

Financial Statements

For The Half-Year Ended 31 December 2014

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Directors' Report

The Directors present the financial statements of Consolidated Tin Mines Limited for the half-year ended 31 December 2014.

Directors

The following persons were directors of Consolidated Tin Mines Limited during the whole of the halfyear and up to the date of this report:

Ralph De Lacey (Joint Executive Chairman)

Kwok Ching Tsoi (Alex) (Joint Executive Chairman – appointed 2 February 2015)

John Banning (Managing Director)
Andrew Kerr (Non-Executive Director)
Darryl Harris (Non-Executive Director)
Si He Tong (Non-Executive Director)

Ze Huang Cai (Martin) (Executive Director – appointed 2 February 2015. Resigned as Alternate Non-

Executive Director on 2 February 2015)

Xiaoyan Tong (Seraphina) (Alternate Non-Executive Director, appointed 2 February 2015)

Details of New Directors

Kwok Ching (Alex) Tsoi, Bachelor of Computer Science & Maths from Clarkson University, New York Joint Executive Chairman (appointed 2 February 2015)

Mr Tsoi is currently Vice-President of Snow Peak Group. Mr Tsoi oversees public relations, international projects and investments. Mr Tsoi has been pivotal in the successful management and initiation of several large projects and the successful diversification of the group's investment strategy. Mr Tsoi is an IT and mathematical specialist who has extensive experience leading start-up projects in Fortune 500 companies. Mr Toi has a vast network of international investment and financial contacts from Hong Kong, China and abroad.

Xiaoyan (Seraphina) Tong, Bachelor of Employment & Human Resources from Brunel University, UK Alternate Non-Executive Director for Mr Si He Tong (appointed 2 February 2015)

Ms Tong is currently the head of Human Resources of Snow Peak Group. Ms Tong has extensive experience in human resource management and industrial relations. Ms Tong has proactively driven positive cultural change through leadership development and talent management.

Company Secretary

Kevin Hart

Review of Operations

The net loss after income tax for the half-year was \$89,579 (31 December 2013: \$305,522).

At the end of the half-year the Company had \$338,372 (30 June 2014: \$80,847) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$13,344,596 (30 June 2014: \$12,419,346).

Expenditure was principally focused on tin exploration in Queensland and advancing feasibility studies on the Company's Mt Garnet Tin Project. During the period the Company also managed, on a reimbursable basis, the operations of Snow Peak Mining Pty Ltd's Mt Garnet Plant and associated mining and processing activity.

Directors' Report

Review of Operations (continued)

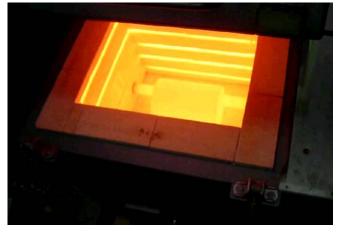
Mt Garnet Tin Project

The Company continued to progress the Definitive Feasibility Study for the Mt Garnet Tin Project. Yunnan Tin Group (YTG), China, is providing valuable advice on the project's geology, metallurgy and reduction roasting/tin fuming technology. In November CSD senior management met with Yunnan Tin's (YTG) management in China. Initial feedback from YTG on CSD's approach and results from preceding investigations and testwork have been very positive. The full YTG review will be completed mid-2015. YTG is the world's largest tin producer with expertise gained over 100 years.



November site visit: John Banning (CSD Managing Director), Si He Tong (CSD Director), Michael Proctor (CSD Project Development Manager) and Alex Tsoi (Snow Peak Mining Pty Ltd) in front of a portal for one of Yunnan Tin's mines near Gejiu, Yunnan, China

CSD continued metallurgical testwork, which included trial roasting and flotation/deslime tests at various test facilities. CSD is progressing this testwork to a batch scale plant currently under construction in Mt Garnet. This facility, which includes a batch kiln, is expected to be operational April 2015.





