



ASX Release: 31 July 2017

Quarterly Activities Report - Period Ended 30 June 2017

Aus Tin Mining Ltd
("the Company")

ASX CODE: ANW

At Time of Publication

Shares on Issue
1,672 million

Unlisted Options
62 million (@ \$0.02)

Market Capitalisation
\$13.3M (at 0.08cps)

DIRECTORS

Brian Moller (Chairman)
Nick Mather
John Bovard
Richard Willson

CHIEF EXECUTIVE OFFICER

Peter Williams

COMPANY SECRETARY

Karl Schlobohm

CONTACT DETAILS

Level 27, 111 Eagle Street
Brisbane QLD 4000
Tel: +61 7 3303 0611
Fax: +61 7 3303 0681

www.austinmining.com.au

HIGHLIGHTS

- **Improved operating performance at Granville Tin Project and Granville Expansion approved**
- **Taronga Stage 1 Development Application progressed**
- **Field mapping generates a new drill target at Mt Cobalt**
- **\$3.25M funding package secured to advance tin and cobalt projects**

REVIEW OF ACTIVITIES - SUMMARY

Granville Tin Project

During the quarter the Company continued to ramp-up operations at the Granville Tin Project, treating crushed ore to produce a saleable tin concentrate. Notable was the improved tin recovery across the primary jig which averaged 74 percent for the month of June. The improved recovery at the front-end of the circuit enabled additional plant to be commissioned and process improvements made, enabling production of 60%Sn concentrate. Additional plant modifications are currently underway to further increase tin recovery and plant throughput rate.

During the quarter the Company also obtained approval from Tasmania's West Coast Council for the Granville Expansion. The approval will enable the Company to resume mining at the high grade Granville East Mine and increase the annual production rate.

Taronga Tin Project

During the quarter the public exhibition period closed for the Taronga Stage 1 Development Application and the Company is well advanced with external consults to address the additional information requested.

Mt Cobalt

During the quarter the Company completed field mapping at Mt Cobalt and identified a possible extension of the shear zone that hosts the high cobalt grade asbolite. The Company is investigating drilling equipment more suited to the steep topography.

Corporate

A \$3.25 million funding package was executed with a fund managed by The Lind Partners, and will provide working capital and funding for exploration, capital and development across the Company's portfolio of tin and cobalt projects.

Phone: (07) 3303 0611
Facsimile: (07) 3303 0681

Aus Tin Mining Limited
www.austinmining.com.au

L27, 111 Eagle Street, Brisbane, QLD, 4000
GPO Box 5 261, Brisbane, QLD 4001

MARCH QUARTER 2017 ACTIVITIES

Granville Tin Project (TAS)

During the quarter the Company continued to ramp-up operations at the Granville Tin Project treating crushed ore to produce a saleable tin concentrate. During the quarter the Granville Tin Project operated under the existing Level 1 permit.

During the quarter, approximately 2,500 tonnes of previously mined ore grade material was crushed and transported from the Granville East Mine (GEM) to the Granville Processing Plant (GPP). Whilst the crushed material represented the first fresh material to be treated since the resumption of operations, previously reported problems with the primary jig resulted in low tin recovery and approximately half of the crushed material by-passing the process, contributing to lower concentrate production. Operating changes made to the primary jig, specifically the composition material of the “ragging”, resulted in an improved tin recovery across the primary jig to average 74 percent for the month of June (Figure 1).

