



CONSOLIDATED
TIN MINES LIMITED
ABN 57 126 634 606

Financial Statements

**For The Half-Year Ended
31 December 2012**

Consolidated Tin Mines Limited
ABN 57 126 634 606

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Consolidated Tin Mines Limited
ABN 57 126 634 606

Directors' Report

The Directors present the financial statements of Consolidated Tin Mines Limited for the half-year ended 31 December 2012.

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	<i>(Managing Director)</i>
Andrew Kerr	<i>(Non-Executive Director)</i>
Darryl Harris	<i>(Non-Executive Director)</i>
Si He Tong	<i>(Non-Executive Director, 1 March 2012)</i>
Ze Huang (Martin) Cai	<i>(Alternate Non-Executive Director, 20 March 2012)</i>

Company Secretary

Kevin Hart

Review of Operations

The consolidated net loss after income tax for the half-year was \$341,826 (31 December 2011: \$102,754).

At the end of the half-year the Company had \$611,065 (30 June 2012: \$668,605) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$8,253,060 (30 June 2012: \$9,086,930). Expenditure was principally focused on tin exploration in Queensland.

Review of Exploration

During the half year ended 31 December 2012, Consolidated Tin Mines (CSD) continued development of the Mt Garnet Tin Project, near Cairns in North Queensland. The focus remained on the three key deposits: the Gillian, Pinnacles and Windermere deposits. The exploration target within these three deposits is 8-10 million tonnes at an average grade of 0.5-0.6% Sn*.

The Company's Pre-Feasibility Study continued through the period. This study includes all aspects of the project such as resource review, mining, transport, infrastructure, environmental and the processing facility. A strategy was developed with the Company's major shareholder, Snow Peak International Investments, to fund the Pre-Feasibility Study and bring in significant development funding at project level.

The highlight of the period was the Company's decision, via Snow Peak International Investments, to pursue the acquisition of Kagara Limited's (in administration) Central Region Project at Mt Garnet.

In mid-2012, Consolidated Tin became aware of the opportunity to acquire the North Queensland assets of Kagara including a concentrator capable of processing 1,000,000tpa, in close proximity to Consolidated Tin's Mt Garnet Tin Project. A strategic decision was made to halt development and expenditure relating to the construction of the Company's conceptual Central Mill pending the successful outcome of the bid for the Kagara assets by the Company's major shareholder Snow Peak International Investments.

In December 2012, Snow Peak Mining Pty Ltd (SPM), a subsidiary of Snow Peak International Investments and a company in which CSD hold a 10% interest, entered into an Asset Sale Agreement for the acquisition of the Kagara Central Region Project. Subsequent to the period, this acquisition was finalised.

Directors' Report

The Company believes this acquisition by SPM to be of significant strategic value and importance, and will provide the opportunity for a clear path to production for the Mt Garnet Tin Project. The Pre-Feasibility Study will progress on the basis of the Mt Garnet Tin Project ore being processed through a reconfigured Kagara Mt Garnet concentrator.

Upcoming Activity

The Company extended the completion of the JORC Resource review at the Mt Garnet Tin Project to incorporate the latest round of drilling results from September 2012. The company will inform shareholders of the results of the review as soon as available.

Another upcoming milestone in the Company's development plan for the Mt Garnet Project will be the completion of the Pre-Feasibility Study. Upon positive results, it is proposed that a 50/50 JV partnership will be formed between Consolidated Tin and SPM, whereby SPM provides the concentrator and CSD provides the Hard Rock tin project. The JV Company will then install tin processing equipment as required in preparation for the commencement of production from CSD's Mt Garnet Tin Project. This proposed JV arrangement is subject to shareholder approval at a General Meeting to be held in due course. Production is currently scheduled to commence in 2014.

The Company is continuing its regional exploration program to identify and confirm low cost greisen based tin targets which can be treated through the Mt Garnet mill recently acquired by Snow Peak Mining. Exploration drilling commenced subsequent to the period and results will be released in the coming months.

Consolidated Tin remains committed to its goal to develop the Mt Garnet Tin Project into a large scale, near-surface, open pit tin mining operation, to provide an 8 to 10 million tonne resource (average grade of 0.5-06% Sn) to SPM's centrally located mill.

The information contained in this report that relates to mineral resource estimates of mineralisation is based on information 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 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.

**The exploration target is conceptual in nature as insufficient drilling has been undertaken at this stage & it is uncertain that future drilling will result in the determination of this target.*

Directors' Report

Events occurring after the balance sheet date

Other than the following, 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.

On 30 January 2013, the Company announced that Snow Peak Mining Pty Ltd (SPM), a company in which the Company holds a 10% interest, has completed the acquisition of the Kagara Central Region Project at Mt Garnet, near Cairns in northern 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 the following page.

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

DATED at Cairns this 13th day of March 2013.



