

30 April 2014

MARCH 2014 QUARTER ACTIVITIES & CASHFLOW REPORT

ASX RELEASE

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Snapshot:

ASX: **CSD**

Current CSD Share Price: **\$0.07**

Current LME Tin Price: **\$23,775**

Detailed information at
www.cstmin.com.au

MARCH QUARTER ACTIVITIES & CASHFLOW REPORT

MARCH QUARTER 2014 HIGHLIGHTS

- **MT GARNET TIN PROJECT DEFINITIVE FEASIBILITY STUDY PROGRESSES**
 - The Company continues to progress the DFS for the Gillian Deposit
 - Final drilling results are expected to be released 2Q 2014
- **MOU TO ACQUIRE MT GARNET PROCESSING PLANT**
 - Discussions progressed with Snow Peak Mining Pty Ltd (SPM) regarding acquisition of SPM's Mt Garnet concentrator plant
- **RECOMMENCEMENT OF MINING AT SNOW PEAK'S CENTRAL REGION PROJECTS**
 - The Company is managing SPM's projects & processing facility
 - The Company has a 9.85% shareholding interest in SPM
 - Production of copper concentrate commenced at the Mt Garnet Concentrator on 7 March 2014
- **BOARD CHANGES**
 - The Company appointed John Banning as Managing Director effective 17 February 2014
 - Ralph De Lacey retained the role of Executive Chairman
- **CORPORATE**
 - The Company provides confirmation on the undertaking of a Priority Entitlement Offer to holders of listed Options (ASX: CSDO) which expired on 31 December 2013
- **UPCOMING ACTIVITIES**
 - The Company will finalise discussions with SPM regarding the acquisition of the Mt Garnet processing plant
 - The DFS for the Mt Garnet Tin Project will continue
 - Resource modelling for Gillian is expected to be completed in 2Q2014
 - Roasting trials of Gillian ore samples will commence in May 2014 at the Ansac facility in WA

MT GARNET TIN PROJECT DEFINITIVE FEASIBILITY STUDY PROGRESSES

Consolidated Tin Mines Limited's flagship development project is the Mt Garnet Tin Project, which is approximately 180km south west of Cairns in Far North Queensland. This Project is comprised of the Gillian, Pinnacles and Windermere deposits. The Company aims to develop this project into a significant hard rock open pit tin mining operation. The Company's current priority is to complete the Definitive Feasibility Study (DFS) for the Gillian deposit.

A drilling program of approximately 6,500 metres was completed at Gillian on 21 February 2014, which comprised of:

Resource drilling – 4,238 metres reverse circulation (RC) and 954.1 metres diamond core (DC)

Metallurgical drilling – 202.4 metres DC

Geotechnical drilling – 1,087 metres DC

The drill program was designed to add further confidence to the Gillian JORC Resource with the majority being infill drilling. A JORC Resource review is underway with completion expected mid-year.

The drilling also targeted geotechnical and hydro-geological data for mine pit design and optimisation. Test results from geotechnical samples have been provided to geotechnical consultants for evaluation to assist in the design of the deposit's open cut pit and optimise the production schedule. Drill samples also provided a representative run-of-mine ore body sample for final flotation and reduction roast/tin fuming pilot test work. The first part of assay results from this drill program were released on 17 December 2013 and final drilling results are expected to be released Q2.

The Company has also lodged an Environmental Management Plan (EMP) with the Department of Environment and Heritage Protection. A preliminary surface infrastructure plan was prepared as part of the EMP submission. Hydrogeological and Geochemical studies are underway to provide further confirmation of environmental values.

Metallurgical Testwork Update

During the Quarter, the Company prepared a bulk sample of ore that will be trialled at pilot scale through a rotary kiln at the Ansac facility at Bunbury, Western Australia. This trial will provide preliminary technical information for progressing the Reduction Roasting/Tin Fuming process on Gillian ore. Further trials will follow to develop additional technical data and design details.

MOU TO ACQUIRE MT GARNET PROCESSING PLANT

During the quarter, the Company continued to progress discussions with Snow Peak Mining Pty Ltd (SPM) to finalise terms for acquisition of the SPM Mt Garnet Processing Plant. Productive discussions have been continuing with SPM, and a market update regarding this is expected in early May.

