



ASX Announcement

Aus Tin Mining Limited (ASX: ANW)

7 December 2015

Acquisition of High Grade Tin Mine and High Grade Drill Results

Highlights

- Execution of Sale & Purchase Agreement (SPA) to acquire the Granville Tin Project.
- High grade assay results from recent drilling program completed at Granville East, including:
 - DDHGE1 - 7m @ 2.22% Sn from 2m including 4m @ 3.30%Sn from 2m.
 - DDHGE2 - 7m @ 2.65%Sn from 4m including 1m @ 4.18%Sn from 9m.

The Directors of Aus Tin Mining Limited (the Company) are pleased to announce the execution of the Sale & Purchase Agreement for the Granville Tin Project. The Company is now well positioned to finalise all outstanding regulatory approvals followed by the resumption of tin production operations in 2016.

The Granville Tin Project is located approximately 20km north of the historic mining town Zeehan on the west coast of Tasmania, and lies within the historic Heemskirk tin field. The Granville Tin Project comprises two mining leases (21M/2003 and 9M/2006) currently approved for Level 1 operations, an open cut pit (Granville East) and a processing plant currently on care & maintenance. The Company has completed due diligence and executed a Sale & Purchase Agreement with the Vendors, whereby the Company's subsidiary Ten Star Mining Pty Ltd (TSM), will acquire the assets of the Granville Tin Project for a revised payment of \$100,000¹ payable within 90 days with the balance of the consideration comprising:

- The issue of 50,000,000 ordinary shares in Aus Tin Mining Limited subjected to voluntary escrow in four equal tranches over a two year period;
- Assumption or replacement of a \$250,000 overdraft facility and \$95,000 guarantee facility; and
- The payment of 2% Net Smelter Royalty (NSR) on tin production from Year 3 up to a total of \$550,000.

The Company and Vendors are progressing the remaining Conditions Precedent, notably the transfer of the granted mining leases by the State of Tasmania. The Company is also progressing discussions on the replacement of the existing finance facilities and redevelopment funding.

The Company's program of due diligence for the Granville Tin Project included a limited drill program of 100m of triple tube diamond core from within the existing open pit, with the purpose being to assess the grade of mineralisation, including the magnetite/cassiterite rich skarn, below the current floor of the open pit. The drilling results were very encouraging with intersections of up to 7m @ 2.65%Sn (refer **Table 1**) and provide the basis for sufficient mineral inventory to resume operations. Having secured ownership of the Granville Tin Project, the Company will in due course undertake additional drilling at Granville East to assess to depth potential of tin mineralisation and determine the Life of Mine extent.

¹ Refer to ASX announcement dated 6 August 2016 original transaction payment of \$250,000

Hole Number	Declination	Total Depth (m)	Interval			% Sn	Comments
			from (m)	to (m)	Interval (m)		
DDHGE1	-60	40.0	2	9	7	2.22	Includes 4m @ 3.3%Sn from 2m
DDHEG2	-65	15.9	4	11	7	2.65	Includes 1m @ 4.18%Sn from 9m
DDHEG3	-90	32.5	6	8	2	1.97	

Table 1 – Significant intersections for Granville East (October 2015)

Subject to obtaining all necessary approvals, the Company are targeting a resumption of Level 1 operations at the Granville Tin Project during Q1 2016. A modest program of capital works will be undertaken at the processing plant and thereafter plant feed will be sourced from existing stockpiles. Concurrently, the Company will progress the necessary approvals to expand the operation to an annual equivalent treatment rate of 40,000 tpa and the recommencement of mining at the Granville East Mine.

Chief Executive Officer, Peter Williams, said *“the acquisition of the Granville Tin Project represents an important milestone for Aus Tin Mining with the Company positioned to become Australia’s second only ASX listed tin producer from Q1 2016. The combination of high tin grades, open-pit mining and relatively simple metallurgy provide the foundation for a profitable operation at current prices and offer significant upside to an increased tin price.”*

Separately, the Company has commenced the approvals process for the Taronga Stage 1 with the request for Secretary’s Environmental Assessment Requirements (SEARS) submitted. The Company is targeting the development of a trial mine and pilot processing operation during 2016 to assess various areas of upside including the potential for a higher resource tin grade and increased tin recovery.

