inf	3,000,000	53	0	108.100	0.000
Railway	Inferred	389,000	26	0	6.876	0.000
Balcooma 2	Measured	568,000	33	0.3	12.744	9.264
	Indicated	575,000	24	0.3	9.382	9.378

	Inferred	92000	76	0.7	4.754	3.501
Dry Riv S	Measured	78300	68	0.7	3.620	2.980
	Indicated	560000	59	0.6	22.463	18.266
	Inferred	179000	93	1.2	11.318	11.677
New Surv E	Indicated	130,000	8	0	0.707	0.000
Balcooma	Prob	27,000	35	0	0.642	0.000
	Prob				290.0	148.0
Total Value					203.0	125.8
Recovery		500000	18	0.2	6.119	5.436

The total value of the precious metal resource is discounted to between 1% and 1.5% of this value to give an indication of the in-ground value allowing for the risks involved with the extraction of a final product.

Table 11.4.2: Discounted Yardstick value of precious metals

Discount	$ M
1%	3.29 M
1.25%	4.11 M
1.5%	4.93 M

The yardstick value of the gold/silver resources is approximately A$4.1 M within a range of $3.3 M to $4.9 M.

11.5 Yardstick valuation of base metals

For the base metal calculations recoveries for Cu, Zn and Pb respectively are 75%, 55% and 85%. And values are $8800/t, $4420/t and $3213/t

Table 11.5.1: Yardstick values for base metals

						Value	Value	Value
						Cu $/t	Zn $/t	Pb $/t
Category	Type	Tonnes	Zn%	Pb%	Cu%	8800	4420	3213
						T x grade x$/t	T x grade x$/t	Tx grade x$/t
Maitland	Measured	100,000	10.1	0	0.6	5.28	44.65	0.00
	Indicated	537,000	5.2	0	0.4	18.90	123.43	0.00
	Inferred	31,000	6.6	0	0.3	0.82	9.04	0.00
Einasleigh	Indicated	500,000	0	0	4	176.00	0.00	0.00
	Inferred	600,000	0	0	1.9	100.32	0.00	0.00
Kaiser Bill	Indicated	13,300,000	0	0	0.93	1088.47	0.00	0.00
	Inferred	2,200,000	0	0	0.92	178.11	0.00	0.00
Balcooma N	Measured	235,000	0	0	2.9	59.97	0.00	0.00
	Indicated	124,000	0	0	1.3	14.19	0.00	0.00
	Inferred	53,000	0	0	0.7	3.26	0.00	0.00
Maitland	Indicated	1,450,000	0	0	1.5	191.40	0.00	0.00
	Inferred	40,000	0	0	1.1	3.87	0.00	0.00
Chloe/Jck	Ind & Inf	3,000,000	5.3	2	0.2	52.80	702.84	192.76
Railway	Measured	389,000	5.7	1.9	1.1	37.66	98.01	23.75
Balcooma 2	Inferred	900,000	3.4	0.9	0.2	15.84	135.26	26.02
	Indicated	568,000	5.6	2.2	1.2	59.98	140.60	40.15
	Inferred	575,000	3.1	1.2	1.5	75.90	78.79	22.17
Dry Riv S	Measured	92,000	9.6	3.9	1.1	8.91	39.04	11.53
	Indicated	78,300	7.2	2.4	1.1	7.58	24.92	6.04
	Inferred	560,000	6.4	2.3	0.9	44.35	158.43	41.38
New Surv E	Indicated	179,000	0	6.4	0.1	1.58	0.00	36.81
Balcooma	Prob	130,000	0	0	1.6	18.30	0.00	0.00
	Prob	27,000	9.2	5.3	0.6	1.43	10.98	4.60
Mt Garnet	Ore	100,000	6	0.1	0.3	2.64	26.52	0.32
Values	$ M					2168	1593	406
Recovered	$ M					1626	1354	223
Total value						3,202		

The total recovered value of the base metal resource is $3,202 M. assuming recoveries of 75% for Cu, 85% for Zn and 55% for Pb. This is further discounted to between 1.0% and 1.5% of this value to give an indication of the in-ground value allowing for the risks involved with the extraction of a final product.