To finalise the process, the Company will be required to undertake a number of activities, including the following:

- a) the Company and SPM completing due diligence investigations to their satisfaction;
- b) SPM security holders releasing security of the various assets forming part of the transaction;
- c) the parties agreeing a toll treatment agreement and a management agreement; and
- d) the shareholders of Consolidated Tin Mines Limited approving the transaction at an Extraordinary General Meeting, at a date to be advised.

SPM is majority owned by Consolidated Tin's major shareholder Snow Peak International Investments (refer ASX announcement 29 November 2013 for details of the MOU).

RECOMMENCEMENT OF MINING AT SNOW PEAK'S CENTRAL REGION PROJECTS

During the Quarter Snow Peak Mining Pty Ltd recommenced mining operations at Baal Gammon. Consolidated Tin Mines has a 9.85% shareholding interest in SPM, and SPM is managed by CSD.

Full time production of copper concentrate commenced at the Mt Garnet Concentrator Facility on 7 March 2014 processing copper ore from the Surveyor and Baal Gammon Mines.

The Mt Garnet concentrator is now operating continuously with a through-put of approximately 1,000 tonnes per day.

As mining and processing has ramped up, employment across CSD and the SPM operations increased to over 100 during the quarter.

BOARD CHANGES

The Company appointed Mr John Banning as Managing Director on 17 February 2014, replacing Mr Ralph De Lacey, the Company's founder, who remains as Executive Chair, and will maintain an active role in the Company.

Mr Banning commenced with the Company as Executive General Manager in January 2013, and brings 17 years' mining, project, construction and management experience to the Company. His previous experience includes roles with Stillwater Mining, Goldfields Australasia and BHP Billiton in a variety of senior positions at its Olympic Dam Mine, along with management roles with Kagara Ltd, Xstrata Copper and the Renison Tin Mine in Tasmania.

With the appointment of Mr Banning as Managing Director, the Board of Consolidated Tin Mines Limited comprises the following:

- Ralph De Lacey Executive Chairman
- John Banning Managing Director
- Darryl Harris Non Executive Director
- Andrew Kerr Non Executive Director
- Si He Tong Non Executive Director (Ze Huang (Martin) Cai Alternate for Si He Tong)

CORPORATE

1 SECURITY HOLDERS

Total ordinary shares on issue 250,614,381

Top 5 Shareholders at 31 March 2014

SHAREHOLDER	% OF ISSUED CAPITAL
SNOW PEAK INTNL INV LTD	25.42
DE LACEY RALPH + RYAN M	6.48
BEACON MINERALS LTD	5.88
GEOCRYSTAL LTD	3.59
JOHN SAINSBURY CONS P	3.10

2 CASH RESERVES

The Company had \$99,354 in cash reserves at the end of the March quarter. As at 31 March 2014, the Company had drawn \$295,000 of a loan facility from Snow Peak Mining, leaving \$705,000 available at the end of the quarter.

3 PRIORITY OFFER TO OPTION HOLDERS

The Company provides confirmation on the undertaking of a Priority Entitlement Offer to holders of listed Options (ASX: CSDO) which expired on 31 December 2013, subject to Shareholder approval at EGM.

Under the terms of the Offer, each eligible option holder will have the right to subscribe for one (1) option (Priority Offer Option), for every one (1) CSDO option held as at close of business on the record date of 31 December 2013, being the expiry date of the listed options. The new options will have an issue price of 0.5 cents per option, be exercisable at 20 cents each and will expire on 31 December 2014.

If fully subscribed, the Offer will raise approximately \$308,375 before costs.

UPCOMING ACTIVITIES

The Company will finalise discussions with SPM regarding the MOU for CSD to acquire the Mt Garnet processing plant. An Extraordinary General Meeting will be arranged in coming months at which all information relevant to the MOU will be provided, including an Independent Expert's Report.

The Mt Garnet Tin Project DFS work will continue. Final drill assay results will be released when received. Data collation and design work are nearing completion, following which resource modelling for Gillian will be completed. The Company expects to complete an update on the Gillian resource in 2Q 2014 and will release the results to market as soon as possible thereafter.

Pilot Reduction Roasting/Tin Fuming trials of ore samples from Gillian will be conducted at the Ansac facility at Bunbury, Western Australia, commencing in May 2014.

