



Financial Statements

**For The Half-Year Ended
31 December 2013**

Consolidated Tin Mines Limited
ABN 57 126 634 606

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Consolidated Tin Mines Limited
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Directors' Report

The Directors present the financial statements of Consolidated Tin Mines Limited for the half-year ended 31 December 2013.

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>(Executive Chairman, Managing Director during the period of this Report)</i>
Andrew Kerr	<i>(Non-Executive Director)</i>
Darryl Harris	<i>(Non-Executive Director)</i>
Si He Tong	<i>(Non-Executive Director)</i>
Ze Huang (Martin) Cai	<i>(Alternate Non-Executive Director)</i>
John Banning	<i>(Appointed Managing Director post this reporting period, appointed 17 February 2014)</i>

Company Secretary

Kevin Hart

Review of Operations

The consolidated net loss after income tax for the half-year was \$305,522 (31 December 2012: \$341,826).

At the end of the half-year the Company had \$1,120,108 (30 June 2013: \$291,699) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$10,992,047 (30 June 2013: \$9,243,893). Expenditure was principally focused on tin exploration in Queensland and advancing feasibility studies on the Company's Mt Garnet Tin Project.

Review of Exploration

During the half year ended 31 December 2013, Consolidated Tin Mines (CSD) continued development of the Mt Garnet Tin Project, near Cairns in North Queensland. The focus remained on the key hard rock tin deposits, following the major JORC Resource upgrade in the previous period which further strengthened the project's Resource inventory and its potential ability to support a major tin mining operation processing 8-10Mt at a treatment rate of 1Mtpa.

The highlight of the half year was the completion and release of the Mt Garnet Tin Project Pre-Feasibility Study (PFS) in September 2013. The PFS was highly positive and demonstrated the technical and economic viability of the project using the existing Mt Garnet concentrator infrastructure.

The Gillian deposit remains the Company's flagship deposit and will be the first deposit mined when operations commence. It has a JORC Resource of 3.6Mt @0.65%Sn (0.81%Sn equivalent). The PFS was based on mining Gillian for the first three years and then transitioning to Pinnacles. The initial mine life is estimated at 9 years with average production per annum of 3,000t tin in concentrate (13,000t in the first 3 years from Gillian), 235,000t iron ore and 54,000t fluorite with an expected annual revenue of AU\$127M.

The PFS indicated that the total estimated capital cost required to deliver first production for the Mt Garnet Project was AU\$76M, which the Company expects to further reduce through current optimisation studies and off shore establishment of a reduction roasting facility. The upfront capital estimates for the project are significantly reduced through the use of an existing and established processing facility located at Mt Garnet, which is owned by Snow Peak Mining Pty Ltd (SPM), of which CSD holds a 9.8% interest.

Directors' Report

On 9 November 2013, the Company announced it had signed a Memorandum of Understanding (MOU) with SPM to acquire Snow Peak's Mt Garnet concentrator and the directly associated tenements, providing a clear pathway to production for the Mt Garnet Project. Completion of the transaction is subject to toll treatment agreement and due diligence investigations currently underway, followed by shareholder approval at an EGM.

During the period the Company commenced its final drill program at Gillian, developed to improve mine design economics and to establish a final Resource base that will progress to mineable Reserves as part of the Definitive Feasibility Study (DFS). Drilling results received in December were positive, with multiple large intersections at above 1%Sn and assays confirmed continuity of mineralisation between the Gillian northeast and southwest areas. This drilling also provided a representative run-of-mine ore body sample for final metallurgy testwork and optimisation.

Snow Peak International Investments Limited (SPII), CSD's cornerstone investor, showed continued support and confidence in the Mt Garnet Project and by end Q4 2013 had exercised all 27.3M Options to provide the Company with \$1.9M in working capital to fund ongoing DFS requirements including mine design optimization, pilot scale metallurgy testwork, environmental and socio-economic studies.

Upcoming Activity

The next milestone in the Company's development plan and a key component of the DFS is the Gillian resource update expected Q2 2014. Results from the final drill program are expected to add further confidence to the Gillian JORC resource via the potential conversion of inferred and indicated resources to measured resources.

