



ASX Release: 31 January 2017

Quarterly Activities Report - Period Ended 31 December 2016

Aus Tin Mining Ltd
("the Company")

ASX CODE: ANW

At Time of Publication

Shares on Issue

1,657 million

Unlisted Options

314 million (@ \$0.02)

Market Capitalisation

\$16.6M (at 1.0cps)

DIRECTORS

Brian Moller (Chairman)

Nick Mather

John Bovard

Richard Willson

CHIEF EXECUTIVE OFFICER

Peter Williams

COMPANY SECRETARY

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HIGHLIGHTS

- **On-going optimisation of tin production at Granville Tin Project and submission of Development Application for Granville Expansion.**
- **High grade cobalt drill intersections at Mt Cobalt.**

REVIEW OF ACTIVITIES - SUMMARY

Granville Tin Project

During the quarter the Company continued to optimise tin production at the Granville Tin Project. New equipment installed during the quarter enabled an increase in plant throughput and tin recovery, and production of tin concentrate averaging 66%Sn with low levels of deleterious elements that is attractive from a market perspective. Capital works proposed for the Granville Expansion, including the installation of a new gravity circuit (jig) and expansion of the flotation circuit have been accelerated to optimise the treatment and recovery of coarse tin from stockpiled ore, but resulting in the deferment of previously forecast production and sales to the March 2017 quarter.

During the quarter the Company also submitted the Development Application for the proposed expanded Level 2 operations (Granville Expansion). The Granville Expansion proposes a resumption of mining ore from the open cut pit and an increase in concentrate production rate to an equivalent 550 tonnes of contained tin per annum.

Taronga Tin Project

During the quarter the Company received outstanding external consultant reports and was finalising the Environmental Impact Statement (EIS) to support the Development Application for the Taronga Stage 1 Project in preparation for submission in early 2017.

Mt Cobalt

During the quarter the Company received assay results for the drill program completed at Mt Cobalt. A total of nine Reverse Circulation (RC) drill holes were undertaken with the results demonstrating the potential for high grade cobalt extensions down dip of historic workings, the most notable intersection included 7m @ 0.84%Co, 0.83%Ni or 1.13%Co_{eq}. Furthermore the drilling extended the zone of nickel oxide mineralisation at Mt Cobalt and reinforces previous work highlighting the potential for a large scale nickel oxide deposit.

The Company also received a consultant's report on potential processing routes and a proposed flowsheet incorporating either a SO₂ or ferrous sulphate/acid leach could generate a mixed hydroxide precipitate (MHP) cobalt/nickel product plus a manganese oxide.

DECEMBER QUARTER 2016 ACTIVITIES

Granville Tin Project (Tasmania)

During the quarter the Company continued to optimise the Level 1 operations and progress the approvals process for the expanded Level 2 operations (Granville Expansion). Level 1 operations have to date largely comprised the retreatment of tailings from previous operators with tailings assaying approximately 1%Sn being processed to produce tin concentrate averaging 66%Sn with low levels of deleterious elements and will be attractive from a market perspective. Earlier feed throughput constraints have largely been resolved with the installation of a new trommel and tin recovery has been improved with the installation of additional gravity spirals. Further modifications are being undertaken to improve the recovery of magnetite and reduce iron levels in the tin concentrate. Most recently the Company has commenced the treatment of Run of Mine (**ROM**) ore from existing stockpiles generated by previous operators, with ROM ore containing significantly more coarse tin compared to the tailings material. Capital works proposed for the Granville Expansion, including the installation of a new gravity circuit (jig) and expansion of the flotation circuit have been accelerated to optimise the treatment and recovery of coarse tin from ROM ore, and a funded program of work is underway. As a consequence the previous production forecast for the December 2016 quarter will be deferred until the March 2017 quarter also resulting in the deferment of initial concentrate sales.



Figure 1 – Primary jig for first stage concentration of tin

Contemporaneously the Company progressed the approvals for the Granville Expansion which incorporates a resumption of mining ore from the open cut pit and an increase in concentrate production rate to an equivalent 550 tonnes of contained tin per annum. The Development Application was lodged with West Coast Council on 22nd December and whilst the approvals process is subject to a statutory timetable, the Company is aiming to receive all necessary during the March 2017 quarter.

Taronga Tin Project (NSW)

During the quarter the Company received outstanding external consultant reports and was finalising the Environmental Impact Statement (EIS) to support the Development Application for the Taronga Stage 1 Project. The Company also presented to the Significant Development Committee for the Glen Innes Severn Council (GISC) in preparation for submission of the Development Application in early 2017. As a designated development with a capital cost below \$20M, the consent authority for the Stage 1 Project will be the GISC with general terms of approval provided by the Environmental Protection Authority.