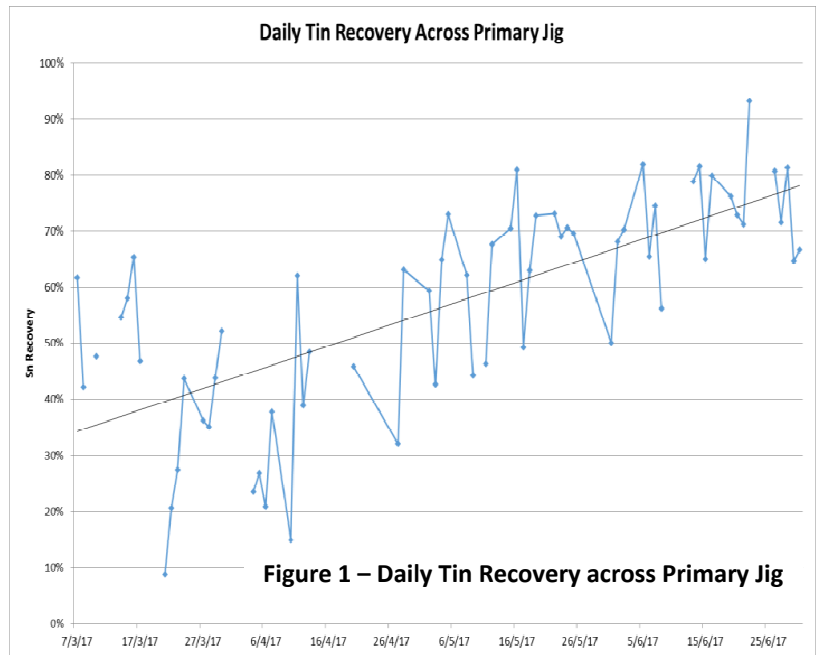


Figure 1 – Daily tin recovery across primary jig (data to 30/6/17)

The improved recovery at the front-end of the circuit enabled additional plant to be commissioned, including the ball mill, and process improvements for the magnetic separation and flotation circuits were made. The combined changes enabled the production of 60%Sn concentrate. The Company is currently implementing further changes to increase tin recovery, including the installation of a rolls crusher, additional gravity separation capacity (scavenger jig and secondary table) plus additional equipment to improve materials handling.

Pre-concentrate (approximately 35%Sn) is produced via the primary jig, spirals and magnetic separator, and then “dressed” on a campaign basis to approximately 60%Sn through further gravity and magnetic separation, and flotation. Over the past two months concentrate production has continued to rise and the Company is building an inventory of final grade tin concentrate ahead of its first shipment scheduled for the September quarter.

Notwithstanding some of the operating challenges experienced to date, there have been a number of positives during the quarter, including confirmation of the high tin grade of the feed material (approximately 1.14%Sn for quarter), improved tin recovery across the primary jig (74% for month of June compared to 37% for month of March) and 60%Sn concentrate grade being produced. Higher grade tailings generated during the recent operations have been contained and will be recovered and re-processed.

Granville Expansion

During the quarter the Company received approval from Tasmania’s West Coast Council for the expansion of the Granville Tin Project (Granville Expansion) subject to certain conditions being met.

A key outcome of the approval is the capacity to increase the annual production rate. The existing Level 1 permit provides for up to 1000 m³ or circa 2,500 tonnes to be treated per annum. The approval will permit the Company to increase the annual processing rate to 16,000m³ or circa 40,000 tonnes, and facilitate an increase in the plant utilisation. As outlined above, the Company intends to expand the gravity circuit to increase tin recovery and will also implement a number of modifications to the “front-end” of the circuit to accommodate an increased production rate.

The other key outcome of the approval will be the capacity to resume mining at the high grade Granville East Mine. During due diligence conducted in 2015, the Company undertook a limited program of drilling which confirmed high grade mineralisation at the Granville East Mine including results of 7m @ 2.22%Sn from 2m and 7m @ 2.65%Sn from 4m¹. Utilising the results of drilling plus data from the existing open cut, it was estimated up to 40,000 tonnes of material suitable for processing might be extracted. A mine plan has been developed comprising a cut back on the eastern wall of the existing pit (**Figure 2**).



