

CONSOLIDATED

TIN MINES LIMITED



Financial Statements

**For The Half-Year Ended
31 December 2010**

Consolidated Tin Mines Limited
ABN 57 126 634 606

Contents

	Page
Directors' Report	2 - 4
Auditor's Independence Statement	5
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10 - 12
Directors' Declaration	13
Independent Review Report	14 - 15

Directors' Report

The Directors present the financial statements of Consolidated Tin Mines Limited for the half-year ended 31 December 2010.

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)
Darryl Harris	(Non-Executive Director) (Appointed 12 October 2010)

Company Secretary

Kevin Hart

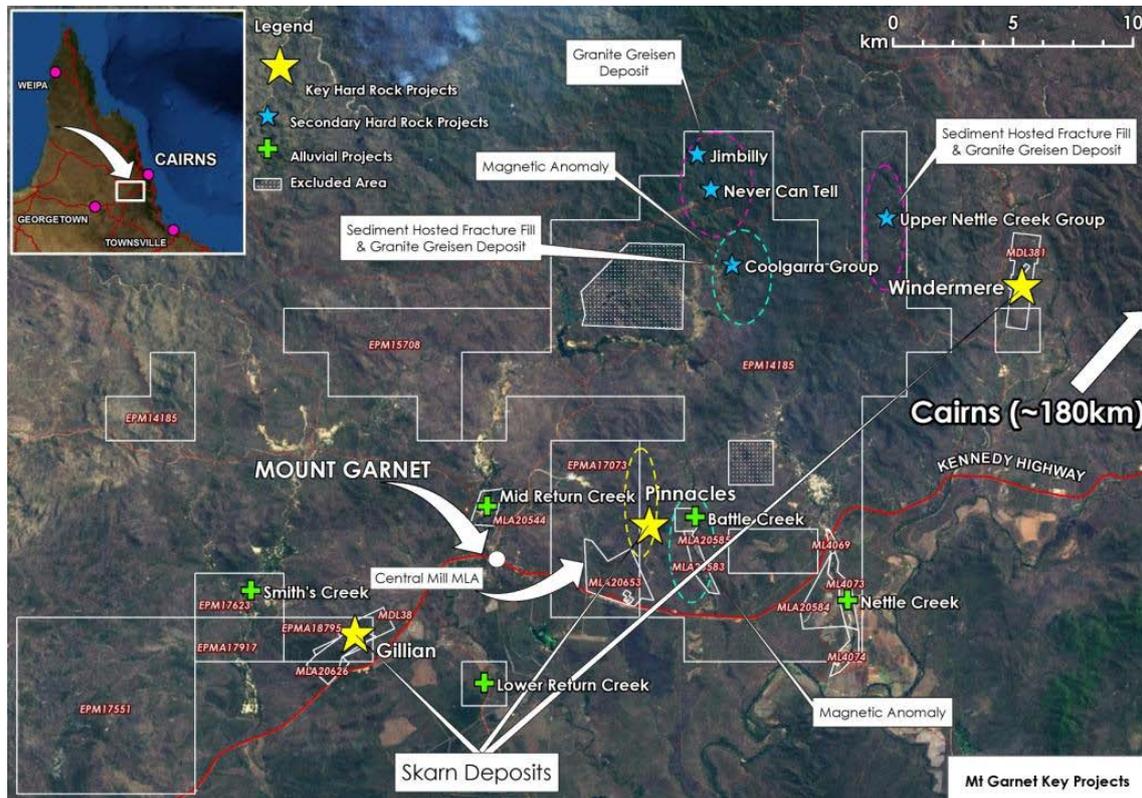
Review of Operations

The consolidated net loss after income tax for the half-year was \$346,344 (31 December 2009: \$235,532).

At the end of the half-year the Company had \$1,694,664 (30 June 2010: \$270,659) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$3,703,721 (30 June 2010: \$2,901,924). Expenditure was principally focused on tin exploration in Queensland.

Review of Exploration

During the half year in review, the Company continued to focus its exploration activities at its flagship project, the Mt Garnet tin project, near Cairns in northern Queensland. The Mt Garnet project is made of three key project areas: the Gillian, Pinnacles and Windermere projects. (See Project Location Map below).



