



CONSOLIDATED
TIN MINES LIMITED
ABN 57 126 634 606

Financial Statements

**For The Half-Year Ended
31 December 2015**

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 consolidated financial statements of Consolidated Tin Mines Limited and its subsidiaries (the "Group") for the half-year ended 31 December 2015.

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>(Joint Executive Chairman)</i>
Kwok Ching Tsoi (Alex)	<i>(Joint Executive Chairman)</i>
John Banning	<i>(Managing Director – resigned 26 February 2016)</i>
Ze Huang Cai (Martin)	<i>(Executive Director)</i>
Si He Tong	<i>(Non-Executive Director)</i>
Darryl Harris	<i>(Non-Executive Director)</i>
Xiaoyan Tong (Seraphina)	<i>(Alternate Non-Executive Director)</i>
Andrew Kerr	<i>(Non-Executive Director – resigned 11 September 2015)</i>

Company Secretary

Kevin Hart

Review of Operations

The net loss after income tax for the half-year was \$933,629 (31 December 2014: loss of \$657,749).

At the end of the half-year the Group had \$363,705 (30 June 2015: \$1,222,884) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$12,910,505 (30 June 2015: \$12,153,846).

Expenditure was principally focussed on tin exploration in Queensland and advancing feasibility studies on the Company's Mt Garnet Tin Project. During the period the Company also managed the operations of Snow Peak Mining Pty Ltd's ("SPM") Mt Garnet Plant and associated mining and processing activity.

Mt Garnet Tin Project Definitive Feasibility Study (DFS)

During the 6 months to 31 December 2015 work continued on the Mt Garnet DFS confirming significant tin recovery improvements from the pre-feasibility study (PFS). Taking into account changing market conditions and assumptions since the PFS, the Company has decided to progress the DFS to include additional resources to extend the mine life and improve economics. The Company is working towards the completion of the combined DFS.

Management of Snow Peak Mining's Mt Garnet Processing Plant

The Company managed the mining operations of SPM for the reported period at both the Mt Garnet Mine and Surveyor Mines, as well as processing at the Mt Garnet Concentrator.

During the 6 months to 31 December 2015 the Company managed the production of 250,995 tonnes of ore from SPM mine sites with 28,693 DMT of Zinc concentrate, 2,630 DMT of Lead concentrate and 3,402 DMT tonnes of Copper concentrate being hauled to Townsville Port for export during the period.

The Mt Garnet Mine operated 24/7 during the entire period, whilst the Surveyor Mine transitioned into temporary care and maintenance in early September 2015.

Directors' Report

Review of Operations (continued)

Wanguo Exploration Agreements

An initial drill program of 2,300 metres commenced in July 2015 in the Regional Exploration drilling program area which produced encouraging results. Planning is ongoing for further ground based IP, magnetic surveys and drilling for known resource areas of Kaiser Bill, Chloe/Jackson, and also within the Surveyor/Balcooma areas. Refer ASX announcements dated 24 October 2014 and 14 July 2014 for further details of the Wanguo exploration agreements.

Corporate

Mr Andrew Kerr, a Non-Executive Director of the Company since 28 September 2007, resigned from the Board effective 11 September 2015.

During the 6 months ending 31 December 2015 the Company issued 200,000 ordinary fully paid shares to its corporate and investor relations advisers as an incentive.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group during the period.

Matters Subsequent to the End of the Financial Period

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, other than the following:

– Appointment of New Auditor

On 29 January 2016, BDO Audit (NTH QLD) Pty Ltd tendered its resignation as auditor of the Company. Under Section 327C(1) of the Corporations Act, the Directors appointed KPMG as the Company's new auditor pending shareholder approval at the next annual general meeting.

– Resignation of Director

On 26 February 2016 Mr John Banning resigned as Managing Director of the Company.

– US\$20M Funding Facility Secured

On 29 February 2016 the Company entered into a formal agreement with Beijing Huacheng Dadi Investments Limited ("BHDI") to secure a loan guarantee facility of US\$20,000,000. BHDI will provide the Company with a guarantee to facilitate a US\$20M loan from a Chinese Commercial Bank. The funding will be made available following settlement of the Snow Peak Mining Pty Ltd ("SPM") Asset Sale Agreement ("ASA"). Key details of the agreement are as follows:

- Loan term – 2 years;
- Guarantee fee – US\$350,000 per calendar quarter;
- Security – general security against the assets of the Company

In addition, the Company will issue BHDI 200 million options (Options) over unissued shares in CSD, which are exercisable at A\$0.10 each, and will expire 2 years from the date of grant. The issue of the Options are subject to shareholder approval at a general meeting to be held on 5 April 2016.

Directors' Report

Matters Subsequent to the End of the Financial Period (continued)

The guarantee facility will be made available to the Company following settlement of acquisition of the SPM assets, which is subject to shareholder approval at the same general meeting.

