



**CONSOLIDATED**  
TIN MINES LIMITED

ABN 57 126 634 606

**Interim Financial Statements**

**For The Half-Year Ended  
31 December 2008**

**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.

**Consolidated Tin Mines Limited**  
**ABN 57 126 634 606**

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**Directors' Report**

The Directors present their interim financial report of Consolidated Tin Mines Limited for the half-year ended 31 December 2008.

**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:

Peter O'Connor	(Non-Executive Chairman)
Ralph De Lacey	(Managing Director)
John Sainsbury	(Executive Director)
Andrew Kerr	(Non-Executive Director)

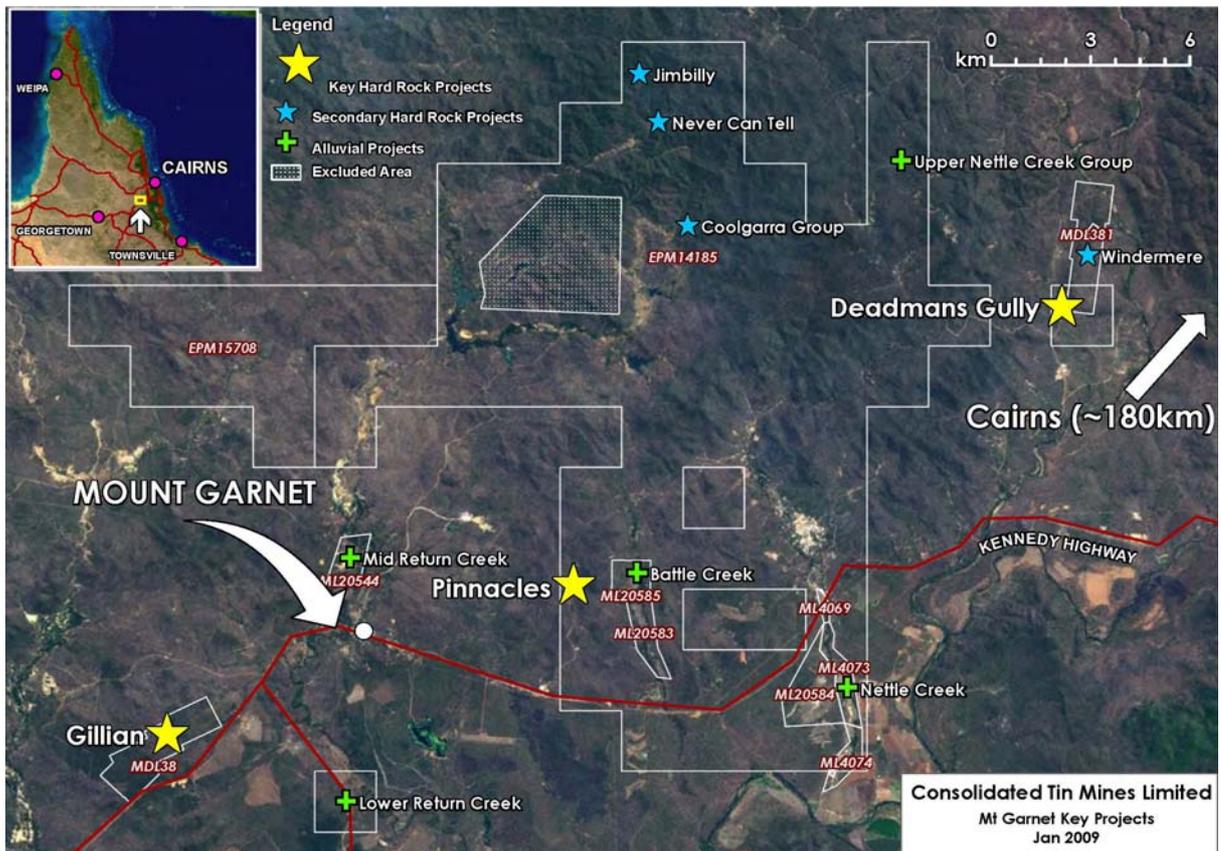
**Company Secretary**

Kevin Hart

**Review of Operations**

During the review period drilling continued at the Company's three key projects; Gillian, Pinnacles and Deadmans Gully (Windermere). At Gillian and Pinnacles, the drilling programs were undertaken to complete strike testing of the areas of mineralisation, with a density of drill spacing designed to allow resource calculation to (at least) a JORC compliant indicated category. A total of 3,985 metres of reverse circulation (RC) and 312 metres of diamond drilling were completed from three drilling programs undertaken at the Company's project areas in 2008. Nominal strike spacing of drill holes at the better outcropping mineralised areas at the Gillian and Pinnacles project areas was set at 40 metres.