The Definitive Feasibility Study (DFS) is progressing well and remains the Company's priority objective for the next period. Metallurgical testwork is progressing with a large scale 15 tonne sample undergoing reverse silica flotation and then pilot scale reduction roasting. Preliminary design work for the proposed rotary kiln is underway and the Company is continuing discussions with several interested parties regarding an agreement to establish the Reduction Roasting operation at an existing off-shore facility. The Gillian project surface infrastructure plan and mine designs are also nearing completion.

Under the management of the Company, Snow Peak Mining is transitioning from miner to producer with the Mt Garnet Concentrator re-commissioned on 17 February 2014 and copper concentrate production commencing on 7th March 2014. Consolidated Tin has a free-carried interest of 9.8% in SPM, and will receive a percentage of any profit made from SPM's operations.

Consolidated Tin and SPM continue to make progress with the conditions precedent to the MOU transaction in order to finalise a full-form agreement. The expected completion date for satisfying conditions is Q2 2014.

The Company also continues to seek to maximize the value of the significant number of other nearby tin exploration opportunities containing low cost greisen based tin targets which can be treated through the Mt Garnet concentrator.

Consolidated Tin remains committed and well positioned to develop the Mt Garnet Tin Project into a large scale, near-surface, open pit tin mining and concentrate producing operation.

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Directors' Report

JORC Resource Table – refer ASX announcement 30 September 2013

TIN (Sn)	Cut-off Sn_EQ %	Measured tonnes	Grade Sn%	Indicated tonnes	Grade Sn%	Inferred tonnes	Grade Sn%	Total tonnes	Grade Sn%
Gillian	0.2	1,105,000	0.73	1,563,000	0.62	930,000	0.61	3,599,000	0.65
Pinnacles	0.33	-	-	5,461,000	0.30	1,575,000	0.30	7,035,000	0.30
Deadmans Gully	0.18	-	-	444,000	0.34	-	-	444,000	0.34
Windermere	0.25	-	-	829,000	0.26	1,211,000	0.27	2,040,000	0.27
TOTAL		1,105,000	0.73	8,296,000	0.36	3,716,000	0.37	13,118,000	0.39

IRON (Fe)	Cut-off Sn_EQ %	Measured tonnes	Grade Fe%	Indicated tonnes	Grade Fe%	Inferred tonnes	Grade Fe%	Total tonnes	Grade Fe%
Gillian	0.2	1,105,000	32.32	1,563,000	24.50	930,000	28.53	3,599,000	27.95
Pinnacles	0.33	-	-	5,461,000	19.12	1,575,000	21.04	7,035,000	19.55
Deadmans Gully	0.18	-	-	444,000	26.70	-	0.00	444,000	26.70
Windermere	0.25	-	-	829,000	25.79	1,211,000	23.68	2,040,000	24.54
TOTAL		1,105,000	32.32	8,296,000	21.21	3,716,000	23.78	13,118,000	22.87

FLUORINE (F)	Cut-off Sn_EQ %	Measured tonnes	Grade F%	Indicated tonnes	Grade F%	Inferred tonnes	Grade F%	Total tonnes	Grade F%
Pinnacles	0.33	-	-	5,461,000	6.28	1,575,000	4.14	7,035,000	5.80
TOTAL		-	-	5,461,000	6.28	1,575,000	4.14	7,035,000	5.80

TIN EQUIVALENT (Sn_EQ)	Cut-off Sn_EQ %	Measured tonnes	Sn_EQ %	Indicated tonnes	Sn_EQ %	Inferred tonnes	Sn_EQ %	Total tonnes	Sn_EQ %
Gillian	0.2	1,105,000	0.91	1,563,000	0.75	930,000	0.77	3,599,000	0.81
Pinnacles	0.33	-	-	5,461,000	0.50	1,575,000	0.47	7,035,000	0.49
Deadmans Gully	0.18	-	-	444,000	0.49	-	0.00	444,000	0.49
Windermere	0.25	-	-	829,000	0.40	1,211,000	0.41	2,040,000	0.41
TOTAL		1,105,000	0.91	8,296,000	0.54	3,716,000	0.53	13,118,000	0.56