Table 11.5.2: Yardstick discounted value of base metals

Discount	$ M
1.%	32 M
1.25%	40 M
1.5%	48 M

The discounted value of the base metals is approximately $40M within a range of $32M to $48M.

11.6 Value of base metals using value per pound

Comparable transactions were reviewed by Auralia (October 2014 study Appendix D) who located seven transactions between March 2010 and September 2013. After excluding outliers and less relevant projects three remaining projects indicated that the Cu equivalent values tend to lie in a range between $0.02/lb and $0.04/lb.

More recent Comparative Transactions were looked at by Minnelex and the following transactions cover companies without operating mines. These values are calculated using metal prices and exchange rates relevant at the date of the transaction.

3/4/14. **Aeon Metals** acquired in a fire sale Tinklers Aston Metals **Walford Creek** project, with a Joint Ore Reserves Committee-compliant resource of 48-million tonnes at 1.42% copper equivalent, and an interest in four exploration joint ventures in the Mount Isa region of Queensland. The terms amount to around $12M, valuing the copper at about $17.60/t.

22/5/15. **Venturex Resources** has executed a conditional term sheet to divest of its Pilbara copper/zinc mine in a transaction worth A$14-million.A 2012 feasibility study found that the Pilbara project could support a one-million-tonne-a-year processing facility at Sulphur Springs, with production forecast at around 16 400 t/y of copper and 34 000 t/y of zinc, along with 200 000 oz/y of silver. The mine life was expected to be eight-and-a-half years. This values the copper at $57/t and the zinc at $21/t

22/9/15. **Mt Gordon** copper sale. Aditya Birla Minerals sold its Mt Gordon operation, in Queensland, to Lighthouse Minerals Holdings. It involved a cash payment of A$5 million to ABML, payable on Completion of the Transaction; A further contingent cash payment of A$10 million to ABML, payable if the three month delivery quoted price for copper on the London Metals Exchange averages at least A$4.20 per pound over any continuous six month period, during the period commencing on 12 months after the date of first commercial production at Mt Gordon and ending 36 months after the date of first commercial production at Mt Gordon; maintenance expenses, up to a maximum amount of A$500,000 per month. Figures on the resource are not clear but appear to be: Western Metals Dec 1999 Reserve Statement. 900 000 tonnes resource

358 000 tonnes reserves

This values the copper at approximately $12.8/t

13/9/16. **Zenith Minerals** has moved to gain full ownership of the **Develin Creek** copper/zinc + gold/silver project, in Queensland. The company paid A$60 000 to JV partner 4DS Memory to gain 4DS 49% shareholding in the project. The Develin Creek project currently contains a mineral resource of 2.57Mt, grading 1.76% copper, 2.01% zinc, 0.24 g/t gold and 9.6 g/t silver. This values the copper at $1.53/t and the gold at $0.44/oz.

The above transactions are summarised in Table 11.6

Table 11.6: Summary of copper equivalent values from recent transactions

Location	Copper $/t	Cu Equiv $/t	Cu $/lb
Walford Creek	17.6	17.6	0.078
Venturex	57	67	.254
Mt Gordon	12.8	12.8	0.057
Develin Creek	1.53	3.75	0.007
Averaged		25.3	0.11

These projects illustrate the wide value of transactions; Minnelex consider a value between 2 and 4 cents is appropriate given the continued positive outlook for metals in 2018.