The Taronga Stage 1 Project will comprise a trial open cut mine and pilot processing plant. 340,000 tonnes of ore at 0.23%Sn plus approximately 75,000 tonnes of waste will be mined from within the Northern Zone Ore Reserves (JORC 2012). Ore will be processed at site employing equipment similar to that utilised at the Granville Tin Project (crushing, gravity, flotation) to produce a saleable tin concentrate. The capital cost for the Stage 1 Project is estimated at \$2.5M primarily for the pilot processing plant and infrastructure for the management of waste materials. The entire Stage 1 Project will be contained within a proposed 96ha Mining Lease that is wholly contained within freehold property owned by the Company. The Taronga Stage 1 Project is expected to operate over an 18 to 24 month period and in net terms to be cost neutral to the Company.

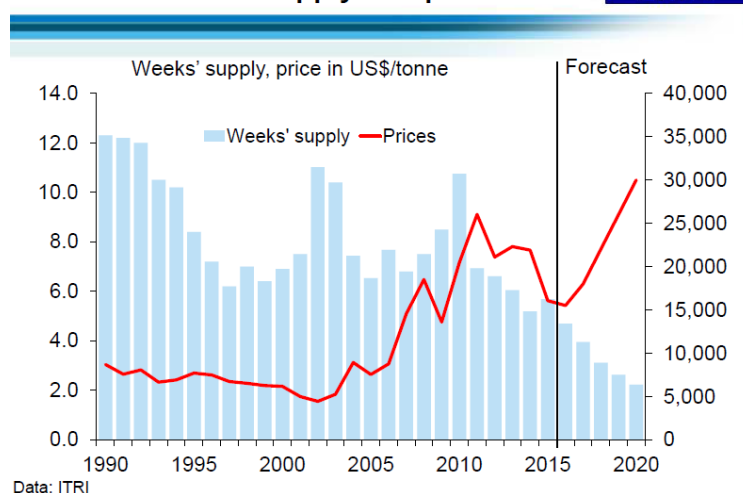
The Stage 1 Project has been designed to assess the potential for a positive grade reconciliation that followed drilling conducted in late 2015 for metallurgical test work. The head grade of the metallurgical sample was 0.26%Sn and was 0.09%Sn above the calculated Resource Model grade of 0.17%Sn. As illustrated in a recent independent valuation¹, for the full scale project contemplated in the 2014 Pre-Feasibility Study, even a modest increase in the feed grade has the potential to significantly increase the value of the Taronga Tin Project. The Stage 1 Project will also enable to Company to evaluate the recovery of by-product credits, including copper and silver to a saleable concentrate.

Tin Market

The US dollar tin price performed strongly in 2016, rising some 46 percent from the start of the year, driven by declining global production from the major tin producing countries. Coupled with a declining AUD:USD exchange rate, 2016 ended with a Australian dollar tin price of approximately A\$29,250/t. For comparison, the 2014 Pre-Feasibility Study for the Taronga Tin Project was undertaken at an Australian dollar tin price of A\$27,778/t.

ITRI report that modest increases in global tin consumption and declining supply (from Indonesia and Peru in particular) will support higher tin prices out to at least 2020².

Forecast weeks' supply and prices



¹ Source: MineInvest Valuation Update 19 December 2016; www.austinmining.com.au/Projects/Taronga

² Source: ITRI Presentation to Beer & Co Tin Conference, November 2016

Mt Cobalt Project (Queensland)

During the quarter the Company received assay results for the drill program completed at Mt Cobalt. A total of nine Reverse Circulation (RC) drill holes were undertaken with the results demonstrating the potential for high grade cobalt extensions down dip of historic workings with notable results presented in Table 1. Furthermore the drilling extended the zone of nickel oxide mineralisation at Mt Cobalt and reinforces previous work highlighting the potential for a large scale nickel oxide deposit.

Hole #	Significant Cobalt Intersections (Co _{eq} ¹)	Significant Nickel Intersections
COB 17	9m @ 0.22%Co & 1.00%Ni (0.57%Co _{eq}) from 9m	
COB 18	13m @ 0.12%Co & 0.46%Ni (0.28%Co _{eq}) from 8m	3m @ 1.15%Ni from 5m
COB 19		4m @ 0.68%Ni from 5m
COB 20	1m @ 0.13%Co & 0.42%Ni (0.28%Co _{eq}) from 3m	1m @ 1.2%Ni from 28m
COB 21	19m @ 0.45%Co & 0.90%Ni (0.76%Co _{eq}) from 18m; including 7m @ 0.84%Co & 0.83%Ni (1.13%Co _{eq}) from 29m	5m @ 1.47%Ni from 4m, including 1m @ 2.16%Ni from 7m
COB 22		3m @ 1.06%Ni from 20m; and 4m @ 1.08%Ni from 29m
COB 23		8m @ 0.56%Ni from 38m
COB 24		3m @ 0.85%Ni from 41m
COB 25	5m @ 0.11%Co & 0.63%Ni (0.34%Co _{eq}) from 31m; and 7m @ 0.12%Co & 0.40%Ni (0.26%Co _{eq}) from 42m	