Batch scale kiln being tested at heat, and being built at Tetlow Kilns & Furnaces, Victoria

Directors' Report

Review of Operations (continued)

Management of Snow Peak Mining's mining & processing operations

The Company managed the mining and processing assets of Snow Peak Mining (SPM) for the reported period at both Surveyor Mine and Mt Garnet Mine, as well as processing at the Mt Garnet Concentrator. Surveyor continues to operate 24/7 while Mt Garnet Mine is on care and maintenance for the wet season. 172,200 tonnes of Surveyor ore was mined and hauled to Mt Garnet; 97,300 tonnes of ore was mined from the Mt Garnet Mine and delivered to the ROM. The Mt Garnet Concentrator operates 24/7 at a throughput of 1,450 ore tonnes per day. During the period, a total of 18,400 tonnes of zinc, 8,400 tonnes of copper and 3,000 tonnes of lead concentrates were hauled to Townsville Port for export. A shipment of over 6,000 wet metric tonnes (wmt) of copper concentrate was loaded in July, over 10,000 wmt of zinc concentrate in November, and 3,100 wmt of lead concentrate in December.



July: First copper concentrate shipment parcel loaded & shipped from Townsville Port

Acquisition of Snow Peak Mining Assets

The Company successfully completed negotiations with SPM and its parent company Snow Peak International Investments (SPII) to acquire SPM assets in October. The acquisition was approved by the Company's shareholders at a meeting on 12 January 2015. The Company assumed responsibility for all operational and financial matters of SPM's mining and production assets on 13 January 2015 in a seamless transition.



January 2015: Directors at the shareholder meeting to approve the acquisition of SPM assets – Martin Cai, John Banning, Andrew Kerr, Ralph De Lacey

Directors' Report

Review of Operations (continued)

Wanguo Exploration Agreements

Two exploration agreements between SPM and Wanguo International Mining Group (Wanguo) providing extensive exploration programs on SPM tenure were signed on 24 October 2014. Wanguo commenced ground exploration activities in November and December focusing initially on the Surveyor-Balcooma and Einasleigh District tenements. These SPM tenures and agreements have subsequently transferred to CSD. The agreements cover two separate exploration areas – Part A (Regional Project) which includes the Einasleigh region, and that part of the Surveyor-Balcooma region which is outside the granted Mining Leases ML 1393 and ML 30156; and Part B (Near Mine Project), which includes tenures located near Mt Garnet, the Maitland project, and that part of the Surveyor-Balcooma region which is inside the granted Mining Leases ML 1393 and ML 30156. Wanguo will resume exploration and ramp up drilling activities after the 2014/15 wet season.

Corporate

In response to an Option Priority Entitlement Offer, which closed on 10 December 2014, the Company issued 22,489,450 options, exercisable at 20 cents each and expiring on 31 December 2015. The options were quoted on ASX on 18 December 2014.

The Company raised working capital during the period, extending the previous \$1 million facility to \$2 million in August, and entering into a new loan agreement with ARM (NQ) Pty Ltd for \$1 million loan facility in November. The ARM (NQ) Pty Ltd loan facility for \$2 million plus accrued interest was satisfied with the issue on 1 December of 29,156,140 ordinary fully paid shares at 7 cents per share.

Significant Changes in State of Affairs

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

Directors' Report

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 Company, the results of those operations or the state of affairs of the Company in subsequent financial years, other than the following:

Appointment of Directors

On 2 February 2015 the Company appointed Mr Martin Cai and Mr Alex Tsoi as Executive Directors.

On 2 February 2015 Ms Seraphina Tong was appointed as Alternate Director on behalf of Mr Si He Tong. Prior to this appointment, Mr Martin Cai acted as Alternate Director for Mr Tong, ceasing to act on his own appointment to the Board as Director.

Snow Peak Mining Asset Acquisition

On 12 January 2015 the Company's Shareholders approved the acquisition of the assets of Snow Peak Mining Pty Ltd (SPM), a Company associated with Mr Ralph De Lacey, Mr Alex Tsoi and Mr Martin Cai, and controlled by Mr Si He Tong.

The agreement to acquire all of the assets of SPM, including the Mt Garnet Concentrator and associated infrastructure, mining and exploration assets and mineral rights agreements, mining plant and equipment and the assumption of environmental bonds, superseding the MOU announced to the ASX on 29 November 2013.

