
23 March 2020

ASX Announcement

Chillagoe Acquisition not to proceed

Consolidated Tin Mines Limited (ASX:CSD) (the **Company**) refers to its previous ASX announcements in respect of the acquisition of Auctus Chillagoe Holdings Pty Ltd (**Auctus**) and the Chillagoe Project (**Acquisition**) and in particular, its ASX announcement dated 10 February 2020 (the **Initial Announcement**). The Company hereby advises shareholders that it will not be proceeding with the Acquisition for the reasons set out below.

As set out in the Initial Announcement, completion of the Acquisition is subject to a number of conditions precedent, including without limitation, the Company obtaining shareholder approval in accordance with ASX Listing Rule 11.1.2 (**Shareholder Approval**). The Company was intending to dispatch a notice of meeting (**Notice**) to shareholders by late February however was advised by the ASX that the Notice (which had been submitted with the ASX for review) would not be approved by the ASX until the 2019 audited accounts of Auctus were included in the pro-forma financial information set out in the explanatory statement of the Notice. As at the date of this announcement, the audited accounts of Auctus for the financial year ended 2019 have not been finalised or provided to CSD.

As further set out in the Initial Announcement, the date by which the conditions precedent to completion of the Acquisition are to be satisfied (or waived by the parties) is 31 March 2020 (**End Date**). Due to the status of Auctus' audited accounts, the Company served a written notice of termination on Auctus on 13 March 2020, under which the Acquisition was terminated by CSD on the basis that the condition precedent relating to the Shareholder Approval was incapable of being satisfied (and could not be waived by the Company) on or before the End Date. The parties then entered into negotiations seeking, amongst other things, an extension to the End Date. Agreement could not be reached, and those negotiations ceased after close of trade on Friday, 20 March 2020.

On 20 March 2020, Auctus asserted that CSD's notice of termination was ineffective and it served its own purported notice of termination based on CSD's failure to pay the \$2 million deposit. The Company does not believe that any financial obligations will arise as a result of this Notice of Termination being served.

CSD continues to believe the Acquisition and the Chillagoe Project makes strategic sense for CSD and remains open to considering the Acquisition if terms can be agreed with Auctus that are appropriate and reflect current market conditions.

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The Company remains in suspension due to the failure to lodge the Company's half year financial statements. CSD is working towards having these finalised as soon as possible and released to the market on or before Friday, 3 April 2020.

This announcement was authorised by the board of directors of CSD.