



**AUS TIN MINING LIMITED  
AND CONTROLLED ENTITIES**  
ABN 84 122 957 322

**FINANCIAL REPORT**  
  
**FOR THE HALF-YEAR  
ENDED 31 December 2018**

**Registered Office & Principal Place of Business:**

**Level 27  
111 Eagle Street  
Brisbane QLD 4000**

## DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as the group) consisting of Aus Tin Mining Ltd and the entities it controlled at the end of, or during, the half-year 31 December 2018.

### DIRECTORS

The names of the Directors in office during the financial period and up to the date of this report are:

Brian Moller  
Nicholas Mather  
John Bovard  
Richard Willson

### CORPORATE STRUCTURE

Aus Tin Mining Limited ("Aus Tin Mining" or "the Company") is a company limited by shares that is incorporated and domiciled in Australia.

Aus Tin Mining Limited's registered office is at Level 27, 111 Eagle Street, Brisbane.

### PRINCIPAL ACTIVITIES

The principal activities of the Group during the period involved exploration for tin, nickel and other commodities.

### SIGNIFICANT EVENTS AFTER REPORTING DATE

On 19 December 2018 the Company announced that it had finalised a further \$1.0 million increase in the Convertible Security Funding Agreement (CSFA) with the Australian Special Opportunities Fund L.P., a fund managed by The Lind Partners. The Company progressively drew down the \$1.0 million under this facility commencing on 10 January 2019.

On 4 March 2019 the Company announced that it had been advised that Liquidators had been appointed to Jemrok Pty Ltd (Jemrok), the civil & mining contractor at the Granville Tin Project. Following the appointment of liquidators to Jemrok the Company terminated the contract with Jemrok and is progressing the necessary arrangements to commence owner mining at the Granville East Mine.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial period.

### REVIEW AND RESULTS OF OPERATIONS

During the six months to 31 December 2018 the Company achieved several significant milestones at its Granville and Taronga Tin Projects. At Granville the Company commenced mining operations at the open cut mine and substantially completed the outstanding infrastructure to enable it to commence Level 2 operations. At Taronga the Company was granted a mining lease for the Stage 1 project and continues to finalise outstanding regulatory approvals ahead of proposed mining operations in 2019. The Company also continued its exploration of the highly prospective Mt Cobalt and Pembroke targets for cobalt, nickel and copper.

The loss after income tax for the Group for the half-year ended 31 December 2018 was \$1,934,341 (31 December 2017 loss of \$1,467,408).

#### Granville Tin Project (Tasmania)

During the six months to 31 December 2018 the Company took significant steps towards the expanded Level 2 operation with the commencement of mining at the open pit and substantially completing a new Tailings Storage Facility.

At the Granville East Mine the mining & civil contractor commenced mining of waste material from the eastern wall of the open-cut mine. Mining is taking place as a series of four benches cut-back into the eastern wall of the pit to expose ore below the current base of the pit, and at year end two benches had been developed and a third bench started (Figure 1). A zone of ore had been exposed at the southern end of the pit in preparation for mining in the first quarter of 2019.



**Figure 1 – Mining activities at the Granville East Mine (showing cut-back progressing on eastern wall)**

At the Granville Processing Plant (approx. 8km from the mine) the mining & civil contractor substantially completed civil works for the new Tailings Storage Facility (TSF) and subsequent to the end of the year the lining for the TSF was installed (Figure 2).

Construction of the new TSF was the final major permit condition required for the Granville Expansion, and the Company has now commenced the transition to Level 2 operations that incorporates a resumption of processing ore from the Granville East Mine (with a commensurate increase in feed grade and tin concentrate production) and increased daily throughput rate. Tin concentrate sales are scheduled to recommence during the first quarter of 2019 and upon achieving the target production rate sales will occur on a monthly basis.



**Figure 2 – New Tailings Storage Facility (TSF) at Granville Tin Project**

### Taronga Tin Project (New South Wales)

During the six months to 31 December 2018 the Company advanced its plans to commence mining and processing operations at Taronga with the grant of a mining lease (ML1774), and subject to the finalisation of outstanding regulatory approvals, will pursue a progressive development model during the first half of 2019.

The Company intends mining and processing 340,000 tonnes of ore (**the Stage 1 Project**) over approximately 20 months and will evaluate several areas of potential upside including a higher resource grade, higher tin recovery and the recovery of by-product credits. The area for the trial mine has been selected based on representativity of the ore reserve, a low waste:ore strip ratio and is located wholly within the Company's freehold property.

The Company will pursue a progressive development model commencing with an initial parcel of 50,000 tonnes of ore and waste ahead of the remaining 360,000 tonnes of material. The key benefits of the rescheduled program include the capacity to generate accelerated results for the resource reconciliation (to assess the potential grade upside) and the deferral of the more significant capital costs associated with the construction of the TSF and pilot plant to be better aligned with anticipated cash flow from Granville. As with much of eastern Australia, the project area has experienced drought conditions and the rescheduled program will also reduce the initial water demand to within the Company's existing water use rights.

