



ASX Announcement

Aus Tin Mining Limited (ASX:ANW)

19 December 2018

Exploration, Development & Corporate Update

The Directors of Aus Tin Mining Limited (the **Company**) are pleased to provide the following update in relation to the Company's tin and cobalt projects.

Granville Tin Project

Significant progress has been made at Granville in recent weeks. Major civil works at the Tailings Storage Facility (**TSF**) have now been completed ahead of the liner installation, and the processing plant has been operated at a reduced throughput rate for the resumption of tin concentrate. Initial ore production from the Granville East Mine is targeted to commence immediately after the scheduled break for the Christmas / New Year period.



Figure 1 – Granville TSF as at 15th December 2018

To prevent further delays, the Company has sought to now procure certain services directly (previously sub-contracted via the civil and mining contractor) commencing with the installation of the TSF liner which is scheduled for mid-January 2019. Separately, in a proactive attempt to reclaim the effect of delays, the civil and mining contractor has mobilised additional equipment from its own fleet based in New South Wales and will relocate all remaining plant and equipment from the TSF to the open cut mine.

Taronga Tin Project

Pre-construction regulatory approvals for the Stage 1 Project continue to progress and during the past month the Company has been issued the Environmental Protection licence from the Environment Protection Authority. The Company continues to progress the Mining Operations Plan (MOP) with the Department of Planning and Environment, and the water use licence with the Natural Resources Access Regulator.

Upon finalisation of the MOP the Company intends to commence mining an initial parcel of 50,000 tonnes of ore and waste ahead of the remaining 360,000 tonnes of material. The key benefits of the rescheduled program include the capacity to generate accelerated results for the resource reconciliation (to assess the potential grade upside) and the deferral of the more significant capital costs associated with the construction of the TSF and pilot plant to be better aligned with anticipated cash flow from Granville. As with much of eastern Australia, the project area has experienced drought conditions and the rescheduled program will also reduce the initial water demand to within the Company's existing water use rights. Whilst the rescheduled program will defer the production of tin concentrate at Taronga, the opportunity to undertake pre-concentration at Taronga and concentrate dressing at Granville will be investigated.

Mt Cobalt / Pembroke Nickel-Cobalt-Copper Project

Significant equipment issues have been experienced by the drilling contractor for the combined RC / diamond hole (PEM029) to target a deeper magnetic and conductivity target at Pembroke, and since the commencement of diamond drilling a total of 161 metres has been drilled. The Company recently engaged an independent drilling consultant to provide advice on the program, and the drilling contractor is implementing several changes to improve productivity. The hole is still some 130 metres short of the design depth of 450 metres, but has recently penetrated the magnetic target¹ and the last three metres of core recovered from the hole exhibit an increasing level of magnetite and sulphide mineralisation in the dilated fractures, with the density of dilated fractures increasing over the last ten metres. The Company is considering options for the remainder of the program but given the over-run at Pembroke and increasingly unsettled weather over the summer period, it may postpone elements of the Mt Cobalt program.

Working Capital

The revised forecast for tin production at Granville has impinged on the Company's forecast cash position, and notwithstanding the potential lower demand for cash resulting from a rescheduled program at Taronga and possible postponement of elements of the Mt Cobalt drill program, the Company considered it prudent to secure additional capital. The Company has today finalised a \$1.0 million increase in the Convertible Security Facility Agreement (CSFA) with Australian Special Opportunity Fund L.P, a fund managed by The Lind Partners (together **Lind**), on the same terms as announced on 20 April 2018, including the minimum conversion of the convertible note at \$0.035 per share until March 2019 (Appendix 1). The Company did evaluate alternative forms of capital, including a Share Purchase Plan, but given broader equity market conditions the Lind facility was considered competitively priced with the lowest delivery risk. If appropriate the Company may revisit the composition of its working capital requirements, including alternative forms of capital, when equity market conditions improve.