Consolidated Tin Mines Limited
ABN 57 126 634 606

Directors' Report

During the period in review the Windermere project (MDL381) was granted, in September 2010. The Company immediately set in motion a drill program at the project designed to test the strike extent of tin mineralisation (at 40 metre spacing). A Reverse Circulation (RC) drill program comprising 2,347 metres over 48 holes was completed in November 2010. The results were extremely positive and have confirmed Windermere's potential to add significant additional resources to the Mt Garnet project. The drill results from the Windermere project have now all been released to the market. (See the Company's ASX announcements for details).

The Windermere Project has an Inferred JORC Mineral Resource of 2.1Mt @ 0.55% Tin (Sn) and has significantly increased the resource base of Mt Garnet tin project. With the addition of Windermere, and the drill program completed at the project in November, **total drilling at the Mt Garnet project to date stands at 9,025 metres across 177 holes**. The **total JORC Mineral Resource of the Mt Garnet project is 7.3Mt @ 0.6% Tin (Sn)**. See JORC Resource Table below.

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	0.77	3,001,200	0.78
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
Windermere	-	-	-	-	2,103,000	0.55	2,103,000	0.55
TOTAL	1,203,000	0.82	1,443,800	0.63	4,729,800	0.54	7,376,600	0.60

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	27.67	3,001,200	29.72
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	26.08	5,273,600	25.78

During the half year, the Company also continued with its program of metallurgy studies for the Mt Garnet tin project. This included an 80 tonne bulk sample from the Gillian project that is being processed at pilot plant scale at Greenbushes in Western Australia. This 80 tonne sample was dispatched from Mt Garnet in four 20 tonne containers on 13th October 2010 and the testwork is ongoing. Results will be released to market when they become available. Ongoing laboratory scale metallurgy test work also continues on the Mt Garnet project and the results will feed into the project's planned pre-Feasibility Study.

In July 2010 the Company released details of a preliminary Scoping Study at the Mt Garnet project (conducted in conjunction with SEMF Pty Ltd). Over the initial 7.5-year mine life (used in the preliminary Scoping Study) which excluded the current Windermere resource, the project is anticipated to deliver gross revenue of \$500 million, at a conservative tin price of AUD\$18,000 per tonne, and a strong net cash surplus of \$245 million.

This study was intended to give shareholders and potential investors an indication of the scope and magnitude of the Mt Garnet Tin Project, and it should be noted that the preliminary scoping study findings are not future revenue or operating forecasts. More definitive results will be available as the Feasibility Study work progresses.

Directors' Report

Future Exploration Activities:

The company plans to conduct ground magnetics on the Gillian and Windermere projects prior to the next drill program, to further define images produced from previous airborne geophysical surveys and the associated mineralised targets.

The drill program at Windermere (estimated 2,000m RC) will focus on higher grade areas identified from the recent drilling program. This program is designed to further define the better grade mineralisation and explore the mineralisation extensions based on current results, and also the magnetic survey results.

Drilling at Gillian (estimated 800m Diamond Drilling (DD) and 1,500m RC) will target extensions both on the northern and southern ends of the current resource and also at depth. Further infill drilling will also be completed to upgrade the resource status.

Further regional drilling is also planned on potential mineralised zones in the Coolgarra Group and Pinnacles (estimated 1,500m RC) to increase the project resource base.

The Company remains committed to its goal to establish an 8 to 10 million tonne resource across the three key projects with an average grade of 0.5%-0.6% Sn. This 8 to 10 million tonne target resource will justify the establishment of a large scale central mill at a scale capable of treating 1 million tonne of ore per annum and producing 5,000 tonne of tin metal per annum.

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 4th day of March 2011.



Ralph De Lacey
Managing Director

The Windermere Inferred resource estimate is estimated by John Sainsbury and is based on an assumption of dip continuity to 100 metres of 1700 metres of strike extent of the Windermere mineralisation with average width of 4 metres. The dimensions are conservative estimations of exposed strike length and average width. The dip extent is based on current RL difference of 50 metres in current exposures of the mineralisation and evidence of skarn continuity from drilling programs at the Company's other Mt Garnet skarns. Density of 3 is used from measurements from the company skarn occurrences for similar massive ironstone. Grade estimate is the average assay of surface samples and trench exposures of the ironstones.