During the half-year the Company also undertook test work for ore-sorting technology that is gaining greater application in tin projects globally and will be considered for the Stage 1 development. The pilot test work demonstrated:

1. Significant mass rejection (up to 66 percent) to waste may be achieved which could either reduce the scale of the downstream processing plant and/or enable an increased plant throughput;
2. Significant uplift (up to 3x) in the grade of sorted product which could increase the tin units reporting to a downstream processing plant;
3. Significant uplift (over 3x) in the grade of fines (-8mm) material, highlighting the potential for preliminary beneficiation in conjunction with ore-sorting; and
4. Consistent waste grades across all tests highlights potential to increase tin recovery with increasing feed grade.

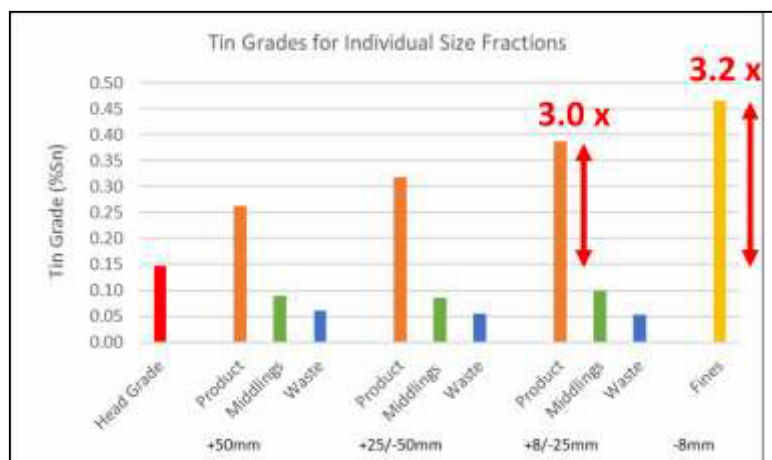
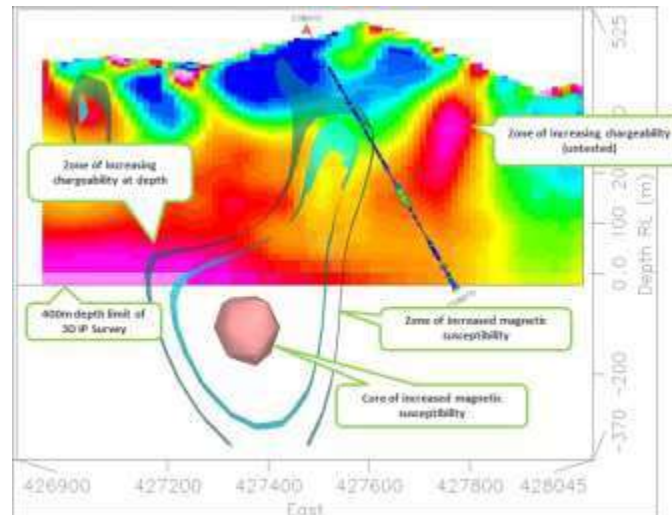


Figure 3: Summary results for TOMRA 1200 XRT ore sorter pilot work

### Mt Cobalt / Pembroke (Queensland)

During the six months to 31 December 2018 the Company generated several potential cobalt, nickel and copper targets and undertook various exploration activities at Mt Cobalt (geophysics) and Pembroke (drilling).

At Mt Cobalt the Company completed a 3D model of magnetic susceptibility and generated several iso-layers representing varying magnetic susceptibility. An Induced Polarisation (IP) survey measuring conductivity was subsequently undertaken and incorporated into the 3D model (Figure 4). Two deeper targets were generated and are planned to be drilled during 2019. Three potential shear zones north of drilling completed in 2016 and 2018 will be drilled separately, and subject to suitable weather, work is planned for the first half of 2019.



**Figure 4: Magnetic MVI inversion overlaid on chargeability inversion model (IP survey 2018)  
– east west section at 7102425N**

At Pembroke (approximately 1km south of Mt Cobalt) the Company completed four drill holes that included:

1. Three reverse circulation (RC) holes (PEM026-PEM028) for a total length of 192m to test for potential shear zones that have previously been found at Mt Cobalt to host high-grade cobalt. Geological logs indicated the presence of minor sulphides in two holes and increased manganese in the third.
2. One combined RC / diamond hole (PEM029) for a total length of 425m to target a zone of elevated magnetic susceptibility and conductivity that were considered prospective for sulphides. Geological logs indicated the presence of potential nickel and copper sulphide mineralisation (**Figure 5**) and native copper was observed in the core. Analysis will be undertaken to verify initial geological interpretation of the sulphides, considered to be pyrrhotite (iron sulphide) and/or pentlandite (nickel-iron sulphide). The hole ended in an intrusive assimilation zone containing disseminated sulphide mineralisation interpreted to lie above the Black Snake porphyry.