Ralph De Lacey
Managing Director

Consolidated Tin Mines Limited
ABN 57 126 634 606

Auditor's Independence Declaration



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**DECLARATION OF INDEPENDENCE BY MARGARET DEWHURST 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 2012, 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.

A handwritten signature in blue ink, appearing to read 'Margaret Dewhurst'.

Margaret Dewhurst

Director

A handwritten logo in blue ink, consisting of the letters 'BDO' in a stylized, slightly irregular font.

BDO Audit (NTH QLD) Pty Ltd

Cairns, 13 March 2013

Consolidated Tin Mines Limited
ABN 57 126 634 606

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2012

	Note	Consolidated	
		31 December 2012 \$	31 December 2011 \$
Interest income		15,523	36,955
Revenue		15,523	36,955
Depreciation and amortisation expenses		(44,140)	(26,804)
Marketing expenses		(23,027)	(50,963)
Occupancy expenses		(30,695)	(29,393)
Administration and other expenses		(145,827)	(165,250)
Consultancy fee		(180,000)	-
Employee expenses		(318,990)	(257,361)
Feasibility study costs expensed		(40,000)	-
Corporate and other expenses		(61,854)	(73,571)
Loss before income tax		(829,010)	(566,387)
Income tax benefit	3	487,184	463,633
Net loss for the half-year attributable to the members of the parent entity		(341,826)	(102,754)
Other comprehensive Income		-	-
Total comprehensive income for the period attributable to the members of the parent entity		(341,826)	(102,754)
Loss per share			
Basic loss per share (cents)		(0.2)	(0.1)
Diluted loss per share (cents)		(0.2)	(0.1)

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 2012

		Consolidated	
	Note	31 December 2012 \$	30 June 2012 \$
Current assets			
Cash and cash equivalents		611,065	668,605
Trade and other receivables		123,262	49,648
Total current assets		734,327	718,253
Non-current assets			
Property, plant and equipment		559,797	574,165
Exploration and evaluation assets	4	8,253,060	9,086,930
Bonds and deposits		18,644	18,644
Total non-current assets		8,831,501	9,679,739
Total assets		9,565,828	10,397,992
Current liabilities			
Trade and other payables		162,527	338,172
Employee benefits payable		95,636	82,409
Loans and borrowings		-	1,000,000
Total current liabilities		258,163	1,420,581
Total liabilities		258,163	1,420,581
Net assets		9,307,665	8,977,411
Equity			
Issued capital		11,567,200	11,528,100
Accumulated losses		(3,052,515)	(2,710,689)
Share based payments reserve		160,000	160,000
Option reserve		632,980	-
Total equity		9,307,665	8,977,411

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 2012

	Consolidated				
	Issued Capital	Accumulate d losses	Share based payments reserve	Option reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2011	8,951,386	(2,011,968)	160,000	-	7,099,418
Total comprehensive income for the half-year:					
Loss for the half-year	-	(102,754)	-	-	(102,754)
Other comprehensive income	-	-	-	-	-
Recognition of performance rights issued	-	-	12,000	-	12,000
Transfer from equity remuneration reserve on exercise of	12,000	-	(12,000)	-	-
Transactions with owners in their capacity as owners:					
Share issue, net of costs	1,497,805	-	-	-	1,497,805
At 31 December 2011	10,461,191	(2,114,722)	160,000	-	8,506,469
At 1 July 2012	11,528,100	(2,710,689)	160,000	-	8,977,411
Total comprehensive income for the half-year:					
Loss for the half-year	-	(341,826)	-	-	(341,826)
Other comprehensive income	-	-	-	-	-
Transactions with owners in their capacity as owners:					
Share issue, net of costs	39,100	-	-	-	39,100
Options issued	-	-	-	632,980	632,980
At 31 December 2012	11,567,200	(3,052,515)	160,000	632,980	9,307,665

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

Consolidated Tin Mines Limited
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Consolidated Statement of Cash Flows
For the half-year ended 31 December 2012

	Consolidated	
	31 December 2012 \$	31 December 2011 \$
Cash flows from operating activities		
Interest received	15,523	36,955
Payments to suppliers and employees	(849,773)	(519,635)
Research and development tax concession	536,815	463,633
Net cash used in operating activities	(297,435)	(19,047)
Cash flows from investing activities		
Payments for exploration and evaluation	(1,730,333)	(2,145,494)
Funding received from Snow Peak	2,000,000	-
Payments for plant and equipment	(29,772)	(104,371)
Net cash from/(used in) investing activities	239,895	(2,249,865)
Cash flows from financing activities		
Proceeds from issue of shares	-	1,600,000
Payments for transaction costs relating to share issues	-	(113,679)
Net cash from financing activities	-	1,486 321
Net increase/(decrease) in cash held	(57,540)	(782,591)
Cash at the beginning of the period	668,605	1,756,325
Cash at the end of the period	611,065	973,734

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 2012

Note 1 Basis of preparation of half-year report

These general purpose financial statements for the half-year reporting period ended 31 December 2012 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 2012 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 12th March 2013.