– SPM Asset Sale Agreement

On 3 March 2016 a Notice of Meeting was sent to shareholders of the Company to seek shareholder approval for the settlement of the SPM Asset Sale Agreement at a general meeting of shareholders to be held on 5 April 2016.

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 15th day of March 2016.



Ralph De Lacey
Executive Chairman



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the Directors of Consolidated Tin Mines Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Daniel Camilleri
Partner

Sydney

15 March 2016

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 2015

	Note	31 December 2015 \$	31 December 2014 (Restated) \$
Interest income		3,485	73
Revenue from rendering services		-	147,160
Revenue		3,485	147,233
Depreciation and amortisation expenses	5	(41,403)	(33,283)
Marketing expenses		(21,598)	(58,257)
Occupancy expenses		(12,061)	(32,596)
Administrative expenses		(267,838)	(185,625)
Employee expenses		(197,583)	(277,367)
Exploration costs written off	4	(291,970)	-
Interest paid and financing expenses		-	(24,247)
Corporate and other expenses		(104,661)	(193,607)
Loss before income tax		(933,629)	(657,749)
Income tax benefit	3	-	-
Net loss for the half-year attributable to the members of the parent entity		(933,629)	(657,749)
Other comprehensive Income		-	-
Total comprehensive income for the period attributable to the members of the parent entity		(933,629)	(657,749)
Loss per share			
Basic loss per share (cents)		(0.33)	(0.26)
Diluted loss per share (cents)		(0.33)	(0.26)

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

Consolidated Tin Mines Limited
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Consolidated Statement of Financial Position
As At 31 December 2015

	Note	31 December 2015	30 June 2015 (Restated)
		\$	\$
Current assets			
Cash and cash equivalents		363,705	1,222,884
Total current assets		363,705	1,222,884
Non-current assets			
Property, plant and equipment	5	938,455	976,437
Exploration and evaluation assets	4	12,910,505	12,153,846
Bonds and deposits		23,644	26,144
Total non-current assets		13,872,604	13,156,427
Total assets		14,236,309	14,379,311
Current liabilities			
Trade and other payables		529,258	1,318,480
Amount due to related parties	6	2,772,257	577,259
Employee leave liabilities		417,767	989,963
Total current liabilities		3,719,282	2,885,702
Non-current liabilities			
Employee leave liabilities		89,876	146,830
Total non-current liabilities		89,876	146,830
Total liabilities		3,809,158	3,032,532
Net assets		10,427,151	11,346,779
Equity			
Issued capital	7	18,249,050	18,235,050
Accumulated losses		(7,821,899)	(7,062,952)
Share based payments reserve		-	62,234
Option reserve		-	112,447
Total equity		10,427,151	11,346,779

The above consolidated 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 2015

	Issued Capital	Accumulated losses	Share based payments reserve	Option reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2015	18,235,050	(7,062,952)	62,235	112,447	11,346,780
Total comprehensive income for the half-year:					
Loss for the half-year	-	(933,629)	-	-	(933,629)
Other comprehensive income	-	-	-	-	-
Transactions with owners in their capacity as owners:					
Share issue, net of costs	14,000	-	-	-	14,000
Options issued –offer	-	-	-	-	-
Options vesting	-	-	-	-	-
Options expired	-	174,682	(62,235)	(112,447)	-
At 31 December 2015	18,249,050	(7,821,899)	-	-	10,427,151
At 1 July 2014 (Restated)	16,201,712	(5,495,862)	53,975	-	10,759,825
Total comprehensive income for the half-year:					
Loss for the half-year	-	(657,749)	-	-	(657,749)
Other comprehensive income	-	-	-	-	-
Transactions with owners in their capacity as owners:					
Share issue, net of costs	2,033,338	-	-	-	2,033,338
Options issued –offer	-	-	-	112,447	112,447
Options vesting	-	-	31,889	-	31,889
Options expired	-	42,754	(42,754)	-	-
At 31 December 2014 (restated)	18,235,050	(6,110,857)	43,110	112,447	12,279,750

The above consolidated 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 2015

	31 December 2015	31 December 2014
	\$	\$
Cash flows from operating activities		
Interest received	3,485	73
Proceeds received on behalf of SPM on the operation of Mt Garnet	26,802,639	-
Payments made to suppliers on behalf of SPM on the operation of Mt Garnet	(28,134,045)	-
Payments to suppliers and employees (net of reimbursed management costs)	(708,521)	(510,650)
Research and development tax concession	-	568,170
Net cash (used in)/generated from operating activities	(2,036,442)	57,593
Cash flows from investing activities		
Payments for exploration and evaluation	(1,016,814)	(884,925)
Payments for plant and equipment	(3,421)	-
Refund of security deposit	2,500	-
Net cash used in investing activities	(1,017,735)	(884,925)
Cash flows from financing activities		
Proceeds on loans received	2,194,998	1,660,000
Payments on loans repaid	-	(680,000)
Proceeds from issue of equity securities	-	112,447
Payments for transaction costs on security issues	-	(7,590)
Net cash generated from financing activities	2,194,998	1,084,857
Net (decrease) / increase in cash held	(859,179)	257,525
Cash at the beginning of the period	1,222,884	80,847
Cash at the end of the period	363,705	338,372