Table 11.6.1: Base metal values cents/pound

Category	Type	Tonnes	Cu t	Zn t	Pb t
Maitland	Measured	100,000	600	10,100	0
Maitland	Indicated	537,000	2,148	27,924	0
Maitland	Inferred	31,000	93	2,046	0
Einasleigh	Indicated	500,000	20,000	0	0
	Inferred	600,000	11,400	0	0
Kaiser Bill	Indicated	13,300,000	123,690	0	0
	Inferred	2,200,000	20,240	0	0
Balcooma N	Measured	235,000	6,815	0	0
	Indicated	124,000	1,612	0	0
	Inferred	53,000	371	0	0
Maitland	Indicated	1,450,000	21,750	0	0
	Inferred	40,000	440	0	0
Chloe/Jck	Ind & Inf	3,000,000	6,000	159,000	60,000
Railway	Inferred	900,000	1,800	30,600	8,100
Balcooma 2	Measured	389,000	4,279	22,173	7,391
	Indicated	568,000	6,816	31,808	12,496
	Inferred	575,000	8,625	17,825	6,900
Dry Riv S	Measured	92000	1,012	8,832	3,588
	Indicated	78300	861	5,638	1,879
	Inferred	560000	5,040	35,840	12,880
New Surv E	Indicated	179000	179	0	11,456
Balcooma	Prob	130,000	2,080	0	0
	Prob	27,000	162	2,484	1,431
Mt Garnet	Ore	100,000	246,313	360,270	126,221
Total tonnes			184,735	306,229	69,422
Recovered			407.3	675.1	153.0
Lbs x M			600	10,100	0
Cu Eq	$802				
Value 2c/lb	$16.04 M				
Value 4c/lb	$32.09 M				

The copper equivalent formula =Cu% + (Zn (%) x 0.50) + (Pb (%) x 0.364) and a US$ exchange rate of 0.785.

Table 11.6.2 CuEq

Eq	Tns Eq	$Value/lb	Cu Eq	Cu $/lb
Zinc x .50	339.1	2.00	0.500	4.00
Lead x 0.364	55.9	1.46	0.364	
Cu	407.3	4.00		
Tot	802.24			

The value using cents per pound is $24 M within a range of $16 M to $32 M

The two methods are given equal weighting and used to calculate an average value of the base metal resources.

Table 11.6.3: Comparison of Yardstick and c/lb base metal resource values

	$ Low	$ Med	$ High
Yardstick	32.02	40.03	48.04
c/lb	16.04	24.07	32.09
	48.07	64.10	80.13
Averaged values	**24.03**	**32.05**	**40.06**

The precious metal values are added to the base metal values to get a total value of the resource in Table 11.6.4

Table 11.6.4: Value of precious metals

Method	Location	$ Low	$ Med	$ High
Base metals	Table 11.6.3	24.03	32.05	40.06
Precious	Table 11.4.2	3.29	4.11	4.93
Total		27.32	36.16	44.99

11.7 Technical Value of Base Metal Tenements

Table 11.7: Total project value

	Location	$/t Low	$/t Averaged	$/t High
SPM Mineral Resource	Table 11.6.4	27.32	36.16	44.99
SPM Expl Tenure	Table 11.3.2	7.21	10.21	13.22
CSD Mineral Resource	Table 5.9.2B	7.07	8.11	9.15
CSD Expl Tenure	Table 11.3.3	3.55	7.68	5.62
Total Value		45.15	60.10	75.04

The Technical value of the combined CSD hard rock tin and base metal tenements is approximately $60.10 M within a range of $45.15 M to $75.04 M.

12. Declaration

Minnelex Pty Ltd [Minnelex] prepared this independent valuation of CSD's tenements.

The valuation covers the exploration and mine development projects only and not the infrastructure.

The statements and opinions contained in this report are given in good faith but, in the preparation of this report, Minnelex has relied substantially on information provided by CSD and ASX reports on open file. We do not have reason to doubt the information so provided.

Neither the whole nor any part of this report, nor any references thereto, may be included in or with or attached to any document, circular, resolution, letter or statement without the prior written consent of Minnelex.

The report is based on information supplied by CSD and Minnelex has no reason to doubt the information supplied. CSD had previously confirmed that all material information currently available has been provided for a proper assessment to be carried out and that the information is complete, accurate and true. The valuation does not provide an opinion as to share or corporate value but values the exploration tenements only.

To conform to the VALMIN Code, CSD had previously confirmed that it will indemnify Minnelex for liability arising from our reliance on the information provided, or for available information not provided by CSD.

Qualifications and Experience

Minnelex is a geological consultancy, which has had considerable experience in the valuation of exploration properties. The person responsible for this report is:

12.1 <u>R.C.W. Pyper. BSc. (geol.). MAICD. FAusIMM. Consulting Geologist</u>

Mr Pyper is the Principal of Minnelex and is a geologist with over 50 years of industry experience and over 30 years of consulting practice in precious metals, base metals, coal, bauxite, gemstones, industrial minerals iron ore and mineral sands. He has had extensive experience in the valuation of mineral exploration properties.

