

CONSOLIDATED TIN MINES LIMITED

ABN 57 126 634 606

AUDIT POLICY

AUDIT COMMITTEE

The full Board fulfils the role of an Audit Committee. The Board has deemed that the whole Board is the most appropriate composition of Directors to consider financial reporting matters at this point in time. It is envisaged that in due course an Audit Committee will be formed comprising the independent Non-Executive Directors. Financial performance is monitored on a regular basis by the Managing Director who reports to the Board at scheduled Board Meetings.

EXTERNAL AUDITORS

Should a change in auditor be considered necessary, a formal tendering process will be undertaken. The Board will identify the attributes required of an auditor and will ensure the selection process is sufficiently robust so as to ensure selection of an appropriate auditor.

The Board will ensure that prospective auditors have been provided with a sufficiently detailed understanding of the Company, its operations, its key personnel and any other information, including group structures and financial statements that will have a direct bearing on each firm's ability to develop an appropriate proposal and fee estimate.

The Board will consider the appointment in conjunction with senior management.

In selecting an external auditor, particular consideration will be given to determining whether the fee quoted is sufficient for the work required, that the work is to be undertaken by people with an appropriate level of seniority, skill and knowledge and whether the work proposed is sufficient to meet the Company's needs and expectations.

The appointment of a new external audit firm will be placed before shareholders for ratification at the next annual general meeting after the appointment is made.

Rotation and succession planning

The Board will discuss with the auditor the provisions the audit firm has in place for rotation of the lead engagement partner and the independent review partner. The Company shall require that the lead engagement partner be rotated at least every 5 years and the review partner be rotated at least every 3 years.

Management sign-off procedure

The Board will ensure that the Managing Director and Chief Financial Officer prepare a written statement to the Board certifying that the Company's annual financial report and half yearly financial report present a true and fair view, in all material respects, of the financial condition of the Company and its operational performance and are in accordance with relevant accounting standards.

The statement is to be presented to the Board prior to the approval and sign-off of the respective annual and half yearly financial reports.

This Policy was adopted by the Consolidated Tin Mines Limited Board on 10th February 2009