**Key Project Areas**



**Directors' Report**

**Gillian**

Mineralisation at the Gillian Project is a skarn development with iron rich haematite and magnetite rock outcrop found over a north east trending strike length of one kilometre. Better widths of skarn are found in the 300 metre south west section (the South Basin) and the 500 metre north east section (the North Basin). The South Basin was the main section tested by drilling in the July and August drill programs. The North Basin was the main section tested in the current drill program. The third drilling campaign completed the program of strike test work of the area mineralisation at Gillian, with penetration of the mineralisation at nominal 40 metre strike spacing. This density of drilling will allow a resource calculation to be undertaken of the Gillian mineralisation.

**Pinnacles – Tin, Iron and Fluorite Project**

Drilling continued at the Pinnacles Project area in August and October/November. Drilling at holes 45 to 54 and 70 to 74 (totalling 604 metres of RC drilling and 192 metres of diamond drilling) were completed at the Wafer prospect area. Over the 700 metre strike length of the Wafer prospect, drill penetration at nominal 40 metre strike spacing was completed.

Drilling at holes 55 to 69 (totalling 352 metres of RC drilling) were completed on three prospects; Hartog, Sniksa and Lhasham. These were identified by Comalco in the 1970s as shallow, flat dipping bodies of skarn mineralisation with fluorite and tin mineralisation.

The Pinnacles project was explored for fluorine by Comalco in the 1970s, and it calculated a reasonably sized resource (which proved to be a sub economic body of mineralisation at 1970s prices). Consolidated Tin has recognised fluorite (calcium fluorine mineral) in the RC chips and core. Fluorine analyses are being undertaken and results are awaited.

**Deadmans Gully Project**

The Deadmans Gully Project is the southern extent of the much larger Windermere project which the company holds as a Mineral Development Licence application awaiting grant. Deadmans Gully is located on part of granted EPM 14185. Further drilling consisted of one diamond drill hole, Hole 92, of PQ size completed on December 8<sup>th</sup> and 9<sup>th</sup>. Previous RC drilling, from July 2008 was not fully completed to planned depth, and diamond coring of one hole was completed to 30 metres depth. As with the Pinnacles Project mineralisation, the interesting overprint of magnetite/tin by a sulphide mineralisation has been recognised. The core is to be sawn and assayed.

**Planned Activities**

**Metallurgy studies continue**

Ongoing testwork has produced encouraging results of tin and iron recovery, with preliminary results producing saleable iron-tin concentrates. Tin, as cassiterite, is within a size range for commercial mill recovery. Further tests are underway for optimising tin and iron recovery and concentrate grade.

**Resource upgrade**

A revised JORC Resource incorporating recent drill results is underway and expected to be available in the very near future.

**Mining Lease Applications**

Mining lease applications are to be progressed for Gillian and Battle Creek projects with commencement of the required environmental baseline studies and monitoring and development of Environmental Management Plans.

**Consolidated Tin Mines Limited**  
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**Directors' Report**

The consolidated net loss after income tax for the half-year was \$234,631 (31 December 2007: \$415). Included in the loss for the current half-year is a write-off of deferred exploration expenditure totalling \$Nil (31 December 2007: \$Nil).

At the end of the half-year the Company had \$1,663,105 (30 June 2008: \$2,725,606) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$1,329,034 (30 June 2008: \$522,355). Mineral exploration and evaluation expenditure during the half-year for the Company was \$806,679 (31 December 2007: \$40,471).

Expenditure was principally focused on tin exploration in Queensland.

**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 6.

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

DATED at Cairns this 10<sup>th</sup> day of March 2009.



**Ralph De Lacey**  
**Managing Director**

**Consolidated Tin Mines Limited**  
**ABN 57 126 634 606**

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10 March 2009

The Directors  
Consolidated Tin Mines Ltd  
PO Box 140  
YORKEYS KNOB QLD 4878

Dear Sirs

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

As lead auditor of Consolidated Tin Mines Limited for the half year ended 31 December 2008, 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 audit; and
- any applicable code of professional conduct in relation to the audit.

