

TNT MINES LIMITED
ABN 67 107 244 039
INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2011

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2011 and any public announcements made by TNT Mines Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

TNT MINES LIMITED

31 DECEMBER 2011

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TNT MINES LIMITED

31 DECEMBER 2011

DIRECTORS' REPORT

Your directors submit their report on the consolidated entity consisting of TNT Mines Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2011.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Professor Ian Plimer
Michael Hannington
Andrew Drummond
Neville Bergin
Michael Beer

REVIEW AND RESULTS OF OPERATIONS

A summary of consolidated revenues and results for the half-year is set out below:

	Half year ended 31 Dec 2011	
	Revenues	Loss
	\$	\$
Consolidated entity revenues and loss from ordinary activities before income tax expense	1,628	(605,114)

The principal activity of the Company during the six months ended 31 December 2011 was the exploration and evaluation of mineral tenements in Tasmania.

On 19 July 2011, the Company demerged from its parent, Minemakers Limited via an in-specie distribution of shares to Minemakers shareholders.

Minemakers retained a 19.9% direct interest in the Company, with the remaining 80.1% held by Minemakers' shareholders.

The Company holds 795km² of mineral tenements in Tasmania in its own right and via joint ventures, both onshore and offshore across nine project areas, with six projects situated in northeast Tasmania and three projects situated in northwest Tasmania.

The Moina fluorspar-tin-tungsten deposit in northwest Tasmania is potentially one of the largest undeveloped fluorspar deposits in the world.

The Company has completed initial metallurgical test work which highlights the need to fine-grind the mineralised material to enable liberation of the fluorspar, tin and tungsten.

Further test work is underway to determine the most applicable metallurgical process to separate out the fluorspar and tungsten. Results from this second stage of test work are expected in April 2012 and will then be integrated into a pre-feasibility study to determine the critical path to evaluate both technical and financial options for developing the project.

If a suitable metallurgical process is determined then the Company will seek assistance from the Tasmanian Department of Economic Development to fast track the approvals required to enable a full feasibility study to be conducted to determine the capital cost of development and input costs such as electricity and handling of mineral concentrate via a northern Tasmanian port.

In August, the Company drilled two diamond holes at the old Oonah Mine in northwest Tasmania. Both holes intersected tin mineralisation with significant silver. The Oonah mine lies approximately 400m north of the Queen Hill deposit (JORC Resource 4.36Mt @ 1.1% tin). The Company has integrated the recently completed drilling with historic drilling information to determine whether the Oonah tin and silver mineralisation continues at depth or along strike. Further drilling at the Oonah mine is planned for 2013.

The Company continued to consolidate its tenement position in the Ringarooma Bay and now holds mineral tenements covering the entire bay and out approximately 40km into Bass Strait.

In November and December, TNT Mines prepared an environmental management plan in preparation for a geophysical survey of the tin and heavy mineral sands in the bay and sampling of the seafloor mineralisation via gravity coring and seafloor grab sampling.

In September, the Company undertook a share placement of 3,250,000 shares at 8 cents each to directors and associates and then in November undertook a 1 for 1 rights issue at 8 cents per share to all shareholders to raise \$5,250,000. The rights issue raised \$1,330,000 and 16,639,790 shares were issued.

At 31 December, the company had 82,389,790 shares on issue and \$1,248,153 in cash.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of directors.

A handwritten signature in blue ink that reads "MAJ Hannington". The signature is written in a cursive style with a horizontal line underneath the first part of the name.

Michael Hannington
Managing Director

Perth, 12 March 2012

**Bentleys Audit & Corporate
(WA) Pty Ltd**

Level 1, 12 Kings Park Road
West Perth WA 6005
Australia

PO Box 44
West Perth WA 6872
Australia

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

To the Board of Directors

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

This declaration is made in connection with our review of the financial report of TNT Mines Limited and Controlled Entities for the half-year ended 31 December 2011 and in accordance with the provisions of the *Corporations Act 2001*.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- no contraventions of the *Code of Professional Conduct* of the Institute of Chartered Accountants in Australia in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants

CHRIS WATTS CA
Director

DATED at PERTH this 12th day of March 2012

TNT MINES LIMITED**31 DECEMBER 2011****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	\$	\$
REVENUE	1,628	855
EXPENDITURE		
Depreciation expense	(974)	-
Salaries and employee benefits expense	(126,510)	-
Exploration expenditure	(99,145)	-
Corporate expenses	(140,969)	(497)
Administration expenses	(61,672)	-
Share based payments expense	(81,914)	-
Other expenses	(95,558)	-
(LOSS) / PROFIT BEFORE INCOME TAX	(605,114)	358
Income tax benefit	156,813	-
(LOSS) / PROFIT FOR THE HALF-YEAR	(448,301)	358
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(448,301)	358
(Loss) / Profit for the period attributable to:		
Owners of TNT Mines Limited	(448,301)	358
Total comprehensive income for the period attributable to:		
Owners of TNT Mines Limited	(448,301)	358
Basic and diluted (loss) / profit per share (cents)	(0.7)	3.58

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

TNT MINES LIMITED**31 DECEMBER 2011****CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Notes	31 December 2011 \$	30 June 2011 \$
CURRENT ASSETS			
Cash and cash equivalents		1,248,153	301,102
Trade and other receivables		114,079	86,974
TOTAL CURRENT ASSETS		1,362,232	388,076
NON-CURRENT ASSETS			
Plant and equipment		10,176	-
Capitalised exploration and evaluation expenditure		2,925,125	2,492,686
TOTAL NON-CURRENT ASSETS		2,935,301	2,492,686
TOTAL ASSETS		4,297,533	2,880,762
CURRENT LIABILITIES			
Trade and other payables		698,396	358,650
Provisions		16,772	7,731
Borrowings		1,000,000	1,000,000
TOTAL CURRENT LIABILITIES		1,715,168	1,366,381
NON CURRENT LIABILITIES			
Deferred tax liabilities		580,723	737,536
TOTAL NON CURRENT LIABILITIES		580,723	737,536
TOTAL LIABILITIES		2,295,891	2,103,917
NET ASSETS		2,001,642	776,845
EQUITY			
Issued capital		3,687,862	2,096,678
Reserves		81,914	-
Accumulated losses		(1,768,134)	(1,319,833)
TOTAL EQUITY		2,001,642	776,845

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

TNT MINES LIMITED

31 DECEMBER 2011

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Attributable to Owners of TNT Mines Limited			Total Equity
	Issued Capital	Reserves	Accumulated Losses	
	\$	\$	\$	\$
BALANCE AT 1 JULY 2010	100	-	(6,876)	(6,776)
Profit for the period	-	-	358	358
Total comprehensive income for the period	-	-	358	358
BALANCE AT 31 DECEMBER 2010	100	-	358	6,418
BALANCE AT 1 JULY 2011	2,096,678	-	(1,319,833)	776,845
Loss for the period	-	-	(448,301)	(448,301)
Total comprehensive income for the period	-	-	(448,301)	(448,301)
Shares issued during the period	1,591,184	-	-	1,591,184
Employee Share Options	-	81,914	-	81,914
BALANCE AT 31 DECEMBER 2011	3,687,862	81,914	(1,768,134)	2,001,642

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

TNT MINES LIMITED**31 DECEMBER 2011****CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(308,588)	-
Interest received	1,628	855
Expenditure on mineral interests	(316,832)	-
Net cash used in operating activities	<u>(623,792)</u>	<u>855</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment	(11,150)	-
Payments for security deposits	(9,191)	-
Net cash used in investing activities	<u>(20,341)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,591,184	-
Net cash provided by financing activities	<u>1,591,184</u>	<u>-</u>
Net increase in cash and cash equivalents	947,051	855
Cash and cash equivalents at the beginning of the half-year	301,102	1,213
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	<u>1,248,153</u>	<u>1,978</u>

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

TNT MINES LIMITED

31 DECEMBER 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of TNT Mines Limited and its controlled entities (the "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the company for the year ended 30 June 2011.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2011, except for the adoption of Improvements to AASBs 2010 (2010 Improvements) as of 1 January 2011. The 2010 Improvements made several minor amendments to AASBs. The relevant amendments and their effects on the current period or prior periods are described below.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Amendment to AASB 101 Presentation of Financial Statements

The amendment provides a choice of presenting the reconciliations for each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group has elected to retain reconciliations within the Statement of Changes in Equity as previously disclosed.