**Figure 5: Sulphides observed in Pembroke core (PEM029, depth 388m)**

Assay results for the Pembroke program will be collectively reported once received, expected during the March 2019 quarter.

## AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration forms part of the Directors' Report and can be found on page 7.

Signed in accordance with a resolution of the Board of Directors:



Nicholas Mather  
Director  
Brisbane  
Date: 15 March 2019

### COMPETENT PERSON STATEMENT

The information in this presentation that relates to Exploration Targets and 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 26<sup>th</sup> August 2013 and is available to view on [www.austintinmining.com.au](http://www.austintinmining.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 7<sup>th</sup> April 2014 and is available to view on [www.austintinmining.com.au](http://www.austintinmining.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.

## DECLARATION OF INDEPENDENCE BY D P WRIGHT TO THE DIRECTORS OF AUS TIN MINING LIMITED

As lead auditor for the review of Aus Tin Mining Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Aus Tin Mining Limited and the entities it controlled during the period.



**D P Wright**  
Director

**BDO Audit Pty Ltd**

Brisbane, 15 March 2019

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the half year ended 31 December 2018

|   | Notes | 31 December 2018<br>\$ | 31 December 2017<br>\$ |
|---|-------|------------------------|------------------------|
| Revenue   | 3     | -                      | 61,511                 |
| Cost of sales   | 4     | -                      | (34,194)               |
| <b>Gross profit/(loss)</b>  |       | -                      | <b>27,317</b>          |
| Other income  | 3     | -                      | -                      |
| Other expenses  | 4     | (1,937,065)            | (1,482,697)            |
| <b>Profit/(loss) before income tax and net finance expenses</b>                               |       | <b>(1,937,065)</b>     | <b>(1,455,380)</b>     |
| Finance income  |       | 3,587                  | 780                    |
| Financial expenses  | 4     | (863)                  | (12,808)               |
| <b>Profit/(loss) before income tax expense</b>  |       | <b>(1,934,341)</b>     | <b>(1,467,408)</b>     |
| Income tax (expense)/benefit  |       | -                      | -                      |
| <b>Profit/(loss) for the period attributable to owners of the Company</b>                     |       | <b>(1,934,341)</b>     | <b>(1,467,408)</b>     |
| Other comprehensive income  |       | -                      | -                      |
| <b>Total comprehensive profit/(loss) for the period attributable to owners of the Company</b> |       | <b>(1,934,341)</b>     | <b>(1,467,408)</b>     |

| Loss per share         |   | Cents per share | Cents per share |
|------------------------|---|-----------------|-----------------|
| Basic loss per share   | 5 | (0.1)           | (0.1)           |
| Diluted loss per share | 5 | (0.1)           | (0.1)           |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

|  | Notes | 31 December 2018<br>\$ | 30 June 2018<br>\$ |
|--|-------|------------------------|--------------------|
| <b>Current assets</b>  |       |                        |                    |
| Cash and cash equivalents  |       | 54,503                 | 790,307            |
| Trade and other receivables  |       | 90,713                 | 62,185             |
| Inventories  | 4     | 1,014,236              | 1,014,236          |
| Other current assets   |       | 888                    | 121,080            |
| <b>Total current assets</b>  |       | <b>1,160,340</b>       | <b>1,987,808</b>   |
| <b>Non-current assets</b>  |       |                        |                    |
| Other financial assets   |       | 744,409                | 442,409            |
| Property, plant and equipment  |       | 206,443                | 228,039            |
| Exploration and evaluation assets                                    | 6     | 10,804,494             | 10,348,619         |
| <b>Total non-current assets</b>                                      |       | <b>11,755,346</b>      | <b>11,019,067</b>  |
| <b>Total assets</b>  |       | <b>12,915,686</b>      | <b>13,006,875</b>  |
| <b>Current liabilities</b>   |       |                        |                    |
| Trade and other payables   |       | 1,527,318              | 1,144,963          |
| <b>Total current liabilities</b>                                     |       | <b>1,527,318</b>       | <b>1,144,963</b>   |
| <b>Non-current liabilities</b>                                       |       |                        |                    |
| Provisions   |       | 150,000                | 150,000            |
| Other financial liabilities  | 7     | 2,945,519              | 1,484,722          |
| <b>Total non-current liabilities</b>                                 |       | <b>3,095,519</b>       | <b>1,634,722</b>   |
| <b>Total liabilities</b>   |       | <b>4,622,837</b>       | <b>2,779,685</b>   |
| <b>Net assets</b>  |       | <b>8,292,849</b>       | <b>10,227,190</b>  |
| <b>Equity</b>  |       |                        |                    |
| Issued capital   | 8     | 20,456,695             | 20,456,695         |
| Share-based payments reserve   |       | 1,675,060              | 1,675,060          |
| Accumulated losses   |       | (13,838,906)           | (11,904,565)       |
| <b>Total equity attributable to owners of Aus Tin Mining Limited</b> |       | <b>8,292,849</b>       | <b>10,227,190</b>  |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the half year ended 31 December 2018**