**Greg Mitchell**  
Director

*BDO Kendalls*

**BDO Kendalls (Nth Qld)**  
Chartered Accountants

Cairns, 10 March 2009

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**Consolidated Tin Mines Limited**  
**ABN 57 126 634 606**

**Income Statement**  
**For the half-year ended 31 December 2008**

	Note	<b>Consolidated</b>	
		<b>31 December 2008 \$</b>	<b>31 December 2007 \$</b>
Interest income		<b>86,304</b>	270
Revenue		<b>86,304</b>	270
Depreciation and amortisation expenses		<b>(11,293)</b>	-
Marketing expenses		<b>(24,581)</b>	-
Occupancy expenses		<b>(8,930)</b>	-
Administrative expenses		<b>(95,673)</b>	(685)
Employee expenses		<b>(91,734)</b>	-
Corporate and other expenses		<b>(88,724)</b>	-
Exploration costs expensed		-	-
<b>Loss before income tax</b>	3	<b>(234,631)</b>	(415)
Income tax expense		-	-
<b>Loss attributable to members for the half-year</b>		<b>(234,631)</b>	(415)
<b>Earnings per share</b>			
Basic loss per share (cents)		<b>(0.5)</b>	(0.0)
Diluted loss per share (cents)		<b>(0.5)</b>	(0.0)

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

**Consolidated Tin Mines Limited**  
**ABN 57 126 634 606**

**Balance Sheet**  
**As At 31 December 2008**

	<b>Consolidated</b>	
	<b>31 December 2008 \$</b>	<b>30 June 2008 \$</b>
<b>Current assets</b>		
Cash and cash equivalents	1,663,105	2,725,606
Trade and other receivables	138,842	134,167
<b>Total current assets</b>	<b>1,801,947</b>	2,859,773
<b>Non-current assets</b>		
Property, plant and equipment	231,491	227,564
Exploration and evaluation assets	1,329,034	522,355
Bonds and deposits	61,000	61,000
<b>Total non-current assets</b>	<b>1,621,525</b>	810,919
<b>Total assets</b>	<b>3,423,472</b>	3,670,692
<b>Current liabilities</b>		
Trade and other payables	135,124	149,637
Employee benefits	7,347	5,423
<b>Total current liabilities</b>	<b>142,471</b>	155,060
<b>Total liabilities</b>	<b>142,471</b>	155,060
<b>Net assets</b>	<b>3,281,001</b>	3,515,632
<b>Equity</b>		
Issued capital	3,691,167	3,691,167
Accumulated losses	(570,166)	(335,535)
Equity remuneration reserve	160,000	160,000
<b>Total equity</b>	<b>3,281,001</b>	3,515,632

The above balance sheet should be read in conjunction with the accompanying notes.

**Consolidated Tin Mines Limited**  
**ABN 57 126 634 606**

**Statement of Changes in Equity**  
**For the half-year ended 31 December 2008**

	<b>Consolidated</b>	
	<b>31 December 2008 \$</b>	<b>31 December 2007 \$</b>
Total equity at the beginning of the financial period	<b>3,515,632</b>	-
<b>Net expense recognised directly in equity</b>	-	-
Loss for the period	<b>(234,631)</b>	(415)
<b>Total recognised income and expense for the period</b>	<b>(234,631)</b>	(415)
Transactions with equity holders in their capacity as equity holders:		
Contributions of equity	-	302,001
Transaction costs of equity issued	-	(272,123)
<b>Total equity at the end of the period</b>	<b>3,281,001</b>	29,463

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

**Consolidated Tin Mines Limited**  
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**Cash Flow Statement**  
**For the half-year ended 31 December 2008**

	<b>Consolidated</b>	
	<b>31 December 2008 \$</b>	<b>31 December 2007 \$</b>
<b>Cash flows from operating activities</b>		
Interest received	60,903	270
Payments to suppliers and employees	(237,925)	(685)
<b>Net cash used in operating activities</b>	<b>(177,022)</b>	<b>(415)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(874,225)	(40,091)
Payments for plant and equipment	(11,254)	-
<b>Net cash used in investing activities</b>	<b>(885,479)</b>	<b>(40,091)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	300,401
Payments for transaction costs relating to share issues	-	(252,750)
Proceeds from IPO subscriptions received prior to issue of shares	-	1,310,301
<b>Net cash from financing activities</b>	<b>-</b>	<b>1,357,952</b>
<b>Net increase/(decrease) in cash held</b>	<b>(1,062,501)</b>	<b>1,317,446</b>
<b>Cash at the beginning of the period</b>	<b>2,725,606</b>	<b>-</b>
<b>Cash at the end of the period</b>	<b>1,663,105</b>	<b>1,317,446</b>

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

**Consolidated Tin Mines Limited**  
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**Notes to the Interim Financial Statements**  
**For the half-year ended 31 December 2008**

**Note 1 Basis of preparation of half-year report**

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Consolidated Tin Mines Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**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 interim financial statements were approved by the Board of Directors on 10<sup>th</sup> March 2009.

