

23<sup>rd</sup> February 2017

ASX/MEDIA RELEASE

ASX: CSD Share Price: \$0.025 (in trading halt)

ABN: 57 126 634 606

## COMPANY UPDATE

### BACKGROUND

As reported in ASX announcement on 17<sup>th</sup> January 2017, Consolidated Tin Mines Ltd (ACN 126 634 606) (ASX Code: CSD) (the **Company**) has developed a Subscription Agreement with Cyan Stone Pty Ltd (ACN 060 864 840). (Cyan)

Pursuant to the Subscription Agreement (as varied), Cyan has agreed to a scheduled prepayment of the subscription funds. Funds raised under the Subscription Agreement will allow the Company to instigate the restart of its mining and processing operations, which will be implemented in a staged 'ramp-up', as key staff are employed and the Company progresses its operations towards full production.

### PROGRESS

The Company has appointed a completely restructured senior management team consisting of:

- Operations Manager
- Mining Manager
- Processing Manager
- Geology Manager
- Environment Manager
- Senior Accountant (to be also appointed Company Secretary)
- Special Projects Manager

This new senior management team have developed a two-year business model that will result in the reestablishment of mining at Mt Garnet and Surveyor mines, and recommissioning of the Mt Garnet processing plant.

The Senior Management Team will build their teams within their departments as the company progresses as quickly as possible toward an early restart.

Mining and processing will restart at a moderate throughput rate, with the clear intention to ramp up to full mill capacity of 1 Million tonnes per annum as additional resources are established.

### EXPLORATION ACTIVITIES

Funds raised under the Subscription Agreement will allow the establishment of a significant exploration budget. The focus of this exploration budget will be the development of base metals resources to provide additional ore reserves for the Company's Mt Garnet processing plant.

Initial drilling will focus on the 'Mt Garnet Deeps' target, which is located adjacent to the Mt Garnet underground workings. Drilling is currently underway from surface with two drill rigs now operating.



**Two AED drill rigs operating at Mt Garnet Deeps project, 19 February 2017**

Drilling to date at Mt Garnet Deeps has been encouraging. A comprehensive report on drilling will be released in the first week of March.

A third drill rig is expected to commence drilling at the Company's Einasleigh Project in early April, following the northern wet season.

### **NOTICE OF MEETING**

The Notice of Meeting (**NOM**) and Independent Experts Report (**IER**) were lodged with the ASX for their review on 12 December 2016. ASX advised the Company at this point that the Company must release its latest audited financial accounts before the ASX will approve the form and content of the NOM. The Company understands that this is a new policy of the ASX and is now working with its auditors KPMG to complete the Company's 2016 Annual Report as soon as possible, with the current expectation this will be completed by late March 2017. The NOM and IER will be dispatched as soon as possible following compliance with ASX rules. The NOM and IER will contain all relevant and necessary details that shareholders will require to make an informed assessment of the proposed transactions.

The Company will keep shareholders informed of any developments.

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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.