|   | Issued<br>Capital | Share-based<br>payments<br>Reserve | Accumulated<br>losses | Total<br>Equity    |
|---|-------------------|------------------------------------|-----------------------|--------------------|
|   | \$                | \$                                 | \$                    | \$                 |
| <b>Balance at 1 July 2017</b>           | <b>17,577,453</b> | <b>1,217,652</b>                   | <b>(8,897,029)</b>    | <b>9,898,076</b>   |
| Loss for the period                     | -                 | -                                  | (1,467,408)           | (1,467,408)        |
| Total comprehensive loss for the period | -                 | -                                  | <b>(1,467,408)</b>    | <b>(1,467,408)</b> |
| Shares issued during the period         | 2,400,000         | -                                  | -                     | 2,400,000          |
| Share issue costs, net of tax           | (87,851)          | -                                  | -                     | (87,851)           |
| Share based payments                    | -                 | 328,111                            | -                     | 328,111            |
| <b>Balance at 31 December 2017</b>      | <b>19,889,602</b> | <b>1,545,763</b>                   | <b>(10,364,437)</b>   | <b>11,070,928</b>  |
| Loss for the period                     | -                 | -                                  | (1,540,128)           | (1,540,128)        |
| Total comprehensive loss for the period | -                 | -                                  | <b>(1,540,128)</b>    | <b>(1,540,128)</b> |
| Shares issued during the period         | 585,000           | -                                  | -                     | 585,000            |
| Share issue costs, net of tax           | (17,907)          | -                                  | -                     | (17,907)           |
| Share based payments                    | -                 | 129,297                            | -                     | 129,297            |
| <b>Balance at 30 June 2018</b>          | <b>20,456,695</b> | <b>1,675,060</b>                   | <b>(11,904,565)</b>   | <b>10,227,190</b>  |
| Loss for the period                     | -                 | -                                  | (1,934,341)           | (1,934,341)        |
| Total comprehensive loss for the period | -                 | -                                  | <b>(1,934,341)</b>    | <b>(1,934,341)</b> |
| <b>Balance at 31 December 2018</b>      | <b>20,456,695</b> | <b>1,675,060</b>                   | <b>(13,838,906)</b>   | <b>8,292,849</b>   |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2018

|  | Notes     | 31 December 2018<br>\$ | 31 December 2017<br>\$ |
|--|-----------|------------------------|------------------------|
| <b>Cash flows from operating activities</b>                                  |           |                        |                        |
| Receipts from customers  |           | -                      | 61,511                 |
| Payments to suppliers and employees (inclusive of goods and services tax)    |           | (488,347)              | (389,863)              |
| Payments to suppliers and employees (inclusive of GST) for mining operations |           | (611,178)              | (326,377)              |
| Interest paid  |           | (863)                  | (12,808)               |
| Interest received  |           | 3,587                  | 780                    |
| <b>Net cash flows from operating activities</b>                              | <b>10</b> | <b>(1,096,801)</b>     | <b>(666,757)</b>       |
| <b>Cash flows from investing activities</b>                                  |           |                        |                        |
| Net payments for security deposits   |           | (302,000)              | -                      |
| Acquisition of property, plant and equipment                                 |           | -                      | (33,375)               |
| Payments for exploration and evaluation assets                               |           | (337,003)              | (178,898)              |
| <b>Net cash flows from investing activities</b>                              |           | <b>(639,003)</b>       | <b>(212,273)</b>       |
| <b>Cash flows from financing activities</b>                                  |           |                        |                        |
| Proceeds from the issue of shares  |           | -                      | 1,457,800              |
| Transactions costs on the issue of shares                                    |           | -                      | (86,400)               |
| Proceeds from the issue of convertible notes                                 |           | 1,000,000              | 500,000                |
| Repayment of borrowings  |           | -                      | (62,500)               |
| <b>Net cash flows from financing activities</b>                              |           | <b>1,000,000</b>       | <b>1,808,900</b>       |
| Net increase/(decrease) in cash and cash equivalents                         |           | (735,804)              | 929,870                |
| Cash and cash equivalents at the beginning of the period                     |           | 790,307                | 591,849                |
| <b>Cash and cash equivalents at the end of the period</b>                    |           | <b>54,503</b>          | <b>1,521,719</b>       |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2018

### Note 1: Summary of Significant Accounting Policies

#### Corporate Information

The financial report of Aus Tin Mining Limited (the “Company”) and its controlled entities (the “Group”) for the half year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors on 15 March 2019.