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 is based on information compiled by John Sainsbury (BSc, AusIMM) an executive director of Consolidated Tin Mines Limited. John Sainsbury is a geologist of 30 years experience and has sufficient experience in the type of mineralisation under consideration to qualify as 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 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

Auditor's Independence Declaration



Tel: +61 7 4046 0000
Fax: +61 7 4051 3484
www.bdo.com.au

Cnr Aplin & Sheridan Sts
Cairns Qld 4870
PO Box 6771 Cairns Qld 4870
Australia

**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 2010, 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.

This declaration is in respect of Consolidated Tin Mines Limited and the entities it controlled during the period.

Greg Mitchell
Partner

BDO (NTH QLD)

Cairns 4 March 2011

Consolidated Tin Mines Limited
ABN 57 126 634 606

Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2010

		Consolidated	
		31	31
		December	December
		2010	2009
		\$	\$
	Note		
Interest income		5,013	17,635
Revenue		5,013	17,635
Depreciation and amortisation expenses		(11,035)	(9,276)
Marketing expenses		(40,054)	(63,514)
Occupancy expenses		(27,460)	(14,266)
Administrative expenses		(94,932)	(104,333)
Employee expenses		(115,134)	(112,142)
Exploration costs		(415)	-
Corporate and other expenses		(62,327)	(100,553)
Loss before income tax		(346,344)	(386,449)
Income tax benefit	3	-	150,867
Net loss for the half-year attributable to the members of the parent entity		(346,344)	(235,582)
Other comprehensive Income		-	-
Total comprehensive income for the period attributable to the members of the parent entity		(346,344)	(235,582)
Loss per share			
Basic loss per share (cents)		(0.4)	(0.5)
Diluted loss per share (cents)		(0.4)	(0.5)

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

Consolidated Tin Mines Limited
ABN 57 126 634 606

Consolidated Statement of Financial Position
As At 31 December 2010

	Consolidated	
	31 December 2010 \$	30 June 2010 \$
Current assets		
Cash and cash equivalents	1,694,664	270,659
Trade and other receivables	82,284	237,420
Total current assets	1,776,948	508,079
Non-current assets		
Property, plant and equipment	272,653	242,935
Exploration and evaluation assets	3,703,721	2,901,924
Bonds and deposits	12,500	12,500
Total non-current assets	3,988,874	3,157,359
Total assets	5,765,822	3,665,438
Current liabilities		
Trade and other payables	78,524	197,562
Employee benefits payable	33,065	39,471
Total current liabilities	111,589	237,033
Total liabilities	111,589	237,033
Net assets	5,654,233	3,428,405
Equity		
Issued capital	7,025,326	4,453,154
Accumulated losses	(1,534,240)	(1,195,240)
Share based payments reserve	163,147	170,491
Total equity	5,654,233	3,428,405

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

Consolidated Tin Mines Limited
ABN 57 126 634 606

Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2010

	Consolidated			Total
	Issued Capital	Accumulated losses	Share based payments reserve	
	\$	\$	\$	\$
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>
At 1 July 2010	4,453,154	(1,195,240)	170,491	3,428,405
Total comprehensive income for the half-year				
Loss for the half-year	-	(346,344)	-	(346,344)
Other comprehensive income	-	-	-	-
Transfer from equity remuneration reserve on exercise of options	-	7,344	(7,344)	-
Transactions with owners in their capacity as owners				
Share issue, net of costs	<u>2,572,172</u>	<u>-</u>	<u>-</u>	<u>2,572,172</u>
At 31 December 2010	<u>7,025,326</u>	<u>(1,534,240)</u>	<u>163,147</u>	<u>5,654,233</u>

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

Consolidated Tin Mines Limited
ABN 57 126 634 606

Consolidated Statement of Cash Flows
For the half-year ended 31 December 2010

	Consolidated	
	31 December 2010 \$	31 December 2009 \$
Cash flows from operating activities		
Interest received	5,013	30,811
Payments to suppliers and employees	(364,571)	(302,209)
Research and development tax concession	192,746	150,867
Net cash used in operating activities	(166,812)	(120,531)
Cash flows from investing activities		
Payments for exploration and evaluation	(811,906)	(793,863)
Payments for plant and equipment	(40,605)	(30,767)
Net cash used in investing activities	(852,511)	(824,630)
Cash flows from financing activities		
Proceeds from issue of shares	2,455,700	842,600
Payments for transaction costs relating to share issues	(12,372)	(55,613)
Net cash from financing activities	2,443,328	786,987
Net increase/(decrease) in cash held	1,424,005	(158,174)
Cash at the beginning of the period	270,659	1,239,031
Cash at the end of the period	1,694,664	1,080,857

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

Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2010

Note 1 Basis of preparation of half-year report

These general purpose financial statements for the half-year reporting period ended 31 December 2010 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 2010 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 raising, or other alternative funding arrangements fail to eventuate, there is material uncertainty that may cast significant doubt on the Company's ability 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 4th March 2011.