On behalf of the Board
Karl Schlobohm
Company Secretary

¹ Refer ASX Release dated 5 September 2018

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Electronic copies and more information are available on the Company website: www.austinmining.com.au

Company Twitter account: [@AusTin_Mining](https://twitter.com/AusTin_Mining)

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About Aus Tin Mining (the Company)

Aus Tin Mining Limited (ASX: ANW) has a vision to become a major Australian tin producer. The Company has recommenced production at the high grade Granville Tin Project located north of Zeehan (TAS) and the Company intends to expand the Granville Tin Project and undertake exploration to extend the Life of Mine. The Company is also developing the world class Taronga Tin Project located near Emmaville (NSW). The Company defined and announced its maiden JORC compliant resource for the Taronga Tin Project in late 2013 and test work and exploration activities on site have revealed potential credits for copper, silver, tungsten, molybdenum, lithium and rubidium. Highly prospective regional targets have also been established within the Company's broader tenement footprint, and within trucking distance of the proposed processing site at Taronga. In December 2017 the Company received approval for the first stage of development at Taronga for a trial mine and pilot plant.

The Company is also actively exploring for cobalt at its Mt Cobalt project west of Gympie (QLD). Recent drilling has returned high grades for an enriched cobalt-manganese oxide zone. In addition the Company is exploring an approximately 4km arc along the contact with the Black Snake Porphyry which is prospective for cobalt, nickel, copper and gold.

Forward Looking Statement

This announcement may contain certain statements and projections provided by or on behalf of Aus Tin Mining Limited (Aus Tin Mining) with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of Aus Tin Mining. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or mining which may be beyond the control of Aus Tin Mining which could cause actual results or trends to differ materially, including but not limited to price fluctuations, exploration results, reserve and resource estimation, environmental risks, physical risks, legislative and regulatory changes, political risks, project delay or advancement, ability to meet funding requirements, factors relating to property title, native title and aboriginal heritage issues, dependence on key personnel, share price volatility, approvals and cost estimates. Accordingly, there can be no assurance that such statements and projections will be realised. Aus Tin Mining makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

Additionally, Aus Tin Mining makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Aus Tin Mining or by any of their respective officers, directors, shareholders, partners, employees, or advisers as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this presentation, Aus Tin Mining undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Aus Tin Mining Limited.

Appendix 1

Summary terms of the Increased component of the Convertible Security Funding Agreement (CSFA)

General	
Issuer:	Aus Tin Mining Limited (the Company)
Investor:	The Australian Special Opportunity Fund, LP (the Investor)
Total Amount:	A further A\$1.0 million the Company against the issue to Lind of a zero coupon convertible security with a face value of \$1.2 million dollars (New).
Term:	24 months
Face Value:	120 percent of the funded amount
Commitment Fees & Options:	A\$30,000 plus the issue of 16,500,000 36 month options, exercisable at A\$0.035 per share
Rank & Security	General Security Agreement over the Company and guarantee & indemnities from its wholly owned subsidiaries
Conversion:	The Convertible Security will be convertible into shares, in whole or in increments of no less than A\$50,000, on the Investor giving notice of conversion to the Company during its term. The conversion price will be: 1. a fixed price of A\$0.035 to 19 March 2019, and 2. thereafter, the lesser of: (i) 90% of the average of five (5) consecutive daily VWAPs, chosen by the Investor from amongst the 20 trading days prior to conversion; and (ii) A\$0.035.
Buy-back Rights:	In its sole discretion, the Company will have the right to buy-back any or all of the outstanding face value of the convertible securities at any time at no premium (Buy-Back Rights). Should the Company exercise its Buy-Back Rights, the Investor will have the option of converting up to 25% of the amount of the face value the subject of the Buy-Back Rights at the conversion price.
Floor price:	Where the conversion price would be less than the floor price \$0.012, the Company may elect to satisfy its obligations to issue conversion shares by paying the relevant amount to Lind in cash.
Collateral Shares:	10,000,000 collateral shares will be issued to Lind. An amount equal to a notional subscription price of the collateral shares (the Collateralisation Price), will be credited to the Company upon the repayment of the outstanding face value of the convertible securities, or in satisfaction of Company's obligation to issue shares upon the conversion of the convertible securities. The Collateralisation Price will be equal to 90% of the average of five (5) consecutive daily VWAPs, chosen by the Investor from amongst the 20 trading days prior to conversion.