

MARCH 2020 QUARTER ACTIVITIES REPORT

QUARTERLY ACTIVITIES OVERVIEW

- ❖ Mining of the Dry River South (DRS) intermediate levels continued during the quarter, in total, 14,800 tonnes of ore was mined from DRS.
- ❖ Refurbishment and development of the DRS decline to access lower levels continued during the quarter.
- ❖ Development of the Mount Garnet Deeps decline as well as drive development in ore continued during the quarter.
- ❖ Ore from Mount Garnet Deeps continued during the quarter with remnant ore from Mount Garnet upper also mined, in total, approximately 22,600 tonnes of ore was mined from Mount Garnet.
- ❖ Several processing campaigns were performed by the Mount Garnet Mill during the quarter with over 35,000 tonnes of ore being processed.
- ❖ Operations were placed in care and maintenance on 24 March 2020 as a result of health concerns surrounding COVID-19.

OPERATIONS

Development of the new Mount Garnet Deeps decline continued throughout the quarter in parallel with ore drive development. During the quarter, ore was mined from Mount Garnet upper remnant ore in addition to development and stoping ore from Mount Garnet Deeps.

Continued refurbishment of the DRS decline is progressing in parallel with ore drive rehabilitation of the previously established levels. During the quarter, mining of the Dry River South intermediate levels continued.

The Mount Garnet Mill performed several processing campaigns throughout the quarter.

Concentrate stockpiled at the start of the quarter and concentrate produced during the quarter has been sold.

The decline in commodity prices resulting from the COVID-19 pandemic has impacted upon the Company's cash flow and revenue during the quarter. The decline in commodity prices has reduced revenue from sales during the quarter, this was further offset by a repayment to the Company's trading partner resulting from the decline in the value of parcels delivered previously but not yet finalised.

The Company placed its operations into care and maintenance due to health concerns surrounding COVID-19 on 24 March 2020.

The Company is preparing to recommence production at DRS and the Mount Garnet processing plant in May 2020. The Mount Garnet mine will remain in care and maintenance.

Base Metal Production

| | March 2020 quarter (3 months) | Year to Date (9 months) |
|----------------------------------|--|------------------------------------|
| Ore processed | 35,056 <i>tonnes</i> | 140,010 <i>tonnes</i> |
| Mill feed grade Zn | 4.84 % | 5.18 % |
| Mill feed grade Pb | 0.95 % | 1.01 % |
| Mill feed grade Cu | 0.40 % | 0.74 % |
| Zn recovery | 85.20 % | 85.4 % |
| Pb recovery | 31.74 % | 50.4 % |
| Cu recovery | 46.03 % | 43.2 % |
| Zn metal produced in concentrate | 1,384 <i>tonnes</i> | 5,968 <i>tonnes</i> |
| Pb metal produced in concentrate | 116 <i>tonnes</i> | 700 <i>tonnes</i> |
| Cu metal produced in concentrate | 49 <i>tonnes</i> | 415 <i>tonnes</i> |

CORPORATE

In February 2020, the Company entered into a share sale agreement (SSA) to acquire Auctus Chillagoe Holdings Pty Ltd (Auctus) and the Chillagoe project. The Company was informed by ASX that it required the 2019 audited accounts of Auctus to be included in the proforma financial information to be set out in the explanatory statement section of a notice of meeting to the Company's shareholders to approve the acquisition. As Auctus was unable to provide the audited accounts in sufficient time to allow the shareholder approval to be completed by the end date specified in the SSA, the Company served a written notice of termination on Auctus on 13 March 2020.

Subsequent to the Company terminating the SSA, the Company received a Notice of Termination from Auctus Minerals Nominee Pty Ltd as trustee for the Auctus Minerals Australian Unit Trust (Auctus Minerals) on 20 March 2020, claiming Auctus Minerals were terminating the already terminated SSA. This was followed by a Notice of Demand in respect of payment of the break fee and interest on the deposit under the SSA (an amount claimed to be equal to \$4,325,000). The Company does not accept that Auctus Minerals terminated the SSA and rejects the Letter of Demand outright.