Figure 2 – Topographical overview of existing Granville East open pit, with proposed east wall cutback superimposed

The Granville Expansion is subject to a number of permit conditions, including the requirement to construct new waste rock emplacements at the mine and a new tailings storage facility at the processing plant. Regulators, including EPA Tasmania, have stipulated various operating requirements be met prior to the commencement of activities associated with the Granville Expansion, and the Company will seek to finalise the outstanding requirements during the September quarter. The Level 2 approval will take effect from the commencement of ground disturbing activities for the new infrastructure, and will be subject to receipt of satisfying the permit requirements and suitable

¹ Refer ASX Release 7 December 2015

construction conditions, specifically sufficiently dry ground conditions to commence construction of the new tailings storage facility. In the interim, the Company will continue to operate under the existing Level 1 permit.

The Granville Expansion is anticipated to provide the cash flow to underpin the Company’s development portfolio, including the Taronga Tin Project and Mt Cobalt Project. Based on forecast production of 550 tonnes per annum of tin in concentrate and the forecast cash cost of production for the Granville Expansion at approx. A\$15,600/t of recovered tin, the operating margin is estimated at A\$10,400/t of tin in concentrate at current tin prices (refer **Table 1**).

Table 1 – Summary Forecast Economics for Granville Expansion

	A\$/t	Assumption / Comment
Revenue (A\$/t contained tin)	A\$26,000/t	Tin price – US\$20,800/t; A\$:US\$ - 0.80
Operating Costs (A\$/t recovered tin)		
Site: Mining/processing/admin/contingency	11,300/t	Mining by contractor / processing by Company
Offsite: Marketing/smelter charges	3,600/t	Includes concentrate transport, smelting & refining
Government Royalties	700/t	
Total Operating Costs (A\$/t recovered tin)	15,600/t	
Operating Cash Flow (A\$/t recovered tin)	A\$10,400/t	

Granville Exploration

Tin mineralisation at the Granville East Mine occurs in a medium to high grade, banded magnetite-cassiterite skarn replacement body extending in a north-south orientation, with an estimated width up to 15 metres. The deposit is hosted in metamorphosed Neo-Proterozoic black carbonaceous shale and quartzite of the Oonah formation overlaid by Tertiary conglomerate and subsequent Quaternary stream alluvium and swamp and marsh deposits.

The magnetite-cassiterite skarn dips in an easterly direction (**Figure 3**) and drilling by previous operators has confirmed continuation of the skarn at 85m down hole². The Company intends to undertake further drilling at the Granville East Mine to test the depth extension and assess the potential to extend the life of the mine.

The Company considers there to be potential to also extend the Life of Mine through the identified exploration targets either within the existing Mining Lease or beyond. The highest priority target will be Central Big H, located 400m west of the Granville Processing Plant and within the existing mining lease (**Figure 4**).

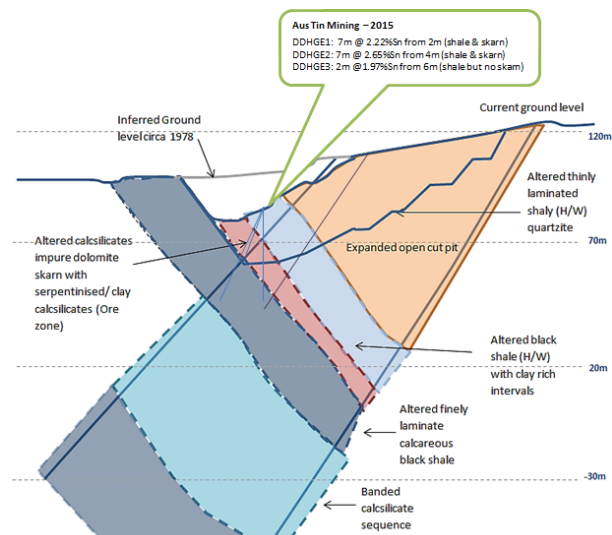


Figure 3 – Simplified cross section of Granville East open cut (not to scale)