The Company is also pleased to announce the appointment of current Chief Executive Officer, Peter Williams, to a full time role reflecting the pending transition for the Company from explorer to producer. Since his appointment in January 2013 Mr Williams had worked for the Company on a part-time basis during which period he has overseen the completion of the Pre-Feasibility Study for the Taronga Tin Project, exploration across the Company’s tenement portfolio and evaluation of various corporate opportunities including the Granville Tin Project. Mr Williams’ revised remuneration package comprises a salary of \$271,500 plus superannuation and a fully maintained motor vehicle suitable for project site visits. In addition, Mr Williams may become eligible for contractual bonuses of up to a further 40 percent of base salary annually, based on achieving certain specified performance criteria which include measurable factors associated with share price appreciation, project delivery and capital management.



On behalf of the Board
KM Schlobohm
Company Secretary

**Competent Persons Statement**

The information in this presentation that relates to Exploration Results is based on information compiled by Mr Nicholas Mather B.Sc (Hons) Geol., who is a Member of The Australian Institute of Mining and Metallurgy. Mr Mather is employed by Samuel Capital Pty Ltd, which provides certain consultancy services including the provision of Mr Mather as a Director of Aus Tin Mining. Mr Mather has more than five years experience which is relevant to the style of mineralisation and type of deposit being reported and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.

The information in this Announcement that relates to Mineral Resources is based on information extracted from the report entitled "Maiden JORC Resource Estimated for the Taronga Tin Project" created on 26th August 2013 and is available to view on www.austinmining.com.au. Aus Tin Mining confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

In the information in this Announcement that relates to Ore Reserves is based on information extracted from the report entitled "Pre-Feasibility Advances the Taronga Tin Project" created on 7th April 2014 and is available to view on www.austinmining.com.au. Aus Tin Mining confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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

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Hole Number	CO-ORDINATES			Azimuth (mag)	Declination	Total Depth (m)	Interval			XRF75E % Sn	Comments
	MGA_Easting	MGA_Northing	RL_m				from (m)	to (m)	Interval (m)		
DDHEG1	340928	5370775	100	235	-60	40.0	2.5	9	6.5	2.22	Includes 4m @ 3.3%Sn from 2.5m
DDHEG2	340933	5370756	100	235	-65	15.9	4	11	7	2.65	Includes 1m @ 4.2%Sn from 9m
DDHEG3	340928	5370775	100	235	-90	32.5	6	8	2	1.97	

Table 2 – Drill hole details and assay results for 3 x triple tube diamond drilling holes at Granville Tin Project. Complete assays are reported.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Based on three triple tube diamond core samples obtained by drilling holes into mineralised structure. Samples were collected by cutting the core (in the field) in half and various core sections bagged representing varying drill intervals. A total of 39 samples were composited over varying intervals, from 1 m to 2.5m intervals. Sample weights were typically 2-3kg each and the remaining drill core has been retained. Samples were packaged and sealed prior to dispatch to the SGS Laboratory at Rension (Tasmania). Samples were assayed for Sn, Fe and S using pressed powder XRF (XRF75E).
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> The three holes were drilled by Wholecore Pty Ltd using triple tube diamond drilling. Ground conditions were described as competent and no ground water was encountered. Core recovery was considered reasonably good.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> The metreages were recorded on drill trays and notes regarding any poor recoveries were simultaneously made in the drill logs. Recoveries ranged from 65 to 89 percent for significant intervals selected for assay. The assay samples were given a specific number from a sample book, with written and digital records of the intervals represented. No relationship exists between grades and recoveries.

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> The core has been geologically logged, but there are no geotechnical logs.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Logging is both qualitative and quantitative. The log intervals are based on geological boundaries. All drill metreages were logged.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> XRF75E, a pressed pellet XRF finish (range 0.01 to 90% Sn) is a suitable method for determining certain elements that are not easily solubilised by acid digestion techniques. The analysis technique is expected to near total for Sn. No duplicate samples were submitted.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Verification of significant intersections has not been undertaken to this time. The drill logs were prepared by the site supervising geologist and have subsequently reviewed by the Company's senior geologist. No twinned holes Paper records were kept in sample books and drill logs Digital data will be checked against paper records and has been stored in two different widely separated hard drives.