Disclaimer of Interests

At the date of this report, Minnelex does not have, nor has had any relationship with

CSD other than as may have occurred as a result of providing consultancy services in the ordinary course of business. Minnelex and R C Pyper have neither relevant interest in, nor any interest in the acquisition or disposal of any securities of CSD. Minnelex has no pecuniary or other interest that could be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the acquisition of the mineral interests of CSD.

Neither Minnelex nor Mr Pyper has received or may receive any pecuniary or other benefits, whether direct or indirect or in connection with the preparing of this report other than normal consultancy fees based on fee time at normal professional rates plus out-of-pocket expenses. The cost of this valuation was $3,500.

13. Definitions

Actinolite	A greenish variety of amphibole. Actinolite is a monodinic mineral, and occurs in long, slender, green needle like crystals, or in fibrous, radiated forms in metamorphic rocks.
Alluvium	A fine-grained fertile soil consisting of mud, silt, and sand deposited by flowing water on flood plains, in riverbeds, and in estuaries.
Amphibole	Any of a large group of minerals consisting of the silicates of calcium, iron, magnesium, sodium, and aluminium, usually in the form of long slender dark-coloured crystals. Members of the group, including hornblende, actinolite, and tremolite, are common constituents of igneous rocks.
Amphibolite	A metamorphic rock consisting mainly of amphibole and plagioclase.
Andesite	A grey, fine-grained volcanic rock. Andesite consists mainly of sodium-rich plagioclase and one or more mafic minerals such as biotite, hornblende, or pyroxene. It often contains small, visible crystals (phenocrysts) of plagioclase. It is the fine-grained equivalent of diorite.
Anticline	A formation of stratified rock raised up, by folding, into a broad arch so that the strata slope down on both sides from a common crest.
Apatite	A natural, variously coloured calcium fluoride phosphate, $Ca,F(PO_4)_2$, with chlorine, hydroxyl, or carbonate sometimes replacing the fluoride. It is a source of phosphorus for plants and is used in the manufacture of fertilizers.
Arkosic	A sandstone consisting of grains of feldspar and quartz cemented by a mixture of quartz and clay minerals.
Sandstone	A sedimentary rock formed by the consolidation and compaction of sand and held together by a natural cement, such as silica.
Biotite	A dark-brown or dark-green to black mica, found in igneous and metamorphic rocks, $K(Mg,Fe)_3(AI,Fe)Si_30,_0(OH)_2$.
Batholith	A large mass of igneous rock that has melted and intruded surrounding strata at great depths.
Calc-Silicate	Refers to a metamorphic rock consisting mainly of calcite and calcium-bearing silicates.
Chalcopyrite	A brassy-yellow mineral, sometimes with an iridescent tarnish. It is a sulphide of copper and iron, $CuFeS_2$. Chalcopyrite is of primary origin and occurs in igneous and metamorphic rocks and in metalliferous veins. It is an important ore of copper and is widely distributed throughout the world.
Chert	A hard, dense, sedimentary rock composed of fine-grained silica, characterized by a semi vitreous to dull luster and a splintery to conchoidal fracture. Commonly gray, black, reddish brown, or green.
Chlorite	Any of a group of greenish, platy hydrous monoclinic silicates of aluminum, ferrous iron, and magnesium which are closely associated with and resemble the micas.
Clinopyroxene	The general term for any of those pyroxenes that crystallize in the monoclinic system.
Coeval	Belonging to the same geological age.
Costean	A trench or small pits through the surface soil or debris to the underlying rock in place, for the purpose of exposing the outcrop of a mineral deposit.