² Refer ASX Release 7 December 2015

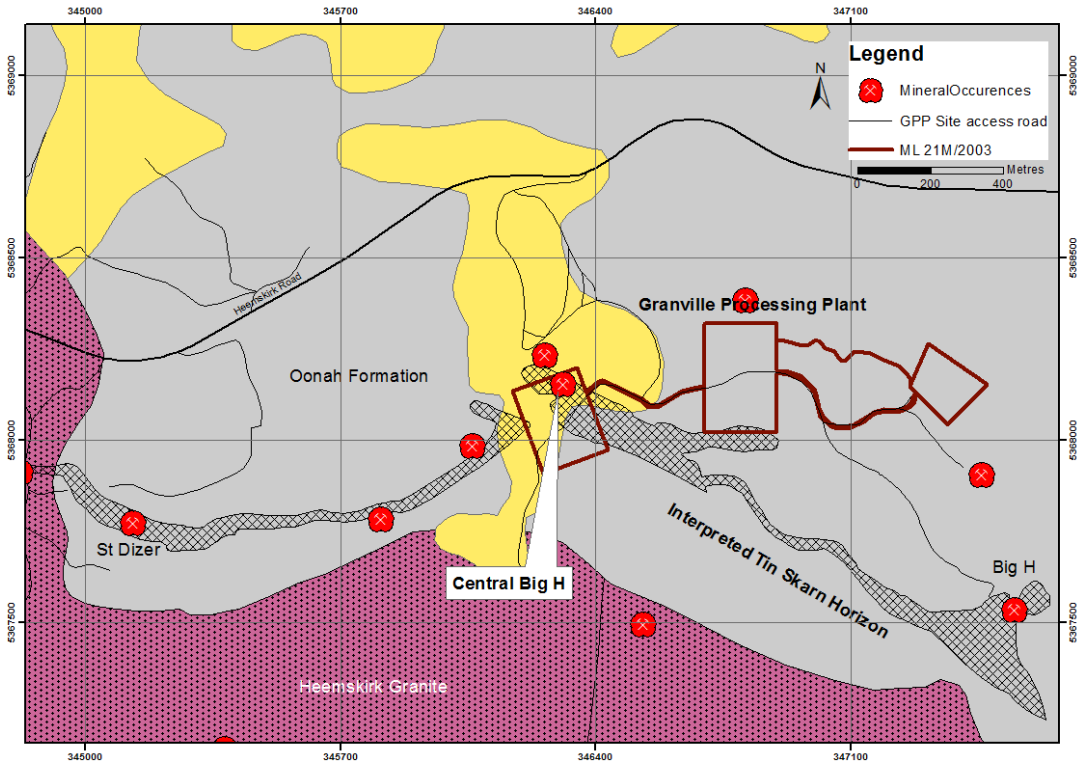


Figure 4 – Location of exploration target Central Big H

The Central Big H was previously mined as part of a deep lead alluvial but is interpreted to lie with the magnetite-tin skarn horizon running over several kilometres between Big H and St Dizer deposits (held by another Company).

Taronga Tin Project (NSW)

The Company is proposing to develop a trial mine and pilot processing plant at the Taronga Tin Project and previously submitted an Environmental Impact Statement as part of its Development Application. During the quarter the public exhibition period for the Development Application closed and the Glen Innes Severn Council (GISC) requested additional information relating to various aspects of the proposed development.

The Company has engaged consultants to address various requirements including, revised air quality guidelines, determination of biodiversity offset, and hydrogeology at the proposed tailings storage facility. The external work is well advanced and once completed and submitted to the GISC in conjunction with all other requested information, it is anticipated the Development Application will be formally considered.