Aus Tin Mining Limited is a public company limited by shares incorporated and domiciled in Australia. The Company’s registered office is located at Level 27, 111 Eagle Street, Brisbane, Qld 4000.

The nature of the operations and principal activities of the Company are described in the Directors’ Report.

#### Basis of Preparation

This general purpose financial report for the half-year ended 31 December 2018 has been prepared in accordance with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report. Accordingly, this half year financial report is to be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Except for as set out in the report, the same accounting policies and methods of computation have generally been followed in this half-year financial report as compared with the most recent annual financial report.

#### Going concern

The half-year report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

For the half-year ended 31 December 2018, the Group generated a consolidated loss of \$1,934,341 and incurred operating cash outflows of \$1,096,081. As at 31 December 2018 the Group had cash and cash equivalents of \$54,503, net current liabilities of \$366,978 and net assets of \$8,292,849. Current liabilities included:

1. Trade and other payables to the Group’s major shareholder, DGR Global Limited, totalling \$558,840; and
2. Trade and other payables to Directors, management and their related entities totalling \$304,809.

The ability of the Group to continue as a going concern is dependent upon the Group being able to manage its liquidity requirements by taking some or all of the following actions:

1. Continued production and generation of revenue from the Granville assets;
2. Raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required for the Group to continue to explore the mineral properties in which it has an interest and to meet the Group’s working capital requirements;
3. Conversion to equity of amounts payable to DGR Global Limited, Directors and other related parties;
4. Reducing its level of capital expenditure through farm-outs and/or joint ventures;
5. Reducing its working capital expenditure; and
6. Disposing of non-core assets.

These conditions give rise to a material uncertainty which may cast significant doubt over the Group’s ability to continue as a going concern.

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2018

### Note 1: Summary of Significant Accounting Policies (continued)

#### Going concern (continued)

Notwithstanding the above, the Directors consider it appropriate to prepare the financial statements on a going concern basis as at 31 December 2018 after having regard to the following matters:

1. Continued revenue and cash flows commencing during the second half of financial year ending 30 June 2019 on production at the Granville mine;
2. The Group's major shareholder, DGR Global Ltd, and Directors have given written assurance that they will not call for the payment of the outstanding amounts owing until such time as the Group is in a position to pay same. These parties may also consider the conversion of all or part of the outstanding amounts as part of any such capital raising, dependent on the circumstances;
3. The Group drew down the additional \$1,000,000 available under the increased Convertible Security Funding Agreement with Australian Special Opportunity Fund L.P, a fund managed by The Lind Partners as announced on the 19 December 2018 subsequent to period end.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the Group not be able to achieve the matters set out above and thus be able to continue as a going concern.

### Note 2: Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Group as having only one reportable segment, being exploration for Tin, Nickel, Gold and Copper. The financial results from this segment are equivalent to the 30 June 2018 financial statements of the Group. There have been no changes in the operating segments during the year.

All assets are located in Australia.

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2018

|   | 31 December 2018 | 31 December 2017 |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>Note 3: Revenue and other income</b> |                  |                  |
| <b>Revenue</b>                          |                  |                  |
| - Revenue from contracts with customers | -                | 61,511           |
| <b>Total Revenue</b>                    | <b>-</b>         | <b>61,511</b>    |
| <b>Other Income</b>                     |                  |                  |
| - Other                                 | -                | -                |
| <b>Total Other Revenue</b>              | <b>-</b>         | <b>-</b>         |

### Note 4: Cost of Sales and other expenses

|  |                  |                  |
|--|------------------|------------------|
| <b>Production costs</b>                    |                  |                  |
| Opening inventory                          | 1,014,235        | 917,670          |
| Employment and labour expenses             | -                | 74,798           |
| Chemicals and consumables                  | -                | 2,357            |
| Earthmoving                                | -                | 17,781           |
| Laboratory expenses                        | -                | 35,823           |
| Closing inventory                          | (1,014,235)      | (1,014,235)      |
| <b>Total production costs</b>              | <b>-</b>         | <b>34,194</b>    |
| <b>Other expenses</b>                      |                  |                  |
| Administration and consulting expense      | 613,517          | 737,942          |
| Exploration costs written off              | -                | 43               |
| Depreciation and amortisation              | 21,596           | 77,585           |
| Legal expenses                             | 14,130           | 2,484            |
| Other operating costs                      | -                | 99,117           |
| Share based payments expense               | -                | 328,111          |
| Movement in fair value of convertible note | 460,797          | 237,415          |
| Other Granville operating costs            | 827,025          | -                |
| <b>Total other expenses</b>                | <b>1,937,065</b> | <b>1,482,697</b> |
| <b>Financial expenses</b>                  |                  |                  |
| Interest paid                              | 863              | 12,808           |
|  | <b>863</b>       | <b>12,808</b>    |