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.

Consolidated Tin Mines Limited
ABN 57 126 634 606

Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2010

Note 3 Income tax benefit

	31 December 2010 \$	31 December 2009 \$
Research and development expenditure tax concession benefit	-	150,867

Note 4 Issued capital

	31 December 2010 #	31 December 2009 #	31 December 2010 \$	31 December 2009 \$
Issued capital - Shares				
At the beginning of the period	54,524,011	46,098,001	4,453,154	3,691,167
Share placement - 10 cents	-	8,426,000	-	842,600
Entitlement offer – 4 cents	3,701,106	-	148,044	-
Share placement – 2.5 cents	8,700,000	-	217,500	-
Entitlement shortfall – 4 cents	50,525,000	-	2,021,000	-
Exercise of options – 12 cents (<i>note 5</i>)	400,000	-	48,000	-
Exercise of options – 5 cents (<i>note 5</i>)	3,000,000	-	150,000	-
Costs related to share issues	-	-	(12,372)	(55,613)
	120,850,117	54,524,001	7,025,326	4,478,154

During the reporting period the Group completed an entitlement offer of 54,226,106 ordinary fully paid shares at 4 cents each. In addition the Group completed a placement of 8,700,000 ordinary fully paid shares at 2.5 cents each with 8,700,000 attaching options exercisable at 5 cents each, on or before 31 August 2013. A total of 3,400,000 ordinary fully paid shares have been issued on the exercise of options during the period (*Note 5*).

Note 5 Options – Reconciliation of Movements

	Listed options exercisable at 20 cents each on or before 31 December 2013	Unlisted options exercisable at 12 cents each on or before 31 March 2011	Unlisted options exercisable at 5 cents each on or before 31 August 2013
At the beginning of the period	43,474,990	600,000	-
Issued during the period attaching to a share placement	-	-	8,700,000
Exercised during the period (<i>note 4</i>)	-	(400,000)	(3,000,000)
At the end of the period	43,474,990	200,000	5,700,000

Consolidated Tin Mines Limited
ABN 57 126 634 606

Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2010

Note 6 Dividends

No dividends were paid or proposed during the period or comparative period.

The Company has no franking credits available as at 31 December 2010 or 31 December 2009.

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

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 Group in subsequent financial years.

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

Consolidated Tin Mines Limited
ABN 57 126 634 606

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 12 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 2010 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 4th day of March 2011.



Ralph De Lacey
Managing Director

Independent Review Report



Tel: +61 7 4046 0000
Fax: +61 7 4051 3484
www.bdo.com.au

Cnr Aplin & Sheridan Sts
Cairns Qld 4870
PO Box 6771 Cairns Qld 4870
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Consolidated Tin Mines Limited

We have reviewed the accompanying half-year financial report of Consolidated Tin Mines Limited, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 consolidated entity's financial position as at 31 December 2010 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.

Consolidated Tin Mines Limited
ABN 57 126 634 606

Independent Review Report



Tel: +61 7 4046 0000
Fax: +61 7 4051 3484
www.bdo.com.au

Cnr Aplin & Sheridan Sts
Cairns Qld 4870
PO Box 6771 Cairns Qld 4870
Australia

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*, which has been given to the directors of Consolidated Tin Mines Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 consolidated entity's financial position as at 31 December 2010 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 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. In the absence of these matters being successful, particularly the raising of funding through equity, there exists a material uncertainty that may cast significant doubt on the entities ability to continue as a going concern and its ability to realise its assets and discharge its liabilities in the ordinary course of business.

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

Partner

Cairns 4 March 2011

BDO (NTH QLD) ABN 31 164 696 648 is a member of a national association of separate entities which are all members of BDO (Australia) Ltd ACN 050 110 275, an Australian company limited by guarantee. BDO (NTH QLD) and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.