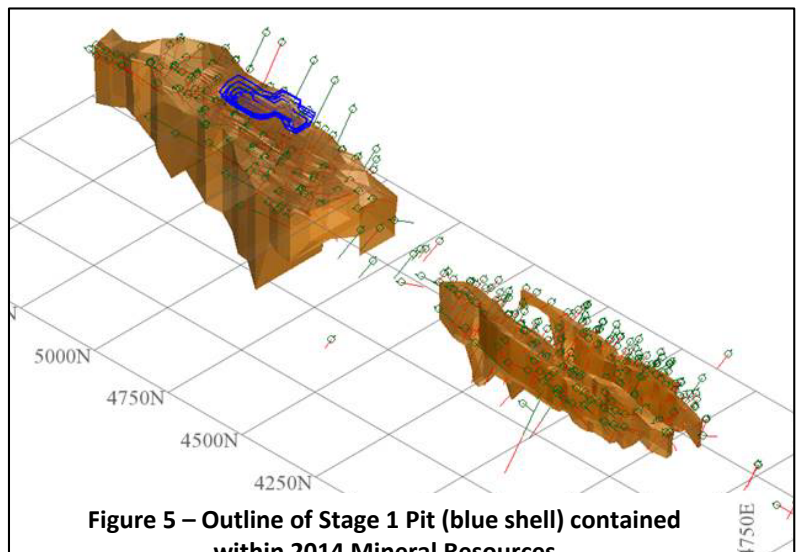


Figure 5 – Outline of Stage 1 Pit (blue shell) contained within 2014 Mineral Resources

The Stage 1 Development contemplates mining 335,000 tonnes of ore representing approximately one percent of the 2014 Mineral Resource (**Figure 5**). Mining would be a combination of free dig and drill and blast and would be operated over an 18 month period. Ore will be processed at an on-site crushing and processing plant to produce a tin concentrate. New infrastructure for waste management will be constructed within the proposed mining lease that is fully contained within freehold property owned by the Company.

Mt Cobalt (QLD)

During the quarter the Company completed a program of field mapping at Mt Cobalt. Mt Cobalt has mappable evidence of nickel-cobalt lateritic profile with a cobalt-nickel enriched manganese oxide formed during the late phase of weathering associated with the north-south trending shear. Results from the 2016 drilling program demonstrated that manganese and cobalt assays were closely correlated (correlation coefficient of 0.94).

Whilst the regolith limited field mapping at the southern end of the target zone, a possible extension of the shear zone that hosts the high grade asbolite was identified and generated a new drill target (refer **Figure 6**) between the two historic adits. A suite of elements (including Ni, Co, Mn, Cr, Mg, Fe, Si, Sr, Al) have been identified to better understand the geochemical distribution / profile of the vertical laterisation of the regolith. Rock chip samples have been collected and will be submitted to ALS

The Company is investigating drilling equipment more suited to the steep topography, particularly at the southern end of the 800m long target. As previously advised, access to the historic Smith Mine (southerly adit) was not possible during the 2016 drilling program due to the steep topography. A portable rig capable of penetrating shallow cover and will be trialled ahead of a potential larger program ahead of a more conventional reverse circulation program.

Commodities Market

The tin price was relatively stable for the quarter and is currently trading at US\$20,800/t. Notwithstanding LME tin stocks are at their lowest level in over 20 years (1,985t), tin stocks held by the Shanghai Futures Exchange are rising and are currently at 8,304t. Reports that the Chinese government have lifted import tariffs on tin concentrate is expected to place higher demand on tin concentrates, and the Company has noted an increased level of enquiry for its concentrates during the quarter.

The cobalt price was also relatively stable for the quarter and is currently US\$57,000/t.