Subsequently, on Friday 20 March 2020, Auctus Minerals Pty Ltd and Auctus Resources Pty Ltd were placed in Voluntary Administration .

The Company continues to negotiate with the Administrator and has lodged a further bid for Auctus Resources. which is expected to be included with other bids at the second meeting of Auctus creditors.

The Company is working with its auditors to finalise the 31 December 2019 half year financial statements.

CASH RESERVES & LOAN FACILITIES

The Company had \$4,112 in cash reserves at the end of the March 2020 quarter.

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The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Table 1: Schedule of Tenements as at 31 March 2020

| Registered Holder | Tenement No. | Tenement Name | Interest at start of quarter | Interest at end of quarter | Status |
|------------------------|--------------|-------------------------|------------------------------|----------------------------|-------------|
| Consolidated Tin Mines | MDL 38 | Gillian | 100% | 100% | Granted |
| | MDL 381 | Windermere | 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 17623 | Mt Garnet West | 100% | 100% | Granted |
| | EPM 17917 | Smith's Creek Extended | 100% | 100% | Granted |
| | EPM 18795 | Gillian | 100% | 100% | Granted |
| | EPM 25428 | Reedy Creek | 100% | 100% | Granted |
| | EPM 25702 | Soda | 100% | 100% | Granted |
| | EPM 25939 | Torwood | 100% | 100% | Granted |
| | EPM 26087 | Einasleigh Extended | 100% | 100% | Granted |
| | EPM 26635 | Einasleigh Upper | 100% | 100% | Granted |
| | EPMA 27167 | Antimony Reward | 0% | 0% | Application |
| | EPMA 27226 | Herberton | 0% | 0% | Application |
| | EPMA 27417 | Maitland East | 0% | 0% | Application |
| | EPMA 27418 | Silver Valley | 0% | 0% | Application |
| | EPMA 27419 | Mt Borium | 0% | 0% | Application |
| | EPMA 27420 | Stockman | 0% | 0% | Application |
| | EPMA 27488 | Herberton | 0% | 0% | Application |
| | MLA 20583 | Mid Battle Creek | 0% | 0% | Application |
| | MLA 20585 | Upper Battle Creek | 0% | 0% | Application |
| | MLA 20694 | Windermere | 0% | 0% | Application |
| | ML 20743 | Gillian | 100% | 100% | Granted |
| | MLA 100022 | Maitland | 0% | 0% | Application |
| | MLA 100211 | Einasleigh Copper Mines | 0% | 0% | Application |
| | MLA 100212 | Kaiser Bill | 0% | 0% | Application |
| | MLA 100231 | Kaiser Bill | 0% | 0% | Application |

| Registered Holder | Tenement No. | Tenement Name | Interest at start of quarter | Interest at end of quarter | Status |
|----------------------|--------------|-----------------|------------------------------|----------------------------|-------------|
| CTM Alluvial Pty Ltd | EPM 26453 | Lynd Regional | 100% | 100% | Granted |
| | ML 4069 | Nettle Creek | 100% | 100% | Granted |
| | ML 4073 | Nettle Creek | 100% | 100% | Granted |
| | ML 4074 | Nettle Creek | 100% | 100% | Granted |
| | EPMA 26910 | Tate Lynd | 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 |

| Registered Holder | Tenement No. | Tenement Name | Interest at start of quarter | Interest at end of quarter | Status |
|-------------------------|---------------|---------------|------------------------------|----------------------------|-------------|
| Surveyor Mining Pty Ltd | EPM 13072 | Einasleigh | 100% | 100% | Granted |
| | EPM 18165 | Caldera | 100% | 100% | Granted |
| | EPM 18257 | Coolabah | 100% | 100% | Granted |
| | EPM 18558 | Blacksoil | 100% | 100% | Granted |
| | EPMA 27489 | BMG Extended | 0% | 0% | Application |
| | MDLA 2014 | Jackaroo | 0% | 0% | Application |
| | MDLA 2015 | Stockman | 0% | 0% | Application |
| | MDLA 2016 | Bell | 0% | 0% | Application |
| | MDLA 2017 | Ringer | 0% | 0% | Application |
| MLA 100239 | Chloe Jackson | 0% | 0% | Application | |