**Note 2 Segment information**

*Business segments*

The Company is involved in the mineral exploration and resource development sector.

*Geographical segments*

The Company operates in only one geographical segment, being Australia.

The financial statements represent the results for, and assets and liabilities of business and geographical segments.

**Consolidated Tin Mines Limited**  
**ABN 57 126 634 606**

**Notes to the Interim Financial Statements**  
**For the half-year ended 31 December 2008**

**Note 3 Loss for the period**

Loss before income tax includes the following specific expenses:

	31 December 2008 \$	31 December 2007 \$
Depreciation		
Buildings	2,717	-
Office equipment	1,855	-
Motor vehicles	6,299	-
Field equipment	422	-
	<b>11,293</b>	<b>-</b>
Exploration expenditure written off and expensed	-	-

**Note 4 Capital and reserves**

	31 December 2008 #	31 December 2007 #	31 December 2008 \$	31 December 2007 \$
<b>a) Issued capital</b>				
At the beginning of the period	46,098,001	-	3,691,167	-
Issued on incorporation	-	1	-	1
Issued to promoters and vendors	-	20,000,000	-	2,000
Issued to seed investors	-	6,000,000	-	300,000
Costs related to share issues	-	-	-	(272,123)
	<b>46,098,001</b>	<b>26,000,001</b>	<b>3,691,167</b>	<b>29,878</b>

**b) Equity compensation reserve**

	31 December 2008 \$	31 December 2007 \$
Balance at the beginning of the period	160,000	-
Recognised on issue of options	-	-
Transferred on exercise of options	-	-
Balance at the end of the period	<b>160,000</b>	<b>-</b>

**c) Accumulated losses**

	31 December 2008 \$	31 December 2007 \$
Balance at the beginning of the period	(335,535)	-
Loss for the period	(234,631)	(415)
Balance at the beginning of the period	<b>(570,166)</b>	<b>(415)</b>

**Consolidated Tin Mines Limited**  
**ABN 57 126 634 606**

**Notes to the Interim Financial Statements**  
**For the half-year ended 31 December 2008**

**Note 5 Loss per share**

	<b>31 December 2008 cents</b>	31 December 2007 cents
a) Basic loss per share	(0.5)	(0.0)
b) Diluted loss per share	<b>(0.5)</b>	(0.0)
	\$	\$
c) Loss used in calculation of basic and diluted loss per share	<b>(234,631)</b>	(415)
	#	#
d) Weighted average number of shares used in the calculation of basic and diluted loss per share	<b>46,098,001</b>	22,467,392

**Note 6 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 2007.

**Note 7 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 8 Events occurring after the balance sheet date**

Other than as disclosed below, 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 Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

On 1 March 2009 the Company issued 800,000 unlisted options to employees. The options are exercisable at 12 cents each, on or before 31 March 2011.

**Consolidated Tin Mines Limited**  
**ABN 57 126 634 606**

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**Directors' Declaration**

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

- (a) the interim financial statements and notes set out on pages 7 to 13 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 2008 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 10<sup>th</sup> day of March 2009.



**Ralph De Lacey**  
**Managing Director**

**Consolidated Tin Mines Limited**  
**ABN 57 126 634 606**

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**INDEPENDENT AUDITOR'S REPORT**

To the members of Consolidated Tin Mines Limited

**Report on the Half Year Financial Report**

We have reviewed the accompanying half-year financial report of Consolidated Tin Mines Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies other selected explanatory notes and the directors' declaration (in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission).

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the disclosing entity are responsible for the preparation and fair presentation of the 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 control 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 half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report 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 2008 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 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.

*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.

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Liability limited by a scheme approved under Professional Standards Legislation

**Consolidated Tin Mines Limited**  
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*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 2008 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 half year financial report 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 the 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 Kendall's*

**BDO Kendall's (Nth Qld)**  
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'G. Mitchell', written over a horizontal line.

**Greg Mitchell**  
Director  
Cairns, 10 March 2009