Amendments to AASB 134 Interim Financial Reporting

The amendments clarified certain disclosures relating to events and transactions that are significant to an understanding of changes in the Group's circumstances since the last annual financial statements. The Group's interim financial statements as of 31 December 2011 reflect these amended disclosure requirements, where applicable.

Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group incurred a loss from ordinary activities of \$448,301 for the half-year ended 31 December 2011 (2010: \$358 profit). Included within this loss was the write off of exploration expenditure of \$99,145 (2010: Nil).

The net working capital position of the Group at 31 December 2011 was (\$336,164) (30 June 2011: \$1,020,574) and due to a rights issue and a share placement the net movement in cash held during the half-year was \$947,051 (2010: \$855).

The ability of the Company and the Group to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately developing one of its mineral properties.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- The Directors have an appropriate plan to raise additional funds as and when it is required. In light of the Group's current exploration projects, the Directors believe that the additional capital required can be raised in the market; and the Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable.
- The negotiation of loan from Minemakers Limited. (refer Note 5).

TNT MINES LIMITED

31 DECEMBER 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011 (continued)

Should the Company not be successful in its planned capital raisings, it may be necessary to sell some of its assets, farm out exploration projects or reduce exploration expenditure by various methods including surrendering less prospective tenements. Although the Directors believe that they will be successful in these measures, if they are not, the Company and the Group may be unable to continue as a going concern and therefore may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

NOTE 2: SEGMENT INFORMATION

(a) Industry and geographical segment

The Group has identified one reportable segment 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 board reviews financial information on the same basis as presented in the financial statements and has therefore determined the operating segment on this basis.

NOTE 3: EQUITY SECURITIES ISSUED

	2011 Shares	2011 \$	2010 Shares	2010 \$
Issues of ordinary shares during the half-year				
Issued for cash at 8 cents per share	3,250,000	260,000	-	-
Issued for cash at 8 cents per share	16,639,790	1,331,184	-	-
	19,889,790	1,591,184	-	-

	Number of options	
	2011	2010
Movements of options during the half-year		
Cancellation of 30 cent unlisted options on 8 September 2011	(1,000,000)	-
	(1,000,000)	-

NOTE 4: CONTINGENCIES

The final payment of \$110,000 worth of shares under the Tasmanian Tin and Tungsten Agreement was made on 1 November 2011. Otherwise there has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 5: SUBSEQUENT EVENTS

On the 12 March 2012 the Company signed an agreement with its major shareholder, Minemakers Ltd, regarding the settlement of outstanding issues between the two companies. It states each of MAK and TNT releases the other from all and any Claims in respect of or arising out of the Issues and or the Separation Deed. The effect of the agreement for the Company will result in a \$1.6m reduction in total liabilities in exchange for the Company granting to MAK a 1.5% net smelter return in respect of TNT's share of production from all or any mining tenements in which TNT now or in the future holds an interest up to a maximum aggregate sum of \$5M.

Other than stated above there is no matter or circumstance has arisen since 31 December 2011, which has significantly affected, or may significantly affect the operations of the group, the result of those operations, or the state of affairs of the group in subsequent financial years.

TNT MINES LIMITED

31 DECEMBER 2011

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 6 to 11 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards AASB 134: Interim Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that TNT Mines Limited 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.

A handwritten signature in blue ink that reads "MAJ Hannington". The signature is written in a cursive style with a horizontal line underneath the first part.

Michael Hannington
Managing Director

Perth, 12 March 2012

Independent Auditor's Review Report

To the Members of TNT Mines Limited

We have reviewed the accompanying half-year financial report of TNT Mines Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes 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 control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2011 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 TNT 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.



**Bentleys Audit & Corporate
(WA) Pty Ltd**

Level 1, 12 Kings Park Road
West Perth WA 6005
Australia

PO Box 44
West Perth WA 6872
Australia

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

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 TNT Mines Limited and Controlled Entities 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 2011 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 qualifying our conclusion, attention is drawn to the following matter. As a result of matters described in Note 1: Going Concern to the financial report, uncertainty exists whether TNT Mines Limited and Controlled Entities will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.



BENTLEYS
Chartered Accountants



CHRIS WATTS CA
Director

DATED at PERTH this 12th day of March 2012