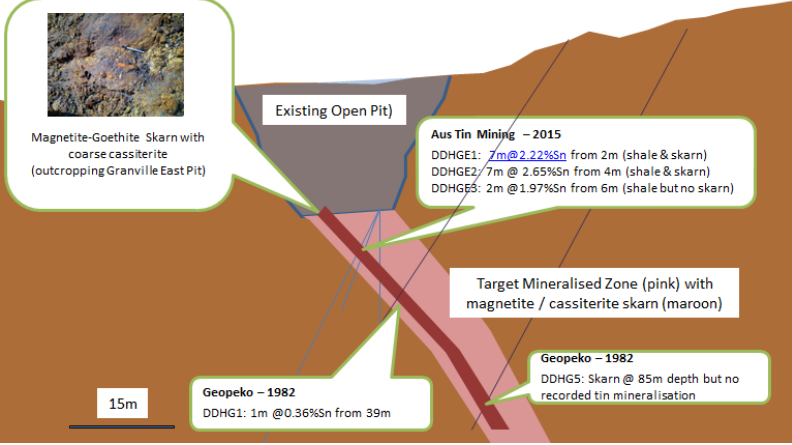
Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Collars were located by hand held GPS with 3m lateral inaccuracy levels. The grid system is GDA 94 zone 55. The accuracy is adequate for collection of initial data on the zone of mineralisation
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> The purpose of the drilling was to verify the location of the magnetite/cassiterite skarn and footwall, and is not intended to be used for JORC resource calculation purposes. Samples were taken representing 1 to 2.5m metre drill intervals were composited accordingly.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The orientation of the drilling was designed to intersect the magnetite/cassiterite skarn and footwall.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> The samples were obtained and immediately processed on a secure private site with personnel present.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> None to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, 	<ul style="list-style-type: none"> The drill hole was located entirely within 21M/2003. Aus Tin Mining Limited has executed a Sale & Purchase Agreement to acquire 21M/2003. 21M/2003 is currently subject to renewal. Aus Tin Mining Ltd has

Criteria	JORC Code explanation	Commentary
tenure status	<p>wilderness or national park and environmental settings.</p> <ul style="list-style-type: none"> • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<p>commenced to process for the renewal and transfer of 21ML/2003.</p>
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • Previous work was undertaken and reported by CRA and Geopecko.
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • The major mineralisation is as a magnetite / cassiterite skarn. Secondary mineralisation is a sulphide / cassiterite shale with the cassiterite occurring predominately as non-soluble tin.
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> • Refer Table 2 above
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Nil cutting of high grade applied
Relationship	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration 	<ul style="list-style-type: none"> • DDHEG1 and DDHEG2 were orientated to intersect the magnetite /

Criteria	JORC Code explanation	Commentary
<p>between mineralisation widths and intercept lengths</p>	<p><i>Results.</i></p> <ul style="list-style-type: none"> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<p>cassiterite skarn at the perpendicular and hence the reported widths are considered true widths</p>
<p>Diagrams</p>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<p style="text-align: center;">Granville East Cross Section</p>  <p>The diagram illustrates a cross-section of the Granville East site. Key features include: <ul style="list-style-type: none"> Existing Open Pit: A grey-shaded area at the top center. Magnetite-Goethite Skarn with coarse cassiterite (outcropping Granville East Pit): A photograph inset showing a rocky outcrop. Aus Tin Mining – 2015: Three drill holes (DDHGE1, DDHGE2, DDHGE3) with their respective depths and grades. DDHGE1 is 7m @ 2.22% Sn from 2m (shale & skarn). DDHGE2 is 7m @ 2.65% Sn from 4m (shale & skarn). DDHGE3 is 2m @ 1.97% Sn from 6m (shale but no skarn). Target Mineralised Zone (pink) with magnetite / cassiterite skarn (maroon): A pink and maroon shaded area representing the target zone. Geopeko – 1982: A drill hole (DDHGS) at 85m depth with no recorded tin mineralisation. Geopeko – 1982: A drill hole (DDHG1) at 1m @ 0.36% Sn from 39m. Scale: A 15m scale bar is provided at the bottom left. </p>
<p>Balanced reporting</p>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> All Sn, Ag, Cu & Rb grades reported
<p>Other substantive exploration data</p>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> Ore from Granville East has previously been mined and treated. Tin recoveries in excess of 80% have been reported.
<p>Further work</p>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the</i> 	<ul style="list-style-type: none"> Aus Tin Mining intend to undertake additional drilling down plunge of the existing open pit.



Criteria	JORC Code explanation	Commentary
	<i>main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	