| Registered Holder | Tenement No. | Tenement Name | Interest at start of quarter | Interest at end of quarter | 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 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 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 25259 | Surveyor Two | 100% | 100% | Granted | SM PL |
| | EPM 25276 | Caterpillar | 100% | 100% | Granted | SM PL |
| | EPM 25277 | Mt Garnet South | 100% | 100% | Granted | CSD |
| | EPM 25424 | Railway | 100% | 100% | Granted | SM PL |
| | EPM 25498 | Balcooma West | 100% | 100% | Granted | 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 |
| | 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 30217 | Chloe | 0% | 0% | Withdrawn | SM PL |
| | ML 100001 | Mount Garnet South | 100% | 100% | Granted | CSD |
| | MLA 100177 | Stockman | 0% | 0% | Withdrawn | CSD |
| | MLA 100178 | Jackaroo | 0% | 0% | Withdrawn | CSD |
| | MLA 100179 | Ringer | 0% | 0% | Withdrawn | CSD |
| | MLA 100180 | Bel | 0% | 0% | Withdrawn | CSD |

*Pending transfer holder = CSD – Consolidated Tin Mines Limited, SM PL – Surveyor Mining Pty Ltd

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Consolidated Tin Mines Limited

ABN

57 126 634 606

Quarter ended ("current quarter")

31 March 2020

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 2,122 | 17,598 |
| 1.2 Payments for | | |
| (a) exploration & evaluation (if expensed) | (176) | (692) |
| (b) development | (213) | (3,765) |
| (c) production | (2,074) | (7,982) |
| (d) staff costs | (2,622) | (12,406) |
| (e) administration and corporate costs | (347) | (4,578) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | (72) | (294) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (3,382) | (12,119) |

| | | |
|--|-------|---------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | (110) | (1,007) |
| (d) exploration & evaluation (if capitalised) | (21) | (708) |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 2.2 Proceeds from the disposal of: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | (15) |
| (d) investments | - | - |
| (e) other non-current assets | - | - |
| 2.3 Cash flows from loans to other entities | - | - |
| 2.4 Dividends received (see note 3) | - | - |
| 2.5 Other (provide details if material) | - | - |
| 2.6 Net cash from / (used in) investing activities | (131) | (1,700) |

| | | |
|---|--------------|--------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | - | 1 |
| 3.2 Proceeds from issue of convertible debt securities | - | - |
| 3.3 Proceeds from exercise of options | - | - |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 Proceeds from borrowings | 3,977 | 7,527 |
| 3.6 Repayment of borrowings | (981) | (4,206) |
| 3.7 Transaction costs related to loans and borrowings | | |
| 3.8 Dividends paid | | |
| 3.9 Other (provide details if material) | | |
| 3.10 Net cash from / (used in) financing activities | 2,996 | 3,322 |

| | | |
|---|---------|----------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 521 | 10,501 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (3,382) | (12,119) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (131) | (1,700) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | 2,996 | 3,322 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 4 | 4 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 4 | 521 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 4 | 521 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter \$A'000 |
|------------------------------------|
| 6 |
| |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

\$5,776 paid to the directors being for salaries and directors fees

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> | | |
| <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | 10,650 | 2,969 |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | 10,650 | 2,969 |
| 7.5 Unused financing facilities available at quarter end | | 7,681 |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| <p>The Company's majority shareholder, Cyan Stone Pty Ltd, provided the Company with a \$10 million loan facility in December 2019. Interest is payable at 6% per annum.</p> <p>Ralph De Lacey, the Company's Managing Director provided the Company with a \$650,000 loan facility in October 2019. Interest is payable at 6% per annum.</p> | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (3,382) |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | (21) |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | (3,403) |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 4 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | 7,681 |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 7,685 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 2.26 |
| 8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: | |
| 2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: | |
| 3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| Answer: | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 April 2020

Date:

Authorised by: 

By the board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.