Crenulation Cleavage	A cleavage that is superposed on slaty deavage or schistosity, characterized by spaced cleavage with thin tabular bodies of rock between the cleavage planes.
Dacite	A light gray volcanic rock containing a mixture of plagioclase and other crystalline minerals in glassy silica, similar in appearance to rhyolite.
Dextral (Fault)	A strike-slip fault in which an observer approaching the fault sees the opposite block as having moved to the right. Also known as right-lateral fault; right-lateral slip fault; right-slip fault.
DHTEM	Downhole transient electromagnetic loop survey - a geophysical exploration technique in which electric and magnetic fields are induced by transient pulses of electric current and the subsequent decay response measured. TEM surveys are a very common technique for mineral exploration, groundwater exploration, and for environmental mapping, used throughout the world in both onshore and offshore applications.
Diagenesis	Chemical and physical changes occurring in sediments during and after their deposition but before consolidation.
Dolerite	A dark basic intrusive igneous rock consisting of plagioclase feldspar and a pyroxene, such as augite.
Duricrust	A hard layer on or near the surface of soil. Duricrusts can range in thickness from a few millimeters or centimeters to several meters.
Epidote	A green mineral consisting of hydrated calcium iron aluminium silicate in monoclinic crystalline form: common in metamorphic rocks with the formula $Ca_2(Al,Fe)_3\,(SiO_4)_3(OH)$.
Epigenetic	ore deposition subsequent to the original formation of the enclosing country rock.
Exhalative	Ore deposits which are interpreted to have been formed by release of ore-bearing hydrothermal fluids into a water reservoir (usually the ocean), resulting in the precipitation of stratiform ore.
Exhatite	Referring to an 'exhalitive' chemical sedimentary rock formed as stratiform beds or lenses of rock that are spacially associated with VMS deposits.
Feldspar	Any of a group of hard rock-forming minerals consisting of aluminium silicates of potassium, sodium, calcium, or barium being the principal constituents of igneous rocks. The group includes orthoclase, microcline, and the plagioclase minerals.
Foliation	The arrangement of the constituents of a rock in leaf like layers, as in schists.
Gahnite	A dark green to brown or black mineral of the spinet group, consisting of zinc aluminium oxide - ZnA^12^04.
Galena	A grey lead sulphide mineral, found in hydrothermal veins. It is the chief source of lead with the formula PbS.
Gangue Mineral	A valueless and undesirable material, such as quartz in small quantities in an ore.
Garnet	Any of several common, widespread aluminum or calcium silicate minerals occurring in two internally isomorphic series, $(Mg,Mn,Fe)_3Al_2Si_30_{12}$ and $Ca_3(Cr,Al,Fe)_2Si_30,_2$, generally crystallized, often embedded in igneous and metamorphic rocks, and colored red, brown, black, green, yellow, or white and used both as gemstones and as abrasives.

GEOTEM	A digital airborne geophysical survey system measuring variations in the earths electromagnetic field.
Gneiss	A common and widely distributed type of rock formed by high-grade regional metamorphic processes from pre-existing formations that were originally either igneous or sedimentary rocks. It is foliated (composed of layers of sheet-like planar structures). The foliations are characterized by alternating darker and lighter coloured bands, called "gneissic banding".
Gossan	An intensely oxidized, weathered or decomposed rock, usually the upper and exposed part of an ore deposit or mineral vein.
Greenschist	Metamorphic rocks formed under low pressures and temperatures commonly by regional metamorphism and having an abundance of green minerals such as chlorite, serpentine and epidote.
Ignimbrites	The deposit of a pyroclastic density current, or pyroclastic flow.
I ilmenite	A titanium-iron oxide mineral with the idealized formula $FeTiO_3$.
Laminations	A small scale sequence of fine layers (laminae) that occur in sedimentary rocks.
Magnetite	One of the three common naturally occurring iron oxides (chemical formula Fe304 and a member of the spinet group.
Migmatitic	A banded, granular metamorphic rock that contains light coloured bands with evidence for partial melting.
Molybdenite	A mineral of molybdenum disulfide, MoS_2. Similar in appearance and feel to graphite.
Mylonite	A fine-grained, compact rock produced by dynamic recrystallization of the constituent minerals resulting in a reduction of the grain size of the rock.
Neoproterozoic	The unit of geologic time from 1,000 to 541 million years ago.
Ordovician	In geologic time, the second period of the Paleozoic Era beginning 485 million years ago, following the Cambrian Period, and ending 443 million years ago.
Palaeochannel	A remnant of an inactive river or stream channel that has been either filled or buried by younger sediment.
Paleozoic	The earliest of three geologic eras of the Phanerozoic Eon, spanning from roughly 541 to 252 million years ago.
Parasitic Folds	A fold of small wavelength and amplitude which usually occurs in a systematic form superimposed on folds of larger wavelength
Pegmatite	A holocrystalline, intrusive igneous rock composed of interlocking phaneritic crystals usually larger than 2.5 cm in size.
Pelitic	A metamorphosed fine-grained sedimentary rock.
Penetrative Foliation	A continuous (penetrative) foliation deforms all of the grains in the rock. This can happen with coarse grains (schist) or fine grains (slate).
Permo-Carboniferous	Referring to the time period including the latter parts of the Carboniferous and early part of the Permian period.
Polymetallic	An ore that is the source of more than one metal suitable for recovery.
Porphyroblasts	A large mineral crystal in a metamorphic rock which has grown within the finer grained groundmass.
Psammite	A sedimentary rock consisting of sand consolidated with some cement.
Pyrite	An iron sulphide with the chemical formula FeS_2.