### Note 5: Loss Per Share (EPS)

|  | 31 December 2018 | 31 December 2017 |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>(a) Loss</b>  |                  |                  |
| Loss used to calculate basic and diluted EPS   | (1,934,341)      | (1,467,408)      |
|  | Number of Shares | Number of Shares |
| <b>(b) Weighted average number of shares and options</b>   |                  |                  |
| Weighted average number of ordinary shares outstanding during the period, used in calculating basic loss per share                                 | 1,978,170,746    | 1,701,058,067    |
| Weighted average number of dilutive options outstanding during the period*   | -                | -                |
| Weighted average number of ordinary shares and potential ordinary shares outstanding during the period, used in calculating diluted loss per share | 1,978,170,746    | 1,701,058,067    |

\*Options are not considered dilutive as they are currently out of the money. Options may become dilutive in the future.

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2018

### Note 6: Exploration and evaluation assets

|                                    | 31 December 2018<br>\$ | 30 June 2018<br>\$ |
|------------------------------------|------------------------|--------------------|
| Exploration and evaluation assets  | <b>10,804,494</b>      | <b>10,348,619</b>  |
| <b>Movements in carrying value</b> |                        |                    |
| Opening balance                    | 10,348,619             | 10,008,509         |
| Expenditure during the period      | 455,875                | 341,146            |
| Written-off during the period      | -                      | (1,036)            |
| <b>Closing balance</b>             | <b>10,804,494</b>      | <b>10,348,619</b>  |

### Note 7: Other financial liabilities

| <i>(i) Non-current other financial liabilities</i> | 31 December 2018<br>\$ | 30 June 2018<br>\$ |
|--|------------------------|--------------------|
| <b>Secured</b>                                     |                        |                    |
| Convertible note                                   | 2,945,519              | 1,484,722          |
| <b>Total secured other financial liabilities</b>   | <b>2,945,519</b>       | <b>1,484,722</b>   |
| <b>Movements in carrying value</b>                 |                        |                    |
| Opening balance                                    | 1,484,722              | 1,000,000          |
| Face value of convertible notes issued             | 1,000,000              | 2,000,000          |
| Interest expense                                   | -                      | 300,000            |
| Conversions/repayments                             | -                      | (1,800,000)        |
| Movement in fair value                             | 460,797                | (15,278)           |
| <b>Closing balance</b>                             | <b>2,945,519</b>       | <b>1,484,722</b>   |

On 20 April 2018, Aus Tin Mining Ltd entered into a Convertible Security Funding Agreement (CFSA) with The Australian Special Opportunity Fund LP for an aggregate of \$2.5 million of which \$1.5 million was drawn down at 30 June 2018 and the subsequent \$1.0 million drawn down in July 2018. This Convertible Securities subscription is 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2018

### Note 7: Other financial liabilities (continued)

The principal terms of the Convertible Notes issued by Aus Tin Mining were as follows:

|                    |   |
|--------------------|---|
| Issue Amount:      | \$2.5 million   |
| Issue Price:       | Face value of \$3.0 million   |
| Interest Rate:     | 10% per annum   |
| Interest Payments: | Interest paid at the end of term (included in face value)   |
| Maturity Date:     | 24 months   |
| Conversion Terms:  | For the first 10 months of the Convertible Security Funding Agreement ("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. |
| Security:          | The Convertible Notes are secured by a General Security Agreement over the Company and guarantee and indemnities from its wholly owned subsidiaries.  |
| Options:           | 41,250,000 options exercisable at \$0.035 per share with a 36 month term  |
| Collateral Shares: | 15,000,000 shares   |
| Commitment Fee:    | \$75,000  |

The Convertible Notes are classified as level 3 financial instruments under the fair value hierarchy. There is no transfer between the levels during the financial period ended 31 December 2018.

### Note 8: Issued Capital

|                                       | 31 December 2018<br>\$ | 30 June 2018<br>\$ |
|---------------------------------------|------------------------|--------------------|
| <b>(a) Issued and paid up capital</b> |                        |                    |
| Ordinary shares fully paid            | 20,933,728             | 20,933,728         |
| Share issue costs                     | (477,033)              | (477,033)          |
|                                       | <b>20,456,695</b>      | <b>20,456,695</b>  |

Ordinary shares participate in dividends and the proceeds on winding up the Company. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

|   | Number of Shares     | \$                |
|---|----------------------|-------------------|
| <b>(b) Reconciliation of issued and paid-up capital</b> |                      |                   |
| Opening balance at 1 July 2017                          | <b>1,672,657,946</b> | <b>17,577,453</b> |
| Shares issued (1)                                       | 25,000,000           | 150,000           |
| Shares issued (2)                                       | 175,000,000          | 1,669,861         |
| Shares issued (3)                                       | 55,555,556           | 488,351           |
| Shares issued (4)                                       | 34,957,244           | 436,030           |
| Shares issued (5)                                       | -                    | 135,000           |
| Shares issued (6)                                       | 15,000,000           | -                 |
| Closing balance   | <b>1,978,170,746</b> | <b>20,456,695</b> |