Table 1 – Summary Mt Cobalt Drill Results (for intersections averaging greater than 0.1%Co)³

The recent drilling highlights the extensive nickel oxide mineralisation at Mt Cobalt with assays up to 2.16%Ni and averaging 0.59%Ni across all drill intervals analysed (180 samples). Previous exploration at Mt Cobalt highlighted the potential for a nickel oxide cap across Mt Cobalt up to 100m deep with previously reported intersections including 96m @ 0.59%Ni from surface (COB 11D) and 98m @ 0.55%Ni from surface (COB 15). The recent drilling (COB 23 & COB 24) demonstrates continuity of the nickel mineralisation to the south and east (Figure 3).

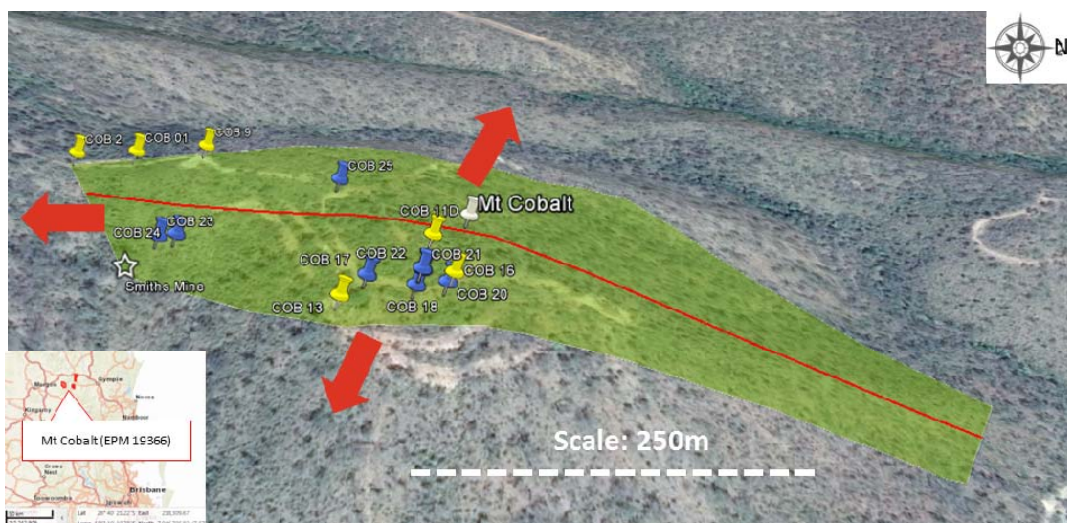


Figure 3 – Nickel Oxide Target (green) looking west - 650m long target (red line) and open to south and east/west (red arrows)

³ Full results and details available in the Company's ASX release dated 23 November 2016

The recent drilling results also demonstrated the potential for high grade cobalt extensions down dip of the historic workings (mineralisation reported to 36m for COB 021 compared with the reported mine depth of 25m) as presented in Figure 4. The potential for mineralisation along strike was demonstrated with cobalt mineralisation reported in COB 25 that was drilled on a newly exposed shear zone south of the previous exploration. Access to the historic Smith Mine (most southerly adit) was not possible this campaign owing to steep terrain, and whilst two angled holes were drilled within the vicinity of the adit (COB 23 / COB 24), alternative access tracks will need to be constructed to enable the intended vertical holes to be drilled at this location.

The Company also received a consultant's report on potential processing routes for the recovery of cobalt from the primary mineral asbolite. This preliminary work indicates the best technically feasible and economically viable process to advance into orientation testwork revolves around atmospheric reductive leaching of beneficiated ore. A proposed flowsheet incorporating either a SO₂ or ferrous sulphate/acid leach could generate a mixed hydroxide precipitate (MHP) cobalt/nickel product plus a manganese oxide.