The material terms of the agreement are as follows:

- Consideration for the acquisition includes:
 - Issue of 580,000,000 ordinary fully paid shares to SPM, which are subject to a 2 year escrow period; and
 - Issue of a \$16,500,000 convertible note to SPM, which is convertible into 165,000,000 ordinary fully paid shares. The convertible notes bear interest at 7% per annum, payable quarterly in arrears, and mature 12 months from the date of issue.
 - The Company will assume all liabilities of SPM that relate to the assets acquired and will assume all leave entitlements of the SPM employees that transfer on the acquisition. In addition the Company will pay SPM \$500,000 per quarter for 4 calendar quarters following acquisition.
- Issue of 30,000,000 ordinary fully paid shares to Snow Peak International Investments (SPII) as
 a repayment of a project funding advance formalised in a Heads Of Agreement (HOA)
 between Consolidated Tin Mines Limited and SPII in July 2012. The shares issued to SPII will
 be subject to a 2 year escrow period.

The transaction is subject to security holders releasing, or consenting to the acquisition of, the various assets the subject of the transaction.

Following Shareholder approval for the acquisition of the SPM assets on 12 January 2015, the Company has assumed responsibility for all matters financial in respect of the mining and production activities of the SPM assets, pending settlement of the transaction.

Directors' Report

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 10th day of March 2015.

Rolph De Lacy

Ralph De Lacey Executive Chairman



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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 2014, 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.

Margaret Dewhurst

Muchust.

Director

BDO Audit (NTH QLD) Pty Ltd

Cairns, 10 March 2015

Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2014

	Note	31 December 2014 \$	31 December 2013 \$
Interest income Revenue from rendering services		73 147,160	2,704 288,966
Revenue		147,233	291,670
nevenue		147,233	231,070
Depreciation and amortisation expenses		(33,284)	(35,751)
Marketing expenses		(58,257)	(70,586)
Occupancy expenses		(32,596)	(33,303)
Administrative expenses		(185,625)	(254,462)
Employee expenses		(277,367)	(461,763)
Interest paid and financing expenses		(24,247)	(16,974)
Corporate and other expenses		(193,606)	(105,955)
Loss before income tax		(657,749)	(687,124)
Income tax benefit	3	568,170	381,602
Net loss for the half-year attributable to the members of the parent entity		(89,579)	(305,522)
Other comprehensive Income		-	-
Total comprehensive income for the period attributable to the members of the parent entity		(89,579)	(305,522)
Loss per share Basic loss per share (cents)		(0.04)	(0.15)
Diluted loss per share (cents)		(0.04)	(0.15)

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

Statement of Financial Position As At 31 December 2014

	Note	31 December 2014 \$	30 June 2014 \$
Current assets Cash and cash equivalents		338,372	80,847
Trade and other receivables		50,114	51,520
Trade and other receivables			31,320
Total current assets		388,486	132,367
Non-current assets			
Property, plant and equipment		409,729	443,012
Exploration and evaluation assets	4	13,344,596	12,419,346
Bonds and deposits		23,643	23,643
Total non-current assets		13,777,968	12,886,001
Total assets		14,166,454	13,018,368
Current liabilities			
Trade and other payables		282,079	242,435
Employee benefits payable		167,669	127,323
Loans and borrowings		-	1,020,000
Total current liabilities		449,748	1,389,758
Total liabilities		449,748	1,389,758
Net assets		13,716,706	11,628,610
Equity			
Issued capital		18,235,050	16,201,712
Accumulated losses		(4,673,901)	(4,627,077)
Share based payments reserve		43,110	53,975
Option reserve		112,447	-
Total equity		13,716,706	11,628,610