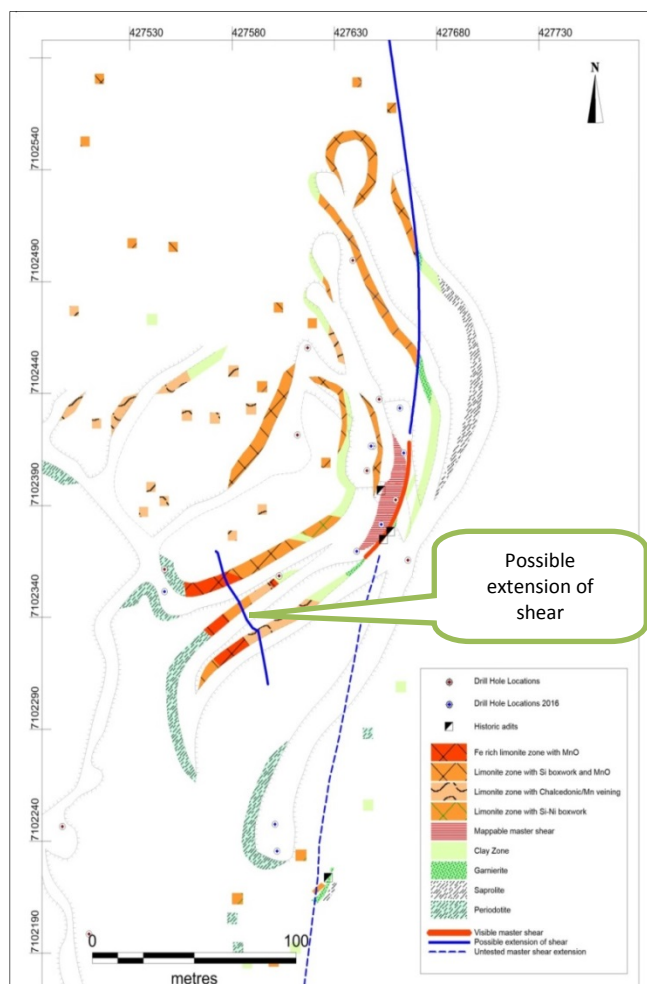


Figure 6 – Summary of 2017 Geological Mapping at Mt Cobalt



Corporate

During the quarter the Company executed a \$3.25 million Convertible Security Funding Agreement (CSFA) with The Australian Special Opportunity Fund L.P, a fund managed by The Lind Partners (together Lind). The CSFA provides a source of capital enabling the Company to pursue its program of project development and exploration across a portfolio of tin and cobalt assets.

The key terms of the CSFA are set out below:

- Total funding up to \$3.25 million, including an initial \$1.0 million investment and two further investments of \$0.25 million and \$2.0 million respectively, subject to certain conditions having been met;
- 24 month term with Face Value of 120 percent of amount advanced (equivalent to 10%pa);
- Lind may elect to convert any outstanding amounts into ordinary shares in Aus Tin Mining Limited at the lesser of 1.6 cents per share or 90 percent of the average of five (5) consecutive daily VWAP within a 20 day period prior to conversion; and
- Company may elect to buy-back any outstanding amounts at no premium or penalty.

Tenement Management

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

A handwritten signature in blue ink, appearing to read "KM Schlobohm".

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.

Email: info@austinmining.com.au

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

For further information contact:

Peter Williams
CEO, Aus Tin Mining Limited
Ph: 07 3303 0604

Karl Schlobohm
Company Secretary, Aus Tin Mining Limited
Ph: 07 3303 0661



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

Mining Leases /Exploration Licences held at 31 March 2017

Tenement	Location	% Interest	Grant Date	Renewal Submitted	Expiry Date
21M/2003	TAS (Zeehan)	100%		03.03.17	05.03.17
9M/2006	TAS (Zeehan)	100%		03.03.17	05.03.17
EPM 19366	QLD (Kilkivan)	100%	09.08.12	05.05.17	08.08.17
EL 8407	NSW (Emmaville)	100%	04.11.15		04.11.18
EL 7800	NSW (Emmaville)	100%	04.07.11	03.07.17	04.07.17
EL 7801	NSW (Emmaville)	100%	04.07.11		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
----------	----------	------------	------------	------------------	-------------

Exploration Licences surrendered during the period

Tenement	Location	% Interest	Grant Date	Surrender Date	Expiry Date
EL 50/2011	TAS (Waratah)	100%	21.05.12		20.05.17

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	