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
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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2012

Note 3 Income tax benefit

	31 December 2012 \$	31 December 2011 \$
Research and development expenditure tax concession benefit	487,184	463,633

Note 4 Exploration and evaluation assets

		31 December 2012 \$	30 June 2012 \$
Exploration and evaluation phase – at cost	(a)	9,546,543	8,471,114
Feasibility study – at cost	(b)	1,073,537	615,816
Cost contribution from Snow Peak International Investments Limited Pursuant to a project funding agreement approved by shareholders on 9 July 2012		(2,367,020)	-
Cost carried forward		8,253,060	9,086,930
(a) In the exploration and evaluation phase			
Cost brought forward		8,471,114	5,511,922
Exploration expenditure incurred during the year at cost		1,075,429	2,994,057
Previously capitalised exploration costs written off		-	(34,865)
Cost carried forward		9,546,543	8,471,114
(b) In the feasibility study phase			
Cost brought forward		615,816	-
Feasibility study incurred during the year at cost		457,721	615,816
Cost carried forward		1,073,537	615,816

Consolidated Tin Mines Limited
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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2012

Note 5 Issued capital

Issued capital - Shares	31 December 2012 #	31 December 2011 #	31 December 2012 \$	31 December 2011 \$
At the beginning of the period	182,245,734	145,645,734	11,528,100	8,951,386
Share placement – 8 cents	-	20,000,000	-	1,600,000
Exercise of performance share rights – 6 cents	-	200,000	-	12,000
Shares issued – consideration for acquisition of Jeannie River prospect	750,000	-	34,500	-
Shares issued – in lieu of cash remuneration	100,000	-	4,600	-
Costs related to share issues	-	-	-	(102,195)
	183,095,734	165,845,734	11,567,200	10,461,191

Note 6 Options

As at 31 December 2012, the Company had on issue 88,974,990 (30 June 2012: 61,674,990) options over unissued shares on issue.

During the reporting period the Company issued 27,300,000 unlisted options exercisable at 7 cents each on or before 31 December 2013 and after completion of pre-feasibility study to Snow Peak International Investments Limited, a company of which Mr Si He Tong has interest, pursuant to a Heads of Agreement signed on 3 May 2012 and shareholder approval received on 9 July 2012.

The options issued during the reporting period were valued using the Black-Scholes valuation model using the following inputs:

Number of options	27,300,000
Valuation date	9 July 2012
Exercise date	31 December 2013
Share price on grant date	5 cents
Option exercise price	7 cents
Volatility	120%
Interest rate	2.39%
Value per option	2.32 cents
Total value of options	\$632,980

The fair value of the options granted of \$632,980 has been recognised as a reduction to the total \$3,000,000 contribution provided by Snow Peak International Investments Limited towards the Company's pre-feasibility study programs (note 7).

Other than above, no options have been issued or cancelled during the reporting period. No shares have been issued on exercise of options during the reporting period.

Consolidated Tin Mines Limited
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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2012

Note 7 Related Party Transactions

During the period the Company incurred costs of \$108,753 (2011: Nil) on behalf of Snow Peak International Investments Limited (Snow Peak), the Company's major shareholder. This amount is included in trade and other receivables as at 31 December 2012.

During the year the Company received \$2,000,000 from Snow Peak pursuant to a Heads of Agreement signed on 3 May 2012 and shareholder approval received on 9 July 2012. The \$2,000,000 was the balance of a \$3,000,000 funding arrangement in respect of the Company's prefeasibility studies. Details of the options issued to Snow Peak as part of this agreement are included at note 6.

Note 8 Dividends

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

The Company has no franking credits available as at 31 December 2012 or 31 December 2011.

Note 9 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 10 Events occurring after the balance sheet date

Other than the following, 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.

On 30 January 2013, the Company announced that Snow Peak Mining Pty Ltd (SPM), a company in which the Company holds a 10% interest, has completed the acquisition of the Kagara Central Region Project at Mt Garnet, near Cairns in northern Queensland. The Company's pre-feasibility study will now be completed based on processing tin at the Kagara concentrator. The pre-feasibility study will determine the financial impact on the Company.

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 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 2012 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 13th day of March 2013.



Ralph De Lacey
Managing Director

Consolidated Tin Mines Limited
ABN 57 126 634 606

Independent Review Report



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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 consolidated statement of financial position as at 31 December 2012, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 internal 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 half-year 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 2012 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.

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Independent Review Report



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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*, 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 review 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 disclosing entity's financial position as at 31 December 2012 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*.

Emphasis of Matter

Without modifying 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 will depend on future successful capital raisings, successfully explore and subsequent exploitation of the company's tenements and/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 about the disclosing entity's ability to continue as a going concern and therefore, the disclosing entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO

BDO Audit (NTH QLD) Pty Ltd

Margaret Dewhurst

Director

Cairns, 13 March 2013

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