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

Statement of Changes in Equity For the half-year ended 31 December 2014

	Issued Capital	Accumulated losses	Share based payments reserve	Option reserve	Total
	\$	\$	\$	\$	\$
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 Other comprehensive income	-	(305,522)	-	-	(305,522)
Transactions with owners in their capacity as owners: Share issue, net of costs Options issued Options expired	4,359,575 - -	- - 160,000	10,361 (160,000)	(632,980) - -	3,726,595 10,361 -
At 31 December 2013	16,208,775	(3,914,858)	10,361	-	12,304,278
At 1 July 2014	16,201,712	(4,627,077)	53,975	-	11,628,610
Total comprehensive income for the half-year:					
Loss for the half-year Other comprehensive income	-	(89,579) -	-	-	(89,579) -
Transactions with owners in their capacity as owners:					
Share issue, net of costs	2,033,338	-	-	-	2,033,338
Options issued –offer Options vesting	-	-	- 31,889	112,447	112,447 31,889
Options expired	-	42,754	(42,754)	-	-
At 31 December 2014	18,235,050	(4,673,901)	43,110	112,447	13,716,706

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

Statement of Cash Flows For the half-year ended 31 December 2014

	31 December 2014 \$	31 December 2013 \$
Cash flows from operating activities		
Interest received	73	2,704
Receipt from service rendered	146,557	288,966
Interest paid	-	(11,174)
Payments to suppliers and employees	(657,207)	(988,401)
Research and development tax concession	568,170	381,602
Net cash used in operating activities	57,593	(326,303)
Cash flows from investing activities Payments for exploration and evaluation	(884,925)	(1,818,426)
Payments for plant and equipment	-	(7,440)
Net cash from/(used in) investing activities	(884,925)	(1,825,866)
Cash flows from financing activities		
Proceeds on loans received	1,660,000	-
Payments on loans repaid	(680,000)	(550,000)
Proceeds from issue of equity securities	112,447	3,575,916
Payments for transaction costs relating to security issues	(7,590)	(45,338)
Net cash from financing activities	1,084,857	2,980,578
Net increase/(decrease) in cash held	257,525	828,409
Cash at the beginning of the period	80,847	291,699
Cash at the end of the period	338,372	1,120,108

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

Notes to the Financial Statements For the half-year ended 31 December 2014

Note 1 Basis of preparation of half-year report

These general purpose financial statements for the half-year reporting period ended 31 December 2014 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 2014 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

These financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business. The ability of the Company 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 and the subsequent financial performance of the SPM production and mining assets.

Should the Company not be successful in achieving the forecast positive cash flows from the operation of the base metals assets, the Company will require the raising of additional funding by capital raisings, or other alternative funding arrangements. These conditions represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Matters that have been considered by the Board in determining the going concern basis of the Company include:

On 12th January 2015 the Company's shareholders approved the acquisition of the mining and exploration assets of Snow Peak Mining Pty Ltd (SPM), which include an operating base metal production facility and a number of base metals mining assets and other exploration assets. The completion of the acquisition of the SPM Assets has not occurred at the date of this report. From the date that shareholder approval was received, the Company has accepted the responsibility for the financial and operational performance of the SPM production and mining assets.

Whilst to date the Company has not been in a position to directly report on the financial performance of the SPM assets, the Board is of the opinion that the forecast operation of the SPM production assets, based on reasonable assumptions will provide the Company with net positive cash flows.

The Company is confident that the settlement of the acquisition of the SPM assets will occur within a reasonable timeframe.

Notes to the Financial Statements For the half-year ended 31 December 2014

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

Going concern basis for preparation of financial statements (continued)

- Exploration of the SPM exploration assets is fully funded and being undertaken pursuant to an agreement with Wanguo International Mining Group.
- The Company has access to \$1 million in working capital funding pursuant to a short term loan agreement with ARM (NQ) Pty Ltd, a Company associated with directors of the Company, Messrs De Lacey, Cai and Tsoi.
- The Board reasonably expects that short term production related financing facilities and other funding alternatives should be available to the Company in the event they are required.
- The Company is progressing with its Definitive Feasibility Study (DFS) in respect of the Gillian Deposit at the Mt Garnet Tin Project, which the Board believes will reinforce the positive prefeasibility study published in September 2013.
- The Board is confident that, in the event of a favourable DFS in respect of the Gillian Deposit, sufficient funding will be able to be sourced to fund development of the Mt Garnet Tin Project.
- The Company's future financial operating performance will be closely linked to the performance of commodity prices, most notably tin, zinc, copper and lead and foreign exchange rates.

Following consideration of the above matters, the directors consider the adoption of the going concern basis to be reasonable given the timing of the SPM asset acquisition in the context of this reporting period and in the preparation of these financial statements. Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due.