- On 14 September 2017, 25,000,000 \$0.006 ordinary shares were issued as conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund, L.P., a fund managed by The Lind Partners.
- On 18 December 2017, 175,000,000 \$0.01 ordinary shares were issued in a private placement for cash, net of share issue cost of \$80,139.
- On 27 December 2017, 55,555,556 \$0.009 ordinary shares were issued as conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund, L.P., a fund managed by the Lind Partners, net of share issue cost of \$11,649.



## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2018

### Note 8: Issued Capital (continued)

#### (b) Reconciliation of issued and paid-up capital (continued)

- (4) On 31 January 2018, 34,957,244 ordinary shares were issued as conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund, L.P., a fund managed by the Lind Partners. Of this total, 12,393,111 ordinary shares were issued at 0.9 cents per share and 22,564,133 ordinary shares were issued at 1.5 cents per share, net of share issue costs of \$13,970.
- (5) On 31 January 2018, 15,000,000 ordinary shares previously issued for nil consideration as collateral shares on 16 June 2017 pursuant to Convertible Security Funding Agreement with the Australian Special Opportunity Fund, L.P., a fund managed by The Lind Partners were converted at \$0.009 per share.
- (6) On 25 June 2018, 15,000,000 ordinary shares were issued for nil consideration as collateral shares pursuant to Convertible Security Funding Agreement with the Australian Special Opportunity Fund, L.P., a fund managed by The Lind Partners.

#### (c) Options

As at 31 December 2018, there were 210,250,000 unissued ordinary shares of AusTin Mining Ltd under option, held as follows:

| Options on Issue in Aus Tin Mining Ltd | Number     | Exercise Price | Expiry   |
|--|------------|----------------|----------|
| Unlisted Convertible Note options      | 62,500,000 | \$0.02         | 16/06/20 |
| Unlisted Convertible Note options      | 31,250,000 | \$0.0135       | 03/11/20 |
| Unlisted employee options              | 26,750,000 | \$0.02         | 14/06/20 |
| Unlisted Director options              | 40,000,000 | \$0.02         | 16/06/20 |
| Unlisted employee options              | 8,500,000  | \$0.05         | 30/06/20 |
| Unlisted Convertible Note options      | 41,250,000 | \$0.035        | 25/06/21 |

### Note 9: Fair Value

#### Fair value hierarchy

The following table details the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2018

### Note 9: Fair Value (continued)

(a) The following table presents the Group's assets and liabilities measured and recognised at fair value at 31 December 2018 and 30 June 2018:

|                          | Level 1<br>\$ | Level 2<br>\$ | Level 3<br>\$ | Total<br>\$ |
|--------------------------|---------------|---------------|---------------|-------------|
| <b>31 December 2018</b>  |               |               |               |             |
| Convertible Note payable | -             | -             | 2,945,519     | 2,945,519   |
| <b>30 June 2018</b>      |               |               |               |             |
| Convertible Note payable | -             | -             | 1,484,722     | 1,484,722   |

(b) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

| Description              | Fair value at reporting date<br>\$ | Unobservable Inputs*    | Range of inputs | Relationship of unobservable inputs to fair value  |
|--------------------------|------------------------------------|-------------------------|-----------------|--|
| <b>31 December 2018</b>  |                                    |                         |                 |  |
| Convertible note payable | 2,945,519                          | Share price volatility  | 95%             | Higher volatility (+10 bps) would decrease FV by \$1,989; lower volatility (+10 bps) would increase FV by \$1,901.       |
|                          |                                    | Risk-free interest rate | 1.89%           | Lower discount rate (-25 bps) would increase FV by \$1,743; higher discount rate (+25 bps) would decrease FV by \$1,740. |

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

### Note 10: Cash flow reconciliation

|   | 31 December 2018<br>\$ | 31 December 2017<br>\$ |
|---|------------------------|------------------------|
| Loss after income tax                               | (1,934,341)            | (1,467,408)            |
| Non-cash items                                      |                        |                        |
| - Depreciation and amortisation                     | 21,596                 | 77,585                 |
| - Write-back of exploration expenditure written off | -                      | 43                     |
| - Debt to equity conversions                        | -                      | 300,000                |
| - Share based payments                              | -                      | 328,111                |
| - Movement in fair value of convertible note        | 460,797                | 237,415                |
| Changes in operating assets and liabilities*        |                        |                        |
| (Increase) decrease in trade and other receivables  | (28,528)               | (5,199)                |
| (Increase) decrease in prepayments                  | 120,192                | -                      |
| Increase (decrease) in trade and other payables     | 263,483                | (137,304)              |
| Net cash flows from operating activities            | <b>(1,096,801)</b>     | <b>(666,757)</b>       |

