



21 September 2016

Dear Option Holder

Non-Renounceable Entitlement Offer - Notice to Option Holders

This letter is to notify you that Aus Tin Mining Limited (**Aus Tin Mining** or the **Company**) today announced that it is seeking to raise approximately \$1,657,658 (before costs) via a pro-rata non-renounceable entitlement offer of 150,696,181 new fully paid ordinary shares (**New Shares**) with an offer ratio of 1 New Share for every 10 Shares held on the Record Date of 26 September 2016, at an offer price of 1.1 cents (\$0.011) per New Share (**Offer**), such Offer to be made pursuant to Section 708AA of the *Corporations Act 2001* (Cth).

Option Holders

Holders of options are advised that eligibility for participation in the Offer is only available to shareholders of the Company, as there are no participating rights or entitlements inherent in the options themselves. Holders of shares *and* options are eligible to participate to the extent of their shareholding. Holders of options may only participate in the Offer following the exercise of their options, and if they have a registered address in Australia, New Zealand or Hong Kong.

Option holders have the ability to exercise their options prior to the Record Date (being 26 September 2016, as outlined in the below timetable) which will entitle them to participate in the Offer. The relevant paperwork for the exercise of options can be obtained from the Company Secretary, Mr Karl Schlobohm (ph: 07-3303 0661; kschlobohm@austinmining.com.au).

However, option holders should note that, at the time of writing, the Company's current share price is well below the Company's current range of option exercise prices. **If you hold only options in the Company and do not wish to participate in the Offer (in respect of your options) you do not need to take any action.**

If however, you are also a current shareholder of the Company, you should refer to the information below and to any further information sent to you in the mail.

Purpose of the Offer

The Company intends that the funds raised from the Capital Raising will be used to progress development of the Company's Granville and Taronga Tin Projects, carry-out work across the Company's exploration portfolio, provide working capital, and pay the costs of the Entitlement Offer.

Offer Document and Offer Details

Aus Tin Mining does not require shareholder approval in relation to the Entitlement Offer. The Company will prepare and lodge an Offer Booklet with the ASX in relation to the Offer. The Offer Document will be despatched to Eligible Shareholders on 29 September 2016.

The Offer is non-renounceable, which means that rights to participate in the Offer cannot be sold, and therefore to the extent that shareholders entitled to participate in the Offer do not take up their entitlement, they will not receive any value in respect of those entitlements not taken up. Eligible shareholders may also apply for additional New Shares over and above their entitlement.

The New Shares issued under the Offer will rank equally in all respects from the date of allotment with existing fully paid ordinary shares. Fractional entitlements will be rounded down to the nearest whole New Share.

Timetable

The proposed timetable for the Offer is set out in the table below:

Announcement of Entitlement Offer and Offer Booklet and Appendix 3B lodged with ASX	21 September 2016
Notice of Entitlement Offer sent to Option Holders	21 September 2016
Notice of Entitlement Offer sent to Shareholders	22 September 2016
Trading on Ex basis	23 September 2016
Record Date for the Entitlement Offer (7:00pm Sydney time)	26 September 2016
Despatch of Offer Booklet and notice to Ineligible Holders	29 September 2016
Opening Date of Entitlement Offer (9:00am Sydney time)	29 September 2016
Closing Date of Entitlement Offer (5:00pm Sydney time)	14 October 2016
Trading on deferred settlement basis commences	17 October 2016
ASX notified of under subscriptions (no more than 3 business days after Closing Date)	19 October 2016
Allotment Date - expected date of allotment of the New Shares issued under the Entitlement Offer	21 October 2016
Normal trading begins	22 October 2016
Despatch Date - expected date of despatch of New Shares holding statements, and deferred settlement trading ends	23 October 2016

This timetable is indicative only and may be subject to change subject to the requirements of the Corporations Act and the ASX Listing Rules.

Effect of the Offer on the Company's Share Capital

The impact of the Offer on the share capital of the Company will be as follows:

Shares on issue as at 21 September 2016 (announcement of the Offer)	1,506,961,805
New Shares to be issued under the Entitlement Offer	150,696,181
Shares on issue following the Entitlement Offer	1,657,657,986

Upon completion of the Offer, and assuming it is fully subscribed and that existing options are not exercised, the issued capital of Aus Tin Mining will comprise approximately 1,657,657,986 shares and 314,556,032 unlisted options exercisable at 2 cents expiring on 30 June 2017.



Eligible Shareholders

The Offer will be available to all registered shareholders at 7pm Sydney time on 26 September 2016 (**Record Date**) with registered addresses in Australia, New Zealand and Hong Kong (**Prescribed Jurisdictions**) or any other jurisdiction in which the Company subsequently determines it may extend the Offer (**Eligible Shareholders**). As at the date of this announcement the Company only had a minimal number of registered shareholders outside the Prescribed Jurisdictions.

Further Details

As mentioned above, if you wish to participate in the Offer in respect of options which you hold, your options must be currently exercisable, and you will need to exercise those options and pay the current exercise price in accordance with the terms of your Options well in advance of the record date to ensure that you are registered as a shareholder at that date.

Any queries regarding your option holding, or your current entitlement can be directed to the writer on 07 3303 0661 or kschlobohm@austinmining.com.au

Yours faithfully

A handwritten signature in blue ink, appearing to read "K. Schlobohm", with a long horizontal flourish extending to the right.

Karl Schlobohm
Company Secretary
Aus Tin Mining Ltd