Sn equivalent is based on the following Formula, product pricing and metallurgical recoveries:

$$\text{Sn}\% + (\text{Fe}\% \times \text{FeREC} \times \text{Fe}\$/\text{t} / \text{Sn}\$/\text{t}) + (\text{F}\% \times \text{FREC} \times \text{F}\$/\text{t} / \text{Sn}\$/\text{t})$$

$$(\text{Sn}\%) + (\text{Fe}\% \times 0.75 \times (150/20,000)) + (\text{F}\% \times 0.7 \times (400/20,000))$$

Sn = AU\$ 20,000/tonne,
Fe = 75% recovery @ AU\$ 150/tonne
F = 70% recovery @ AU\$ 400/tonne
REC = Recovery

The Company confirms that that it is not aware of any new information or data that materially affects the information included in the 30 September 2013 announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company during the period except for the following:

On 29 November 2013, the Company announced it had entered into a Memorandum of Understanding (MOU) with Snow Peak Mining Pty Ltd ("SPM") to acquire SPM's processing plant at Mt Garnet. The completion of the transaction is subject to various conditions precedent, including the following material conditions:

- the shareholders of the Company approving the transaction. A notice of meeting will be sent to shareholders in due course which will contain an independent Expert Report which will report on the fairness and reasonableness of the transaction;
- the Company and SPM completing due diligence investigations to their satisfaction;
- security holders releasing the various assets the subject of the transaction from their security; and
- the parties agreeing a toll treatment agreement and a management agreement.

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Directors' Report

Under the terms of the MOU the Company will subject to the satisfaction of the conditions precedent:

- (a) Issue 285,000,000 new fully-paid, ASX listed shares in the ordinary stock of the Company to SPM at \$0.10 per share to purchase the Mt Garnet mineral ore processing plant, associated tenements and mining information;
- (b) Issue 30,000,000 new fully-paid, ASX listed shares in the ordinary stock of the Company to Snow Peak International Investments Limited ("SPII") at \$0.10 per share as repayment for a \$3,000,000 advance payment formalised in a Heads of Agreement dated 18 April 2012 ("The HoA");
- (c) The assumption of environmental bonds totalling \$2.1million;
- (d) Enter into an agreement with SPM to toll treat SPM ore at the Mt Garnet Processing Plant on reasonable commercial terms to be negotiated;
- (e) Enter into a management agreement with SPM to manage SPM's mining and exploration operations on reasonable commercial terms to be negotiated;
- (f) Pay and be liable for all transfer costs and stamp duty associated with the agreement proposed under the MOU;
- (g) Commence financial responsibility for the Mt Garnet Processing Plant from the date of the MOU, and
- (h) Repay to SPM any and all financial outlay made by SPM, between the date of the MOU and the transfer date progressively from the Company's toll treatment charges to SPM.

Events occurring after the balance sheet date

On 17th February 2014 Mr Ralph De Lacey resigned as Managing Director of the Company and Mr John Banning was appointed Managing Director of the Company. Mr Ralph De Lacey remains as Executive Chair of the Company. Apart from this, 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.

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 2014.



Ralph De Lacey
Executive Chairman

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 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. 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.

Margaret Dewhurst
Director

BDO Audit (NTH QLD) Pty Ltd

Cairns, 13 March 2014

Consolidated Tin Mines Limited
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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2013

