



CONSOLIDATED
TIN MINES LIMITED
ABN 57 126 634 606

Financial Statements

**For The Half-Year Ended
31 December 2009**

Consolidated Tin Mines Limited
ABN 57 126 634 606

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The information contained in this report that relates to assay results of rock samples and drill chips, to mineral resource estimates and to ore reserve estimates of mineralisation has been compiled by John Sainsbury (BSc, AusIMM). John Sainsbury is a geologist of 30 years experience and has sufficient experience in the type of mineralisation under consideration to be a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - JORC Code, 2004 Edition. John Sainsbury is an executive director of Consolidated Tin Mines Limited. John Sainsbury has consented to the inclusion of this information in the form and context in which it appears.

Directors' Report

The Directors present the financial statements of Consolidated Tin Mines Limited for the half-year ended 31 December 2009.

Directors

The following persons were directors of Consolidated Tin Mines Limited during the whole of the half-year and up to the date of this report:

Ralph De Lacey (Managing Director)
John Sainsbury (Executive Director)
Andrew Kerr (Non-Executive Director)

Company Secretary

Kevin Hart

Review of Operations

The consolidated net loss after income tax for the half-year was \$235,532 (31 December 2008: \$234,631).

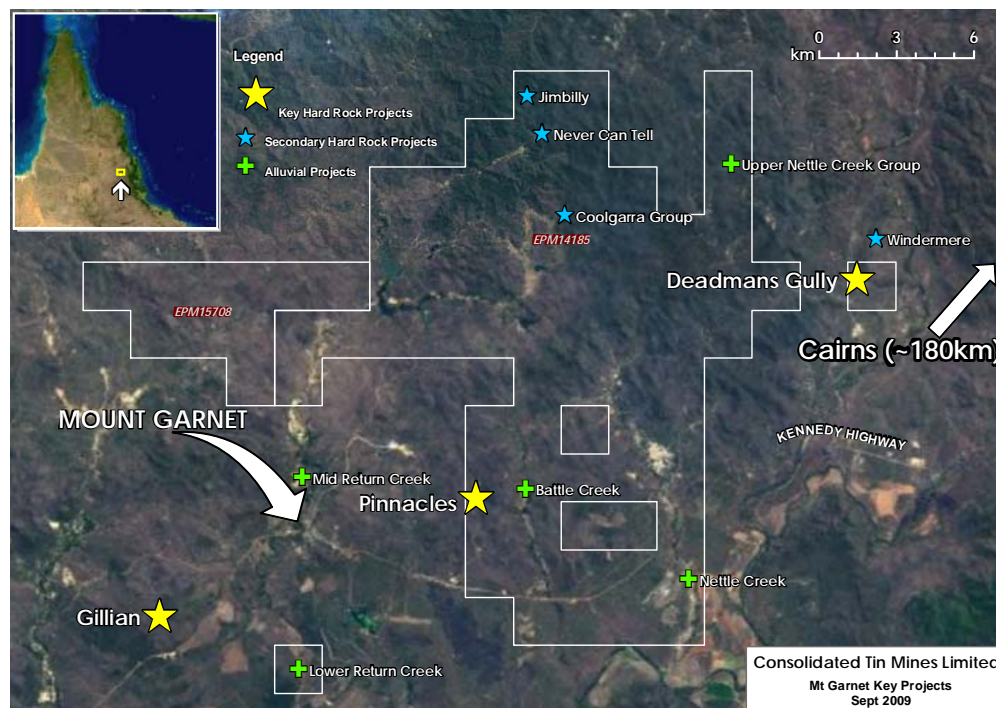
At the end of the half-year the Company had \$1,080,857 (30 June 2009: \$1,239,031) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$2,485,665 (30 June 2009: \$1,655,570). Mineral exploration and evaluation expenditure incurred during the half-year for the Company was \$830,095 (31 December 2008: \$806,679).

Expenditure was principally focused on tin exploration in Queensland.

Review of Exploration

During the review period, exploration continued at Consolidated Tin's three key projects; Gillian, Pinnacles and Windermere. To date the Company has drilled a total of 6,600m across 137 holes at the project and has established a significant JORC Resource of 5.3Mt @ 0.64% Tin (Sn).