Pyroxene	A group of important rock-forming inosilicate minerals found in many igneous and metamorphic rocks.
Pyrrhotite	A mineral composed of iron sulfide and of a bronze yellow color.
Radiometrics	The radiometric, or gamma-ray spectrometric method is a geophysical process used to estimate concentrations of the radioelements potassium, uranium and thorium by measuring the gamma-rays which the radioactive isotopes of these elements emit during radioactive decay.
Reverse Circulation	RC - A drilling method using rods with inner and outer tubes, the drill cuttings are returned to the surface inside the rods with circulation achieved by blowing air down the annulus of the rod, the differential pressure creating air lift of the water and cuttings up the inner tube which is inside each rod.
Rhyolite	A pale fine-grained volcanic rock of granitic composition, typically porphyritic in texture.
Schist	A medium-grade metamorphic rock with medium to large, flat, sheet-like grains in a preferred orientation (nearby grains are roughly parallel). It is defined by having more than 50% platy and elongated minerals, often finely interleaved with quartz and feldspar.
Sillimanite	An alumino-silicate mineral with the chemical formula Al_2Si0_5.
Siltstone	A sedimentary rock which has a grain size in the silt range, finer than sandstone and coarser than claystones.
Silurian	The geologic period and system that extends from the end of the Ordovician Period, about 443 million years ago, to the beginning of the Devonian Period, about 419 million years ago.
Sinistral	Sinistral (and dextral) refer to the horizontal component of movement of blocks on either side of a fault or the sense of movement within a shear zone.
Skarn	The metamorphic zone developed in the contact area around igneous rock intrusions when carbonate sedimentary rocks are invaded by large amounts of silicon, aluminum, iron, and magnesium.
Sphalerite	A zinc sulphide mineral with a chemical composition of (Zn,Fe)S. It is found in metamorphic, igneous, and sedimentary rocks, is the most commonly encountered zinc mineral and the world's most important ore of zinc.
Staurolite	A mineral that is commonly found in metamorphic rocks such as schist and gneiss. It forms when shale is strongly altered by regional metamorphism.
Syn-Sedimentary	A fault or fold that forms or grows within a sediment during sedimentation.
Tonalite	An igneous, plutonic (intrusive) rock, of felsic composition, with phaneritic texture.
Tuffaceous	A rock composed of compacted volcanic ash varying in size from fine sand to coarse gravel.
Turbiditic Sediments	A sedimentary deposit formed by a turbidity current. Turbidites usually consist of a sequence of sediments in which the bottom layers contain the coarsest grains and the upper layers the finest.
Uraninite	A radioactive, uranium-rich mineral and ore with a chemical composition that is largely UO_2, but due to oxidation the mineral typically contains variable proportions of $U,0_8$.

Volcaniclastics	Refers to all clastic sediments composed mainly of particles of volcanic origin, regardless of how the sediment formed.
VMS	Volcanogenic Massive Sulphide. A type of metal sulphide ore deposit, mainly Cu-Zn which are associated with and created by volcanic-associated hydrothermal events in submarine environments.
Zoisite	A calcium aluminium hydroxy sorosilicate belonging to the epidote group of minerals

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