	Note	Consolidated	
		31 December 2013 \$	31 December 2012 \$
Interest income		2,704	15,523
Revenue from rendering services		288,966	-
Revenue		291,670	15,523
Depreciation and amortisation expenses		(35,751)	(44,140)
Marketing expenses		(70,586)	(23,027)
Occupancy expenses		(33,303)	(30,695)
Administrative expenses		(271,145)	(145,827)
Consultancy fee		-	(180,000)
Employee expenses		(461,763)	(318,990)
Feasibility study costs expensed		-	(40,000)
Corporate and other expenses		(106,246)	(61,854)
Loss before income tax		(687,124)	(829,010)
Income tax benefit	3	381,602	487,184
Net loss for the half-year attributable to the members of the parent entity		(305,522)	(341,826)
Other comprehensive Income		-	-
Total comprehensive income for the period attributable to the members of the parent entity		(305,522)	(341,826)
Loss per share			
Basic loss per share (cents)		(0.15)	(0.2)
Diluted loss per share (cents)		(0.15)	(0.2)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position
As At 31 December 2013

	Note	Consolidated	
		31 December 2013 \$	30 June 2013 \$
Current assets			
Cash and cash equivalents		1,120,108	291,699
Trade and other receivables		32,267	21,023
Total current assets		1,152,375	312,722
Non-current assets			
Property, plant and equipment		479,192	507,503
Exploration and evaluation assets	4	10,992,047	9,243,893
Bonds and deposits		23,643	23,643
Total non-current assets		11,494,882	9,775,039
Total assets		12,647,257	10,087,761
Current liabilities			
Trade and other payables		200,340	390,035
Employee benefits payable		142,639	101,879
Loans and borrowings		-	550,000
Share subscription liability		-	173,003
Total current liabilities		342,979	1,214,917
Total liabilities		342,979	1,214,917
Net assets		12,304,278	8,872,844
Equity			
Issued capital		16,208,775	11,849,200
Accumulated losses		(3,914,858)	(3,769,336)
Share based payments reserve		10,361	160,000
Option reserve		-	632,980
Total equity		12,304,278	8,872,844

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

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Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2013

	Consolidated				
	Issued Capital	Accumulated losses	Share based payments reserve	Option reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2011	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	<u>11,567,200</u>	<u>(3,052,515)</u>	<u>160,000</u>	<u>632,980</u>	<u>9,307,665</u>
At 1 July 2013	11,849,200	(3,769,336)	160,000	632,980	8,872,844
Total comprehensive income for the half-year:					
Loss for the half-year	-	(305,522)	-	-	(305,522)
Other comprehensive income	-	-	-	-	-
Transactions with owners in their capacity as owners:					
Share issue, net of costs	4,359,575	-	-	(632,980)	3,726,595
Options issued	-	-	10,361	-	10,361
Options expired	-	160,000	(160,000)	-	-
At 31 December 2013	<u>16,208,775</u>	<u>(3,914,858)</u>	<u>10,361</u>	<u>-</u>	<u>12,304,278</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 2013

	Consolidated	
	31 December 2013 \$	31 December 2012 \$
Cash flows from operating activities		
Interest received	2,704	15,523
Receipt from service rendered	288,966	-
Interest paid	(11,174)	(6,424)
Payments to suppliers and employees	(988,401)	(843,349)
Research and development tax concession	381,602	536,815
Net cash used in operating activities	(326,303)	(297,435)
Cash flows from investing activities		
Payments for exploration and evaluation	(1,818,426)	(1,730,333)
Funding received from Snow Peak	-	2,000,000
Payments for plant and equipment	(7,440)	(29,772)
Net cash from/(used in) investing activities	(1,825,866)	239,895
Cash flows from financing activities		
Payment of loan	(550,000)	-
Proceeds from issue of shares	3,575,916	-
Payments for transaction costs relating to share issues	(45,338)	-
Net cash from financing activities	2,980,578	-
Net increase/(decrease) in cash held	828,409	(57,540)
Cash at the beginning of the period	291,699	668,605
Cash at the end of the period	1,120,108	611,065

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 2013

Note 1 Basis of preparation of half-year report

These general purpose financial statements for the half-year reporting period ended 31 December 2013 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 2013 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. The Company is focused on advancing its feasibility and exploration activities. Forecast expenditure for the coming 12 months is based on meeting these goals. The Company may, as required and subject to the results of its ongoing feasibility and exploration activities, expand or accelerate its work programs. Based on forecast expenditure additional funding will be required in the next 12 months.