Figure 1: Mt Garnet area showing Key Project Locations



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Directors' Report

Review of Exploration (continued)

Gillian

The latest phase of drilling at Gillian commenced November 2009. A total of 2340 metres of RC drilling was completed over 44 holes. The program was designed to increase the measured and indicated JORC Resource at the Gillian Project.

After this latest drilling program, Consolidated Tin Mines is pleased to present the new Gillian JORC Resource. To date Consolidated Tin Mines has completed 4,400 metres of RC drilling and 95 metres of diamond drilling within the Gillian project, and it has a JORC Measured Resource of 1.2 million tonnes @ 0.82% Sn.

Company upgraded JORC Resource table:

TIN (Sn)	Measured tonnes	Grade %	Indicated tonnes	Grade %	Inferred tonnes	Grade %	Total tonnes	Grade %
Gillian	1,203,000	0.82	824,100	0.73	974,100	0.83	3,001,200	0.80
Pinnacles - Wafer	-	-	218,200	0.49	1,133,100	0.39	1,351,300	0.41
Pinnacles - Sniska	-	-	-	-	306,900	0.32	306,900	0.32
Pinnacles - Hartog	-	-	-	-	212,700	0.51	212,700	0.51
Deadmans Gully	-	-	401,500	0.49	-	-	401,500	0.49
TOTAL	1,203,000	0.82	1,443,800	0.63	2,626,800	0.56	5,273,600	0.64

IRON (Fe)	Measured tonnes	Grade %	Indicated tonnes	Grade %	Inferred tonnes	Grade %	Total tonnes	Grade %
Gillian	1,203,000	31.35	824,100	29.75	974,100	30.98	3,001,200	30.79
Pinnacles - Wafer	-	-	218,200	20.21	1,133,100	27.88	1,351,300	16.87
Pinnacles - Sniska	-	-	-	-	306,900	22.90	306,900	22.90
Pinnacles - Hartog	-	-	-	-	212,700	13.75	212,700	13.75
Deadmans Gully	-	-	401,500	34.89	-	-	401,500	34.89
TOTAL	1,203,000	31.35	1,443,800	29.73	2,626,800	27.30	5,273,600	26.39

FLUORINE (F)	Measured tonnes	Grade %	Indicated tonnes	Grade %	Inferred tonnes	Grade %	Total tonnes	Grade %
Pinnacles - Wafer	-	-	-	-	348,300	18.54	348,300	18.54
Pinnacles - Sniska	-	-	-	-	306,900	12.00	306,900	12.00
Pinnacles - Hartog	-	-	-	-	212,700	15.50	212,700	15.50
Pinnacles - Llahsram	-	-	-	-	91,700	13.00	91,700	13.00
TOTAL	-	-	-	-	959,600	15.25	959,600	15.25

Windermere

The Windermere project is the third (along with the Gillian and the Pinnacles projects) of the Company's three major hardrock tin projects at the Mt Garnet area. There has been no historic drilling within the MDL section of the Windermere Project, and the Company is encouraged by the exposed strike length of tin bearing ironstone (3km), exposed widths (5-10 metres), and tin grades (0.5%-1.0% Sn based on 1970s-1990s rock chip assay work), and looks forward to commencing the maiden drill program at this section of the project.

At present the Windermere project has a JORC Indicated Resource of 401,500 tonnes @ 0.49% Sn confirmed only over the Deadmans Gully section of the project area.

Pinnacles

To date the Company has drilled a total of 1,949 metres across 50 holes. The project has a total JORC Resource of 1.87 million tonnes @ average grade 0.41% Sn across three deposits (Wager, Sniska, and Hartog).

Directors' Report

Review of Exploration (continued)

Upper Battle Creek

The Company undertook work to sample the dredged and altered granite material of the UBC area. The material sampled was the historic dredge sand tailings. Gravity test sampling of this material returned results in the order of 100 gm SnO₂/cubic metre, while gravity test sampling results of the altered granite material are in the range of 300 gm SnO₂/cubic metre. This range of results is comparable to that of the 1985 drill results.

Metallurgy

The Company appointed metallurgist Robert Shelley as Senior Development Metallurgist to the Mt Garnet Tin Project. With Mr. Shelley's expertises and the supervision of testwork and reporting by quality laboratories, the metallurgy testwork has seen some significant breakthroughs during this period. The Company has undertaken the metallurgy testwork as a step by step progression of understanding the mineralisation. Each step is accompanied by mineralogical studies and XRD studies to provide the grain images of what is being achieved.