The half-year financial statements were approved by the Board of Directors on 10th March 2015.

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.

Notes to the Financial Statements For the half-year ended 31 December 2014

Note 3 Income tax benefit			
		31 December 2014	31 December
			2013
December and development comparations have		\$	\$
Research and development expenditure tax concession benefit		568,170	381,602
Note 4 Exploration and evaluation assets			
		31 December	30 June 2014
		2014 \$	\$
Exploration and evaluation phase – at cost	(a)	12,047,004	11,569,057
Feasibility study – at cost	(b)	3,664,612	3,217,309
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		13,344,596	12,419,346
Reconciliation of Movements in the Period		31 December	31 December
		2014	2013
(a) In the exploration and evaluation phase		\$	\$
Cost brought forward – 1 July		11,569,057	9,998,929
Exploration expenditure incurred during the year at cost		477,947	1,097,642
Refund from cancelled development Previously capitalised exploration costs written off		-	(35,979)
Cost carried forward – 31 December		12,047,004	11,060,592

Notes to the Financial Statements For the half-year ended 31 December 2014

Note 4 Exploration and evaluation assets (continued)

Reconciliation of Movements in the Period

(b) In the feasibility study phase
Cost brought forward – 1 July
Feasibility study incurred during the year at cost
Previously capitalised feasibility costs written off
Cost carried forward – 31 December

31 December	31 December
2014	2013
Ś	\$
•	7
3,217,309	1,611,984
3,217,303	1,011,504
447 202	696 101
447,303	686,491
-	-
3,664,612	2,298,475

Note 5 Issued capital

Issued capital - Shares	31 December 2014 #	31 December 2013 #	31 December 2014 \$	31 December 2013 \$
At the beginning of the period	250,614,381	186,095,734	16,201,712	11,849,200
Entitlement issue shares issued	_	37,218,647	_	1,860,932
Options exercised Shares issued to repay loan and	-	27,300,000	-	2,543,981
accrued interest Costs related to share issues	29,156,140	-	2,040,930	-
00000 1 0100000 00 01101 0 1000000	-	-	(7,592)	(45,338)
	279,770,521	250,614,381	18,235,050	16,208,775

Note 6 Options

As at 31 December 2014, the Company had on issue 24,689,450 (30 June 2014: 4,400,000) options over unissued shares.

During the period the following options were issued at a subscription price of 0.5 cents per option, pursuant to a priority entitlement offer which closed on 10 December 2014:

Issue date	Number	Exercise Price	Expiry Date
17 December 2014	22,489,450	20 cents	31 December 2013

2,200,000 unlisted options exercisable at 30 cents each expired on 31 December 2014.

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

Notes to the Financial Statements For the half-year ended 31 December 2014

Note 7 Related Party Transactions

During the period ended 31 December 2014, the Company incurred costs of \$19,589 (2013: \$23,043) 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 2014 (2013: nil).

During the period ended 31 December 2014, the Company incurred costs of \$nil (2013: \$32,410) 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 2014 (2013: nil).

During the period ended 31 December 2014, the Company incurred costs of \$3,246 (2013: \$6,500) 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 2014 (2013: nil).

During the period ended 31 December 2014, the Company incurred costs of \$1,140 (2013: \$nil) from Preston Law, a Company associated with Mr Andrew Kerr, for professional services. 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 2014 (2013: nil).

During the period ended 31 December 2014, the Company charged a total of \$137,450 (2013: \$288,966) to Snow Peak Mining Pty Ltd (SPM), for services rendered.

During the period the Company received \$585,000 in loan funds from SPM. As at 31 December 2014 all loan funds have been repaid to SPM and no balance is owing at that date.

During the period the Company issued 29,156,140 ordinary fully paid shares at 7 cents per share to ARM (NQ) Pty Ltd (ARM), a Company associated with Mr De Lacey, Mr Cai and Mr Tsoi, in repayment of a \$2 million loan, plus accrued interest. The Company currently has a \$1 million short term loan facility from ARM, of which nil has been drawn as at 31 December 2014. Funds advanced pursuant to the current loan agreement incur interest at 7% per annum and are convertible, subject to CSD shareholder approval, into ordinary fully paid shares in the Company at 7 cents per share.