The Directors are confident of the Company's ability to secure necessary funding to meet the planned expenditure level. If sufficient funding is not raised, there is capacity to reduce the Company's ongoing costs and commitments significantly.

The consolidated half-year financial statements were approved by the Board of Directors on 13th March 2014.

Note 2 Segment information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2013

Note 2 Segment information (continued)

The Company is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the Board. The Company does not have any products/services that it derives revenue from. Accordingly, management currently identifies the Company as only having one reportable segment, being exploration for tin minerals. There have been no changes to the operating segment during the financial year. All significant operating decisions are based upon analysis of the entity as a single segment. The financial results of this segment are represented by financial statements of the entity.

Note 3 Income tax benefit

	31 December 2013	31 December 2012
	\$	\$
Research and development expenditure tax concession benefit	381,602	487,184

Note 4 Exploration and evaluation assets

		31 December 2013	30 June 2013
		\$	\$
Exploration and evaluation phase – at cost	(a)	11,060,592	9,998,929
Feasibility study – at cost	(b)	2,298,475	1,611,984
Cost contribution from Snow Peak International Investments Limited Pursuant to a project funding agreement approved by shareholders on 9 July 2012		(2,367,020)	(2,367,020)
Cost carried forward		10,992,047	9,243,893
(a) In the exploration and evaluation phase			
Cost brought forward		9,998,929	8,471,114
Exploration expenditure incurred during the year at cost		1,097,642	1,562,315
Refund from cancelled development		(35,979)	
Previously capitalised exploration costs written off			(34,500)
Cost carried forward		11,060,592	9,998,929

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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2013

Note 4 Exploration and evaluation assets (continued)

(b) In the feasibility study phase

Cost brought forward	1,611,984	615,816
Feasibility study incurred during the year at cost	686,491	1,036,168
Previously capitalised feasibility costs written off	-	(40,000)
Cost carried forward	2,298,475	1,611,984

Note 5 Issued capital

	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Issued capital - Shares	#	#	\$	\$
At the beginning of the period	186,095,734	182,245,734	11,849,200	11,528,100
Entitlement issue	37,218,647	-	1,860,932	-
Shares issued		850,000		39,100
Options exercised	27,300,000	-	2,543,981	-
Costs related to share issues			(45,338)	-
	250,614,381	183,095,734	16,208,775	11,567,200

Note 6 Options

As at 31 December 2013, the Company had on issue 4,400,000 (30 June 2013: 88,974,990) options over unissued shares.

During the period the following options were granted:

Grant date	Number	Exercise Price	Vesting condition	Expiry Date
18 November 2013	2,200,000	20 cents	At grant	31 December 2013
18 November 2013	2,200,000	30 cents	At grant	31 December 2014
18 November 2013	2,200,000	40 cents	At grant	31 December 2015

61,674,990 listed options (CSDO) exercisable at 20 cents each expired on 31 December 2013. 2,200,000 unlisted options exercisable at 20 cents each expired on 31 December 2013.

On 31 December 2013, 27,300,000 shares were issued upon exercise of unlisted options.

On 20 December 2013, the Company announced that the Company will undertake, subject to Shareholder approval, a Priority Entitlement Offer to holders of listed Options (ASX:CSDO) which expired on 31 December 2013. Under the terms of the Offer, each eligible option holder will have the right to subscribe for one (1) option (Priority Offer Option) for every one (1) CSDO option held as at close of business on the record date of 31 December 2013. The Priority Offer Options will be exercisable by payment of 20 cents on or before 31 December 2014.

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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2013

Note 7 Related Party Transactions

During the period ended 31 December 2013, the Company incurred costs of \$23,043 (2012: \$23,806) from NQ Mining Enterprise Pty Ltd, a Company associated with Mr Ralph De Lacey, for occupancy costs, the provision of technical assistance and mining consulting services. All services provided by NQ Mining Enterprise Pty Ltd were done so at an arm's length basis and on normal commercial terms. There is no balance owing to the director related entity as at 31 December 2013 (2012: nil).