Gravity table testwork of samples from representative sections of the Gillian mineralisation, Hole 7 and Hole 83/84, confirmed a cassiterite concentrate can be recovered at a grade up to 62% Sn. More testwork is currently underway and the Company intends to summarise results once this phase of testwork is completed. The Company expects to confirm the metallurgy treatment circuit in the coming months.

Future Activities

Metallurgy

The company is continuing with metallurgy testwork programs and expects to confirm the mineral extraction circuit in the coming months.

Further Drilling at Gillian

Further drilling campaigns will commence in the coming months.

Windermere

Drilling program at Windermere will commence on grant of Mineral Development Licence (MDL) 381.

Environmental Monitoring

Environmental baseline studies will continue on Gillian and the Central Mill mining lease applications, as well as at the Battle Creek alluvial project.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on Page 5.

This report is made in accordance with a resolution of the Directors.

DATED at Cairns this 1st day of March 2010.



Ralph De Lacey
Managing Director



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**DECLARATION OF INDEPENDENCE BY GREG MITCHELL TO THE DIRECTORS OF
CONSOLIDATED TIN MINES LIMITED**

As lead auditor for the review of Consolidated Tin Mines Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

Greg Mitchell

Director

BDO (NTH QLD)

Cairns, 1 March 2010

Consolidated Tin Mines Limited
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Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2009

	Note	Consolidated	
		31 December 2009 \$	31 December 2008 \$
Interest income		17,635	86,304
Revenue		17,635	86,304
Depreciation and amortisation expenses		(9,276)	(11,293)
Marketing expenses		(63,514)	(24,581)
Occupancy expenses		(14,266)	(8,930)
Administrative expenses		(104,333)	(95,673)
Employee expenses		(112,142)	(91,734)
Corporate and other expenses		(100,553)	(88,724)
Loss before income tax		(386,449)	(234,631)
Income tax benefit	3	150,867	-
Net loss for the half-year attributable to the members of the parent entity		(235,582)	(234,631)
Other comprehensive Income		-	-
Total comprehensive income for the period attributable to the members of the parent entity		(235,582)	(234,631)
Loss per share			
Basic loss per share (cents)		(0.5)	(0.5)
Diluted loss per share (cents)		(0.5)	(0.5)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Tin Mines Limited
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Consolidated Statement of Financial Position
As At 31 December 2009

	Consolidated	
	31 December 2009 \$	30 June 2009 \$
Current assets		
Cash and cash equivalents	1,080,857	1,239,031
Trade and other receivables	66,022	54,293
Total current assets	1,146,879	1,293,324
Non-current assets		
Property, plant and equipment	243,675	222,183
Exploration and evaluation assets	2,485,665	1,655,570
Bonds and deposits	7,500	7,500
Total non-current assets	2,736,840	1,885,253
Total assets	3,883,719	3,178,577
Current liabilities		
Trade and other payables	263,498	145,704
Employee benefits payable	48,629	14,085
Total current liabilities	312,127	159,789
Total liabilities	312,127	159,789
Net assets	3,571,592	3,018,788
Equity		
Issued capital	4,478,154	3,691,167
Accumulated losses	(1,076,354)	(840,772)
Share based payments reserve	169,792	168,393
Total equity	3,571,592	3,018,788

The above statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Tin Mines Limited
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Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2009

	Consolidated			Total
	Issued Capital	Accumulated losses	Share based payments reserve	
	\$	\$	\$	\$
At 1 July 2008	3,691,167	(335,535)	160,000	3,515,632
Total comprehensive income for the half-year				-
Loss for the half-year	-	(234,631)	-	(234,631)
Other comprehensive income				
Transactions with owners in their capacity as owners				
Share issue	-	-	-	-
Share based payments	-	-	-	-
At 31 December 2008	<u>3,691,167</u>	<u>(570,166)</u>	<u>160,000</u>	<u>3,281,001</u>
At 1 July 2009	3,691,167	(840,772)	168,393	3,018,788
Total comprehensive income for the half-year				
Loss for the half-year	-	(235,582)	-	(235,582)
Other comprehensive income	-	-	-	-
Transactions with owners in their capacity as owners				
Share issue, net of costs	786,987	-	-	786,987
Share based payments	-	-	1,399	1,399
At 31 December 2009	<u>4,478,154</u>	<u>(1,076,354)</u>	<u>169,792</u>	<u>3,571,592</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows
For the half-year ended 31 December 2009