Note 8 Dividends

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

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.

Notes to the Financial Statements For the half-year ended 31 December 2014

Note 10 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 Company, the results of those operations or the state of affairs of the Company in subsequent financial years, other than the following:

Appointment of Directors

On 2 February 2015 the Company appointed Mr Martin Cai and Mr Alex Tsoi as Executive Directors.

On 2 February 2015 Ms Seraphina Tong was appointed as Alternate Director on behalf of Mr Si He Tong. Prior to this appointment, Mr Martin Cai acted as Alternate Director for Mr Tong, ceasing to act on his own appointment to the Board as Director.

- Snow Peak Mining Asset Acquisition

On 12 January 2015 the Company's Shareholders approved the acquisition of the assets of Snow Peak Mining Pty Ltd SPM), a Company associated with Mr Ralph De Lacey, Mr Alex Tsoi and Mr Martin Cai, and controlled by Mr Si He Tong.

The agreement to acquire all of the assets of SPM, including the Mt Garnet processing plant and associated infrastructure, mining and exploration assets and mineral rights agreements, mining plant and equipment and the assumption of environmental bonds, superseding the MOU announced to the ASX on 29 November 2013.

The material terms of the agreement are as follows:

- Consideration for the acquisition includes:
 - Issue of 580,000,000 ordinary fully paid shares to SPM, which are subject to a 2 year escrow period; and
 - Issue of a \$16,500,000 convertible note to SPM, which is convertible into 165,000,000 ordinary fully paid shares. The convertible notes bear interest at 7% per annum, payable quarterly in arrears, and mature 12 months form the date of issue.
 - The Company will assume all liabilities of SPM that relate to the assets acquired and will assume all leave entitlements of the SPM employees that transfer on the acquisition. In addition the Company will pay SPM \$500,000 per quarter for 4 calendar quarters following acquisition.
- Issue of 30,000,000 ordinary fully paid shares to SPII as a repayment of a project funding advance formalised in a Heads of Agreement (HOA) between Consolidated Tin Mines Limited and SPII in July 2012. The shares issued to SPII will be subject to a 2 year escrow period.

The transaction is subject to security holders releasing, or consenting to the acquisition of, the various assets the subject of the transaction.

Following Shareholder approval for the acquisition of the SPM assets on 12 January 2015, the Company has assumed responsibility for all matters financial in respect of the mining and production activities of the SPM assets, pending settlement of the transaction.

Notes to the Financial Statements For the half-year ended 31 December 2014

Note 11 Business Combination - Acquisition of Assets from Snow Peak Mining Pty Ltd (SPM)

The Board considers the proposed acquisition of the SPM assets by the Company to be a Business Combination pursuant to Australian Accounting Standard AASB 3 –Business Combinations.

As at the date of signing these financial statements the settlement of the acquisition of the SPM assets by the Company has not occurred, and as such the Company is unable to provide fair value disclosures in relation to the consideration to be paid by the Company and of the assets and liabilities to be acquired pursuant to the Asset Sale Agreement.

Further details of the consideration payable by the Company and of the assets to be acquired pursuant to the Asset Sale Agreement are included at *Note 10 Events Occurring after the Balance Sheet Date*.

The Board anticipates that settlement of the acquisition of the SPM assets will occur prior to the end of the 30 June 2015 financial year. Upon settlement the Company will recognise the fair value of consideration issued in respect of the acquisition and the fair value of assets acquired less associated liabilities assumed.

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 9 to 19 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 2014 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 10th day of March 2015.

Rolph De Lawy

Ralph De Lacey Executive Chairman



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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 statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

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 company's financial position as at 31 December 2014 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 company's financial position as at 31 December 2014 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 entity 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 subsequent financial performance of the SPM production and mining assets and the future successful raising of capital or alternative funding if required. 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 entity's ability to continue as a going concern and therefore, the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BD0

BDO Audit (NTH QLD) Pty Ltd

Windowst.

Margaret Dewhurst

Director

Cairns, 10 March 2015