During the period ended 31 December 2013, the Company incurred costs of \$32,410 (2012: nil) from Shinewarm Resources (Australia) Pty Ltd, a Company associated with Mr Ze Huang Cai, for financial consulting services. All services provided by Shinewarm Resources (Australia) Pty Ltd were done so at an arm's length basis and on normal commercial terms. There is no balance owing to the director related entity as at 31 December 2013 (2012: nil).

During the period ended 31 December 2013, the Company incurred costs of \$6,500 (2012: nil) from Bremworth & Associates, a Company associated with Mr Darryl Harris, for consulting services. All services provided by Bremworth & Associates were done so at an arm's length basis and on normal commercial terms. There is no balance owing to the director related entity as at 31 December 2013 (2012: nil).

During the period ended 31 December 2013, the Company charged a total of \$288,966 to Snow Peak Mining Pty Ltd, for services rendered.

During the period ended 31 December 2013, the Company repaid all borrowed moneys plus accrued interest to Snow Peak Mining Pty Ltd at a total amount of \$561,174.

During the period ended 31 December 2012 the Company incurred costs of \$108,753 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. No such costs were incurred for the current period to 31 Dec 2013.

During the period ended 31 December 2013, the Company entered into a Memorandum of Understanding with Snow Peak Mining Pty Ltd and Snow Peak International Investments Limited. Details of the Memorandum of Understanding are included at note 9.

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 2013 or 31 December 2012.

Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2013

Note 9 Contracts and agreements

On 29 November 2013, the Company announced it had entered into a Memorandum of Understanding (MOU) with Snow Peak Mining Pty Ltd ("SPM") to acquire SPM's processing plant at Mt Garnet and the mining tenements directly associated with the plant. The completion of the transaction is subject to various conditions precedent, including the following material conditions:

- the shareholders of the Company approving the transaction. A notice of meeting will be sent to shareholders in due course which will contain an independent Expert Report which will report on the fairness and reasonableness of the transaction;
- the Company and SPM completing due diligence investigations to their satisfaction;
- security holders releasing the various assets the subject of the transaction from their security; and
- the parties agreeing a toll treatment agreement and a management agreement.

Under the terms of the MOU the Company will subject to the satisfaction of the conditions precedent:

- (a) Issue 285,000,000 new fully-paid, ASX listed shares in the ordinary stock of the Company to SPM at \$0.10 per share to purchase the Mt Garnet mineral ore processing plant, associated tenements and mining information;
- (b) Issue 30,000,000 new fully-paid, ASX listed shares in the ordinary stock of the Company to Snow Peak International Investments Limited ("SPII") at \$0.10 per share as repayment for a \$3,000,000 advance payment formalised in a Heads of Agreement dated 18 April 2012 ("The HoA");
- (c) The assumption of environmental bonds totalling \$2.1million;
- (d) Enter into an agreement with SPM to toll treat SPM ore at the Mt Garnet Processing Plant on reasonable commercial terms to be negotiated;
- (e) Enter into a management agreement with SPM to manage SPM's mining and exploration operations on reasonable commercial terms to be negotiated;
- (f) Pay and be liable for all transfer costs and stamp duty associated with the agreement proposed under the MOU;
- (g) Commence financial responsibility for the Mt Garnet Processing Plant from the date of the MOU, and
- (h) Repay to SPM any and all financial outlay made by SPM, between the date of the MOU and the transfer date progressively from the Company's toll treatment charges to SPM.

Note 10 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.

Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2013

Note 11 Events occurring after the balance sheet date

On 17th February 2014 Mr Ralph De Lacey resigned as Managing Director of the Company and Mr John Banning was appointed Managing Director of the Company. Mr Ralph De Lacey remains as Executive Chair of the Company. Apart from this, 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 Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

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 11 to 16 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 2013 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 2014.



Ralph De Lacey
Executive Chairman

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

Report on the Half-Year Financial Report

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 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 of the consolidated entity comprising the company 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 company 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 consolidated entity's financial position as at 31 December 2013 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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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 consolidated entity's financial position as at 31 December 2013 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 consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated 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 2014

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