



ASX Announcement

Aus Tin Mining Limited (ASX:ANW)

20 April 2018

New \$2.5M Funding Package to Advance Tin and Cobalt Projects

Highlights:

- **New \$2.5 million, 24 month Convertible Security Funding Agreement executed with a fixed conversion price of \$0.035 for the first 10 months.**
- **Fixed conversion price of \$0.035 per share represents a 105 percent premium to the Company's 5-day VWAP.**
- **Funds will be used to meet exploration, general corporate and working capital costs and is anticipated to provide funding to production at Granville, pre-construction activities at Taronga and exploration at Mt Cobalt.**

The Directors of Aus Tin Mining Limited (the **Company**) are pleased to announce that a new \$2.5M Convertible Security Funding Agreement (**CSFA**) has been executed with the Australian Special Opportunity Fund L.P, a fund managed by The Lind Partners (together **Lind**). Having fully repaid the previous Lind facility in January 2018, the Company is pleased to have secured improved terms, notably a fixed conversion price of \$0.035 per share for the first 10 months of the CSFA and representing a 105 percent premium to the Company's 5-day VWAP. The Company will utilise the funds to meet exploration, general corporate and working capital costs, and deliver Level 2 production at Granville, completion of pre-construction activities at Taronga and next stage exploration at Mt Cobalt.

The key terms of the CSFA are set out below, with further details provided in the attached [Appendix 1](#):

- Total funding of \$2.5 million. An initial amount of \$1.5 million in cash is to be advanced to the Company against the issue to Lind of a zero coupon convertible security with a face value of \$1.8 million dollars. The right of Lind to convert the face value of that security into shares (in accordance with the terms of the CSFA) is subject to shareholder approval. If shareholder approval is not granted, then the face value of that security is to be paid to Lind within 90 days of the execution of the CSFA. If shareholder approval is granted, then a further \$1.0 million in cash will be advanced to the Company against the issue to Lind of an additional zero coupon convertible security with a face value of \$1.2 million.
- For the first 10 months of the CSFA, Lind may elect to convert any outstanding amounts into ordinary shares in Aus Tin Mining Limited at \$0.035 per share. For months 11 to 24, Lind may convert any outstanding amounts into ordinary shares in Aus Tin Mining Limited at the lesser of \$0.035 per share and 90% of the average of five (5) consecutive daily VWAPs, chosen by Lind from amongst the 20 trading days prior to conversion.
- At the Company's request, Lind may provide a further \$1 million in funding on similar terms to the first two initial advances.
- The Company may elect to buy-back any outstanding amounts at no premium or penalty.

In January 2018 the Company repaid the previous facility provided by Lind, with funds drawn under that facility funding a program of work that supported a rise in Aus Tin's share price from \$0.007 per share¹ to \$0.028 per share², a 300 percent increase in less than eight months. At the same time the Company repaid the previous facility, Lind indicated their intention to remain a large shareholder of the Company and provide on-going support.

Since repayment of the previous facility, Lind has remained a large shareholder in the Company, and subsequently offered the Company terms for this new facility, incorporating a fixed conversion price of \$0.035 per share for the first 10 months, representing a 105 percent premium to the Company's 5-day VWAP and providing an attractive alternative to a conventional equity raising.

At the Granville Tin Project, funds will be used to deliver Level 2 production in the coming months. At the Taronga Tin Project, the Company is undertaking additional work to satisfy various permit conditions, and funds from the CSFA will be employed on pre-construction activities, with funding for construction of the Taronga Stage 1 Project anticipated from Granville operations. At Mt Cobalt, the Company is awaiting 3D modelling data before undertaking the next program of drilling, with funds from the CSFA to be utilised to progress drilling.

Chief Executive Officer, Peter Williams, said *"We are delighted with Lind's continued support of the Company both as shareholder and financier, and the provision of this new funding will enable us to progress each of our key projects at Granville, Taronga and Mt Cobalt. The fixed conversion price of 3.5 cents per share for the next 10 months is an attractive feature of the new CSFA and provides a new benchmark for funding as achieved by the Company on behalf of shareholders"*.

Phillip Valliere, Managing Director at the Lind Partners, said *"Lind is pleased to again be working with Aus Tin Mining as they develop their exciting portfolio of tin and cobalt projects. We are especially pleased to provide on-going funding support and increase Lind's total investment in Aus Tin Mining."*

A notice of Extraordinary General Meeting to approve the issue of convertible securities under the CSFA (and the issue of any shares on conversion) will be sent to shareholders in the near term, including a comprehensive summary of the terms of the CSFA.



On behalf of the Board
KM Schlobohm
Company Secretary

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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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¹ Being the closing price for trading in the Company's shares on 15th June 2017.

² Being the closing price for trading in the Company's shares on 31st January 2018.

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 is in the process of expanding the Granville Tin Project and will undertake further 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 new 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\$2.5 million comprising two tranches: a) an initial A\$1.5 million to be advanced to the Company against the issue to Lind of a zero coupon convertible security with a face value of \$1.8 million dollars. The right of Lind to convert that security into shares (in accordance with the terms of the CSFA) is subject to shareholder approval. If shareholder approval is not granted, then the face value of that security is to be paid to Lind within 90 days of the execution of the CSFA; and b) if shareholder approval is granted, then a further \$1.0 million will be advanced to the Company against the issue to Lind of an additional zero coupon convertible security with a face value of \$1.2 million.
Term:	24 months
Face Value:	120 percent of the funded amount
Commitment Fees & Options:	A\$75,000 plus subject to shareholder approval at an Extraordinary General Meeting, the issue of 41,250,000 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. in months 0 to 10, a fixed price of A\$0.035, and 2. in months 11 to 24, 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:	Following the grant of shareholder approval, 15,000,000 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.
Additional Investment:	The Company will have the right to request that the Investor purchase a further convertible security for a closing price of A\$1,000,000 subject to a maximum aggregate Outstanding Amount of A\$2,000,000 on similar terms, conditions, fees and options as the Convertible Securities.