The Company will continue discussions with several interested parties regarding an agreement to establish a reduction roasting operation at an existing off-shore facility. The market will be informed when an agreement is in place.

Table 1: Schedule of Tenements

Registered Holder	Tenement No.	Tenement Name	Interest at beginning of Qtr	Interest at end of Qtr	Status
Consolidated Tin Mines	MDL 38	Gillian	100%	100%	Granted
	MDL 381	Windermere	100%	100%	Granted
	MDL 448	Herberton Deep Lead	100%	100%	Granted
	MDLA 482	Jeannie River	0%	0%	Application
	EPM 14185	Mt Garnet	100%	100%	Granted
	EPM 14580	Jeannie River	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	Pelford East	100%	100%	Granted
	EPM 17550	Herberton Extended	100%	100%	Granted
	EPM 17551	Smiths Creek	100%	100%	Granted
	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
	EPMA 19100	Stannary Hills Regional	0%	0%	Abandoned
	EPMA 19105	JimBilly North	0%	0%	Application
	EPMA 19204	Nettle Creek South	0%	0%	Application
	EPM 19323	Kangaroo Creek	100%	100%	Granted
	EPM 19468	Jeannie River Extended	100%	100%	Granted
	EPMA 19603	Dinner Creek	0%	0%	Application
	EPMA 25212	Bolwarra Extended	0%	0%	Application
	EPMA 25386	Spring Creek	0%	0%	Application
	EPMA 25427	Nettle Creek	0%	0%	Application
	EPMA 25428	Reedy Creek	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 20626	Gillian	0%	0%	Application
MLA 20653	Central Mill	0%	0%	Application	
MLA 20693	Pinnacles	0%	0%	Application	
MLA 20694	Windermere	0%	0%	Application	

Table 1: Schedule of Tenements cont.

Registered Holder	Tenement No.	Tenement Name	Interest at beginning of Qtr	Interest at end of Qtr	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

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

CONSOLIDATED TIN MINES LIMITED

ABN

57 126 634 606

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Curent quarter \$A'000	Year to date (9 mths) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(1,011)	(2,830)
(b) development	-	-
(c) production	-	-
(d) administration	(298)	(998)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	4
1.5 Interest and other costs of finance paid	-	(11)
1.6 Income taxes paid	-	-
1.7 Other – R&D refund	-	382
Net Operating Cash Flows	(1,308)	(3,453)
Cash flows related to investing activities		
1.8 Payment for purchases: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(8)
(d) bonds & deposits	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
(d)bonds & deposits	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other –	-	-
Net investing cash flows	(1)	(8)
1.13 Total operating and investing cash flows (carried forward)	(1,309)	(3,461)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,309)	(3,461)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	3,576
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	295	295
1.17	Repayment of borrowings	-	(550)
1.18	Dividends paid	-	-
1.19	Other (Share Issue Costs)	(7)	(52)
	Net financing cash flows	288	3,269
	Net increase (decrease) in cash held	(1,021)	(192)
1.20	Cash at beginning of quarter/year to date	1,120	291
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	99	99

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Curent quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	143
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- | |
|--|
| <ul style="list-style-type: none"> i. Remuneration of Directors- \$131,058. ii. Office rent and motor vehicle expenses paid to NQ Mining Enterprise Pty Ltd an entity owned by Mr Ralph De Lacey - \$11,792. |
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	705 (295)
3.2	Credit standby arrangements	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	500
4.2	Development	-
4.3	Production	-
4.4	Administration	200
Total		700

On 16 April 2013, the Company has entered into a short term loan facility of up to \$1,000,000 with Snow Peak Mining Pty Ltd, a company controlled by Snow Peak International Investment Limited, the Company's major shareholder. As at 31 March 2014, the Company had drawn \$295,000 from this loan facility, there is a remaining loan facility of \$705,000. The Company is continuing to review its near term capital raising options.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Curent quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	99	1,074
5.2	Deposits at call	-	46
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		99	1,120

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-		
7.2 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 +Ordinary securities	250,614,381	250,614,381		
7.4 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		
7.7 Options <i>(description and conversion factor)</i>	2,200,000	-	Exercise price 30 cents	Expiry date 31/12/2014
	2,200,000	-	40 cents	31/12/2015
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 30 April 2014

Print name: Kevin Hart

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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