The above consolidated 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 2015

Note 1 Basis of preparation of half-year report

These general purpose financial statements for the half-year reporting period ended 31 December 2015 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 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 2015 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.

The half-year financial statements were approved by the Board of Directors on 15th March 2016.

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.

As at 31 December 2015 the Group has cash assets of \$363,705, and total current liabilities at that date amounting to \$3,719,282, including employee leave liabilities of \$417,767 and an operating loan to SPM of \$2,772,257 which will be offset on settlement of the SPM asset sale (Note 6). During the six month period to 31 December 2015 the Group made a loss of \$933,629 with operating cash outflows for the period being \$2,036,442. The Group received funds of \$2,194,998, in the form of an operating loan from SPM, during the half-year.

In February 2016 the Company entered into an agreement with Beijing Huacheng Dadi Investments Limited ("BHDI") whereby BHDI has provided the Company with a guarantee to facilitate a US\$20 million loan from a Chinese Commercial Bank. The funding will be made available following settlement of the SPM Asset Sale Agreement, which is subject to shareholder approval at a general meeting to be held on 5 April 2016.

The ability of the Group to continue as a going concern is dependent on the settlement of the acquisition of the SPM assets in accordance with the material terms of the acquisition agreement, the finalisation of the US\$20M loan facility, the potential sale of surplus tenements, the delay of uncommitted expenditure if required and the subsequent positive financial performance of the SPM production and mining assets.

The existence of these conditions gives rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amount stated in the financial report.

The Directors will continue to manage the Group's activities with due regard to current and future funding requirements. The Directors reasonably expect that cash flow provided by the management of SPM's Mt Garnet operations in the interim, and ultimately upon settlement of the Asset Purchase Agreement with SPM the ownership of the Mt Garnet Operations, and the Group's ability to be able to access financing facilities or raise further capital, will be sufficient to fund the Group's exploration

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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2015

Note 1 Basis of preparation of half-year report (continued)

Going concern basis for preparation of financial statements (continued)

and working capital requirements, and that the Group will be able to settle debts as and when they become due and payable.

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.

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 2015	31 December 2014 (Restated)
	\$	\$
Research and development expenditure tax concession benefit	-	-

During the 2015 financial year the Company amended its accounting policy in respect of the accounting treatment of research and tax development concession credits which has resulted in a restatement of 31 December 2014 income tax benefit to nil (originally \$568,170).

Note 4 Exploration and evaluation assets

		31 December 2015	30 June 2015
		\$	\$
Exploration and evaluation phase – at cost	(a)	11,088,886	10,374,446
Feasibility study – at cost	(b)	4,188,639	4,146,420
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		12,910,505	12,153,846

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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2015

Note 4 Exploration and evaluation assets (continued)

<u>Reconciliation of Movements in the Period</u>	31 December 2015	31 December 2014 (Restated)
	\$	\$
<i>(a) In the exploration and evaluation phase</i>		
Cost brought forward – 1 July	10,374,446	10,700,272
Exploration expenditure incurred during the year at cost	1,006,410	477,947
Research and development tax concessions	-	(568,170)
Previously capitalised exploration costs written off	(291,970)	-
Cost carried forward – 31 December	11,088,886	10,610,049
 <i>(b) In the feasibility study phase</i>		
Cost brought forward – 1 July	4,146,420	3,217,309
Feasibility study incurred during the year at cost	42,219	447,303
Cost carried forward – 31 December	4,188,639	3,664,612

Note 5 Property, plant and equipment

The movement in property, plant and equipment for the financial period is as follows:

	31 December 2015	31 December 2014
	\$	\$
Net book value at 1 July	976,437	443,012
Depreciation charge	(41,403)	(33,283)
Other additions	3,421	-
Net book value at 31 December	938,455	409,729

Note 6 Amounts due to related parties

During the half-year Snow Peak Mining Pty Ltd (“SPM”) advanced to the Company a non-interest bearing operating loan of \$2,194,998 which will be offset on settlement of the SPM asset sale agreement. If settlement of the SPM asset sale agreement does not occur, the loan will need to be repaid to SPM and the Company will retain its 10% ‘Free Carry’ shareholding in SPM.