\* Net of amounts relating to exploration and evaluation assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2018

### Note 11: Related party transactions

The following table provides the total amount of transactions that were entered into with related parties for the relevant period ended 31 December:

| Related party      |      | Sales to related parties | Purchases from related parties | Other transactions with related parties |
|--------------------|------|--------------------------|--------------------------------|---|
| DGR Global Ltd (i) | 2018 | -                        | 96,000                         | -                                       |
|                    | 2017 | -                        | 96,000                         | 50,000                                  |
| Hopgood Ganim (ii) | 2018 | -                        | 2,700                          | 29,996                                  |
|                    | 2017 | -                        | 4,410                          | 14,185                                  |

- (i) The Group has a commercial arrangement with DGR Global Ltd for the provision of various services, whereby DGR Global provides resources and services including the provision of its accounting and administration staff, its premises (for the purposes of conducting the Company's business operations), use of existing office furniture, equipment and stationery, together with general telephone, IT infrastructure, reception and other office facilities ("Services"). In consideration for the provision of the Services, the Group pays DGR Global a monthly management fee. For the period ended 31 December 2018 \$96,000 was paid or payable to DGR Global (2017: \$96,000) for the provision of the Services. The total current amount outstanding in relation to the Services at year end was \$508,840 (2017: \$314,997).

During the period ended 31 December 2017, DGR Global Ltd sold a parcel of land to Aus Tin Mining Ltd. The consideration for land was \$50,000 and was based on an independent valuation. The total current amount payable in relation to the purchase of land at period ended 31 December 2018 was \$50,000 (2017: \$50,000).

- (ii) Mr. Brian Moller (a Director), is a partner in the Australian firm Hopgood Ganim lawyers. For the period ended 31 December 2018, \$2,700 (2017: \$4,410) was paid or payable to Hopgood Ganim for the provision of legal services to the Group. The services were based on normal commercial terms and conditions. The total current amount payable at period end was \$29,996 (2017: \$14,185).

The outstanding balances at each relevant year end are unsecured, interest free and settlement occurs in cash.

### Note 12: Contingent Assets and Contingent Liabilities

The directors are not aware of any contingent assets or contingent liabilities at the date of this report.

### Note 13: Subsequent Events After Reporting Date

On 19 December 2018 the Company announced that it had finalised a further \$1.0 million increase in the Convertible Security Funding Agreement (CSFA) with the Australian Special Opportunities Fund L.P., a fund managed by The Lind Partners, on the same terms as announced on 20 April 2018. The Company progressively drew down the \$1.0 million under this facility commencing on 10 January 2019.

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2018

### Note 13: Subsequent Events After Reporting Date (continued)

The principal terms of the additional Convertible Notes issued by Aus Tin Mining were as follows:

|                    |   |
|--------------------|---|
| Issue Amount:      | \$1.0 million   |
| Issue Price:       | Face value of \$1.2 million   |
| Interest Rate:     | 10% per annum   |
| Interest Payments: | Interest paid at the end of term (included in face value)   |
| Maturity date:     | 24 months   |
| Conversion terms:  | Lind may elect to convert any outstanding amounts into ordinary shares in Aus Tin Mining at \$0.035 per share until 19 March 2019 or thereafter at the lesser of 90% of the average of five consecutive daily VWAP's, chosen by the Investor from amongst the 20 trading days prior to conversion and \$0.035 |
| Security:          | The Convertible Notes are secured by a General Security Agreement over the Company and guarantee and indemnities from its wholly owned subsidiaries   |
| Options:           | 16,500,000 options exercisable at \$0.035 per share with a 36 month term  |
| Collateral Shares  | 10,000,000  |
| Commitment Fee     | \$30,000  |

On 4 March 2019 the Company announced that it had been advised that Liquidators had been appointed to Jemrok Pty Ltd (Jemrok), the civil & mining contractor at the Granville Tin Project. Following the appointment of liquidators to Jemrok the Company terminated the contract with Jemrock and is progressing the necessary arrangements to commence owner mining at the Granville East Mine.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group or economic entity in subsequent financial periods.

## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Aus Tin Mining Limited, I state that:

In the opinion of the Directors:

1. The attached half-year financial report and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (a) Giving a true and fair view of the financial position as at 31 December 2018 and the performance for the half-year ended on that date of the consolidated entity; and
  - (b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Nicholas Mather  
Director  
Brisbane  
Date: 15 March 2019

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Aus Tin Mining Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Aus Tin Mining Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.



### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

**BDO Audit Pty Ltd**

BDO

**D P Wright**  
Director

Brisbane, 15 March 2019