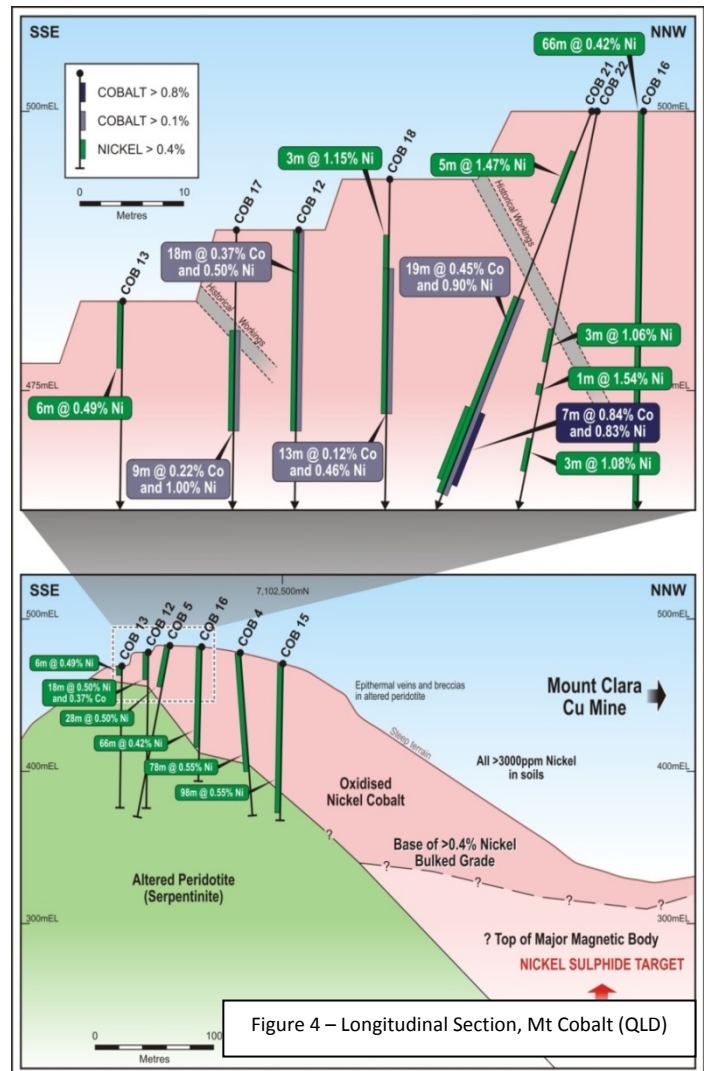


Figure 4 – Longitudinal Section, Mt Cobalt (QLD)

Cobalt Market

Cobalt is a key component of rechargeable batteries, including lithium-ion batteries and consumption is set to grow at more than 7.5 percent per annum to 2020 as a function of the increasing demand for lithium-ion batteries⁴. Cobalt's other main uses include superalloys (18 percent), hard metals (8 percent) and ceramics/pigments (6 percent). Approximately 65 percent of global mine production is from the Democratic Republic of Congo (DRC).

The combination of anticipated growth in future demand for cobalt coupled with political unrest in DRC resulted in the US dollar LME cobalt price rising approximately 40 percent during 2016. During January 2017 the cobalt price has risen a further 14 percent and is currently US\$37,250/t, the highest levels since 2011.

Tenement Management

The Company's interest in tenements for the quarter is outlined in the attached Appendix 1.

⁴ Source – CRU, 2016



On behalf of the Board
KM Schlobohm
Company Secretary

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.

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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Appendix: 1 Details of Exploration Tenements Held by Aus Tin Mining Limited

Mining Leases /Exploration Licences held at 30 September 2016

Tenement	Location	% Interest	Grant Date	Renewal Submitted	Expiry Date
21M/2003	TAS (Zeehan)	100%			05.03.17
9M/2006	TAS (Zeehan)	100%			05.03.17
EPM 19366	QLD (Kilkivan)	100%	09.08.12		08.08.17
EL 50/2011	TAS (Waratah)	100%	21.05.12		20.05.17
EL 8407	NSW (Emmaville)	100%	29.05.09		04.11.18
EL 7800	NSW (Emmaville)	100%	23.03.11	30.06.15	
EL 7801	NSW (Emmaville)	100%	23.03.11		04.07.18
EL 8335	NSW (Emmaville)	100%	05.01.15		05.01.18

Exploration Licences acquired during the period

Tenement	Location	% Interest	Grant Date	Application Date	Expiry Date
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Exploration Licences surrendered during the period

Tenement	Location	% Interest	Grant Date	Surrender Date	Expiry Date
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Exploration Licences Applications outstanding for the period

Tenement	Location	% Interest	Grant Date	Application Date	Expiry Date
ELA5503	NSW (Emmaville)	100%		15.06.16	
ELA5504	NSW (Emmaville)	100%		15.06.16	
32M/1988	TAS (Zeehan)	100%		17.08.16	