An amount of \$577,259, being purchase of land from funds loaned by SPM that will also be offset on settlement, has been reclassified in the financial year ended 30 June 2015 from ‘Trade and Other Payables’ and remains owing to SPM as at 31 December 2015.

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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2015

Note 7 Issued capital

	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Issued capital - Shares	#	#	\$	\$
At the beginning of the period	279,770,521	250,614,381	18,235,050	16,201,712
Shares issued as an incentive to the Company's corporate and investor relations advisor at \$0.07/share	200,000	-	14,000	-
Shares issued to repay loan and accrued interest	-	29,156,140	-	2,040,930
Costs related to share issues	-	-	-	(7,592)
	279,970,521	279,770,521	18,249,050	18,235,050

Note 8 Options

As at 31 December 2015, the Company had on issue Nil (30 June 2015: 24,689,450) options over unissued shares.

During the period the following options expired:

<i>Type</i>	<i>Issue date</i>	<i>Number</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
Listed	17 December 2014	22,489,450	20 cents	31 December 2015
Unlisted	18 November 2013	2,200,000	40 cents	31 December 2015

During the period, no shares have been issued on the exercise of options.

Note 9 Related Party Transactions

During the period ended 31 December 2015, the Group incurred costs of \$46,069 (2014: \$19,589) from NQ Mining Enterprise Pty Ltd, a company associated with Mr Ralph De Lacey, for occupancy costs. All services provided by NQ Mining Enterprise Pty Ltd were done so at an arm's length basis and on normal commercial terms. The balance owing to the director related entity as at 31 December 2015 is \$14,950 (2014: nil).

During the period ended 31 December 2015, the Group incurred costs of \$nil (2014: \$3,246) 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 2015 (2014: nil).

The Group incurred costs of \$19,605 (2014: \$1,140) from Preston Law, a company associated with Mr Andrew Kerr. These professional services costs were incurred up to 11 September 2015, this being the date that Mr Kerr resigned as a director of the Company. All services provided by Preston Law 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 2015 (2014: nil).

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Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2015

Note 9 Related Party Transactions (continued)

During the period ended 31 December 2015, Snow Peak Mining Pty Ltd ("SPM") advanced to the Company \$2,194,998 (2014: nil) in the form of a non-interest bearing loan to be offset on settlement of the SPM asset sale agreement. During the period the Company charged SPM \$nil (2014: \$137,450) for other services rendered.

Note 10 Dividends

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

Note 11 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 12 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 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, other than the following:

– Appointment of New Auditor

On 29 January 2016, BDO Audit (NTH QLD) Pty Ltd tendered its resignation as auditor of the Company. Under Section 327C(1) of the Corporations Act, the Directors appointed KPMG as the Company's new auditor pending shareholder approval at the next annual general meeting.

– Resignation of Director

On 26 February 2016 Mr John Banning resigned as Managing Director of the Company.

– US\$20M Funding Facility Secured

On 29 February 2016 the Company entered into a formal agreement with Beijing Huacheng Dadi Investments Limited ("BHDI") to secure a loan guarantee facility of US\$20,000,000. BHDI will provide the Company with a guarantee to facilitate a US\$20M loan from a Chinese Commercial Bank. The funding will be made available following settlement of the Snow Peak Mining Pty Ltd ("SPM") Asset Sale Agreement ("ASA"). Key details of the agreement are as follows:

- Loan term – 2 years;
- Guarantee fee – US\$350,000 per calendar quarter;
- Security – general security against the assets of the Company

In addition, the Company will issue BHDI 200 million options (Options) over unissued shares in CSD, which are exercisable at A\$0.10 each, and will expire 2 years from the date of grant. The issue of the Options are subject to shareholder approval at a general meeting to be held on 5 April 2016.

The guarantee facility will be made available to the Company following settlement of acquisition of the SPM assets, which is subject to shareholder approval at the same general meeting.

Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2015

Note 12 Events Occurring after the Balance Sheet Date (continued)

– SPM Asset Sale Agreement

On 3 March 2016 a Notice of Meeting was sent to shareholders of the Company to seek shareholder approval for the settlement of the SPM Asset Sale Agreement at a general meeting of shareholders to be held on 5 April 2016.

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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 15 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) giving a true and fair view of the financial position as at 31 December 2015 and of the performance for the half-year ended on that date of the Group.
- (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 15th day of March 2016.



Ralph De Lacey
Executive Chairman



Independent auditor's review report to the members of Consolidated Tin Mines Limited

Report on the 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 2015, 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 1 to 12 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group 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 Group's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As 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*.

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 Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion expressed above, we draw attention to Directors' assessment of going concern in Note 1 of the financial statements. The matters outlined in Note 1 indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and amounts stated in the financial report.



KPMG



Daniel Camilleri
Partner

Sydney

15 March 2016