	Consolidated	
	31 December 2009 \$	31 December 2008 \$
Cash flows from operating activities		
Interest received	30,811	60,903
Payments to suppliers and employees	(302,209)	(237,925)
Research and development tax concession	150,867	-
Net cash used in operating activities	(120,531)	(177,022)
Cash flows from investing activities		
Payments for exploration and evaluation	(793,863)	(874,225)
Payments for plant and equipment	(30,767)	(11,254)
Net cash used in investing activities	(824,630)	(885,479)
Cash flows from financing activities		
Proceeds from issue of shares	842,600	-
Payments for transaction costs relating to share issues	(55,613)	-
Net cash from financing activities	786,987	-
Net increase/(decrease) in cash held	(158,174)	(1,062,501)
Cash at the beginning of the period	1,239,031	2,725,606
Cash at the end of the period	1,080,857	1,663,105

The above statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Tin Mines Limited
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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2009

Note 1 Basis of preparation of half-year report

These general purpose financial statements for the half-year reporting period ended 31 December 2009 have been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the Corporations Act 2001.

The historical cost basis has been used.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2009 and any public announcements made by Consolidated Tin Mines Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements.

Going concern basis for preparation of financial statements

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The ability of the Company to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Company's tenements and/or sale of non-core assets. Should the Company not be successful in raising additional funding by capital raisings or other alternative funding arrangements fail to eventuate, there is uncertainty as to whether the Company will be able to continue as a going concern. If the Company is unable to continue as a going concern, it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts that may be different to those stated in the final report

The directors are cognisant of the fact that future exploration and administration activities are constrained by available cash assets, and believe that the current cash reserves of the Company are sufficient to fund forecast exploration.

The Directors are confident of securing funds if and when necessary to meet the Company's obligations as and when they fall due, and consider the adoption of the Going Concern basis to be appropriate in the preparation of these financial statements.

The consolidated half-year financial statements were approved by the Board of Directors on 1st March 2010.

Note 2 Segment information

The group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The group's sole activity is mineral exploration and resource development wholly within Australia; therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2009

Note 3 Income tax benefit

	31 December 2009	31 December 2008
	\$	\$
Research and development expenditure tax concession benefit	150,867	-

Note 4 Issued capital

	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	#	#	\$	\$
At the beginning of the period	46,098,001	46,098,001	3,691,167	3,691,167
Share placement	8,426,000	-	842,600	-
Costs related to share issues	-	-	(55,613)	-
	54,524,001	46,098,001	4,478,154	3,691,167

During the reporting period the Group completed a capital raising by way of a placement of 8,426,000 shares at 10 cents each, with an attaching free option exercisable at 20 cents each on or before 31 December 2013, for every share issued.

Note 5 Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2008 or 31 December 2009.

Note 6 Contingencies

(i) Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

(ii) Contingent assets

There has been no change in contingent assets since the last annual reporting date.

Note 7 Events occurring after the balance sheet date

There has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Company in subsequent financial years.

No changes have occurred in the composition of the controlled entity during the half year or since the end of the period.

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Directors' Declaration

The Directors of Consolidated Tin Mines Limited ("the Company") declare that:

- (a) the half-year financial statements and notes set out on pages 6 to 11 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB134 – *Interim Financial Reporting*, and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position as at 31 December 2009 and of the performance for the half-year ended on that date of the Company.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Signed at Cairns this 1st day of March 2010.



Ralph De Lacey
Managing Director



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Consolidated Tin Mines Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying consolidated half-year financial report of Consolidated Tin Mines Limited, which comprises the consolidated statement of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement or description of accounting policies other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the consolidated half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Consolidated Tin Mines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a consolidated half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Consolidated Tin Mines Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the disclosing entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the consolidated half-year financial statements which indicates that the ability of the company to continue to adopt the going concern basis of accounting, to maintain continuity of normal business activities, and to pay its debts as and when they fall due is dependent upon the successful raising in the future of necessary funding through debt, equity or farm out, and or successfully explore and subsequently exploit the company's tenements or sale of non-core assets.

No adjustments have been made to the carrying value of assets or recorded amount of liabilities should the company's plans not eventuate.

BDO

BDO (NTH QLD)

Greg Mitchell

Director

Cairns, 1 March 2010