



ASX Announcement

Aus Tin Mining Limited (ASX:ANW)

23 April 2020

Proposed Sale of Granville Tin Mine

The Directors of Aus Tin Mining Limited (**Aus Tin Mining** or the **Company**) wish to advise that the Company has signed a Heads of Agreement with Ten Mining Pty Ltd (**Ten Mining**) for the effective disposal of the Granville Tin Mine (**Granville**) on the west coast of Tasmania. This arrangement supersedes the previous proposed agreement with Ten Mining as outlined in the Company's announcement of 13 December 2019. The proposed sale follows the Company's recent announcement on a farm-in agreement over exploration licences prospective for copper and gold located within the Lachlan Fold Belt in NSW in a move to diversify its exploration portfolio. The Directors are of the view the divestment of Granville will provide the impetus for a clear exploration and development focussed company going forward.

The Heads of Agreement provides for Ten Mining to acquire all the shares in Ten Star Mining Pty Ltd (100 percent subsidiary of Aus Tin Mining that owns Granville) by 31 May 2020 and as consideration Ten Mining will pay Aus Tin Mining \$365,000 and a further \$635,000 for existing environmental bonding commitments. The transaction will be subject to several Conditions Precedent including due diligence, the release of security interests over Ten Star Mining and regulatory approvals. The Company has commenced discussions with the secured lender, The Lind Partners, and Ten Mining are well advanced on its due diligence having been to site several times as part of the previously proposed arrangements.

Commencing in January 2020 the Company has been working with Ten Mining on preparations for a resumption of operations including procurement of equipment to increase the tin grade into the processing plant and obtaining approval for 24-hour operations. However, delays in finalising funding documentation coupled with restricted movement into Tasmania due to COVID-19 had impacted the resumption schedule, and broader market conditions are expected to delay the IPO process envisaged by Ten Mining. With Aus Tin Mining shifting its immediate focus to copper and gold exploration in NSW a near-term divestment of Granville is considered advantageous from a market perspective.

The Company remains positive on the outlook for tin and will retain its Taronga Tin Project in northern NSW that holds significantly more value compared with Granville. Taronga has previously reported JORC reserves of 22Mt @ 0.16%Sn for 35,600t contained tin¹ and the 2014 PFS also identified several areas of potential upside, including resource grade, tin recovery and recovery of by-product credits. Internal modelling indicates the cumulative impact of a higher feed grade, higher tin recovery and inclusion of by-product credits could reduce the projected cash costs from second to first quartile of global producers². A proposed program of drilling at Taronga to test grade upside will be undertaken as soon as funding is available and ideally in conjunction with proposed work in the exploration licences subject to the farm-in announced last week.

¹ Refer ASX Announcement dated 7 April 2014 and Table 2 Appendix 1

² Refer ASX Announcement dated 24 September 2018

Consistent with the Company's re-emphasis on exploration and development the General Manager – Operations will conclude his role with the Company upon finalisation of the sale of Granville. Accounting for COVID-19 further cost saving measures were implemented effective 1 March 2020, including a 25 percent reduction in fees for Directors and senior management until 30 September 2020, with payments continuing to accrue as they have for some time to maximise application of funds into exploration and development.

The Company anticipates making a further market release with details of the transaction once the formal documentation has been finalised and executed.

This announcement is authorised by the Board of Directors

Karl 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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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 original Taronga Tin Project Resource Estimate was calculated and reported by Mr Michael McKeown, a Competent Person who is a Fellow of The Australian Institute of Mining and Metallurgy. Mr McKeown is a full time employee of Mining One Pty Ltd, a mining consultancy which was paid at usual commercial rates for the work which has been completed for the Company.

About Aus Tin Mining (the Company)

Aus Tin Mining Limited (ASX: ANW) has a vision to become a major Australian tin producer. The Company owns 100 percent of 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 subsequent test work and exploration activities on site have revealed potential credits for copper, silver, tungsten, molybdenum, lithium and rubidium. In 2014 a Pre-Feasibility Study was completed that demonstrated the technical and economic viability of Taronga Tin Project. In May 2019 regulatory approval was received for a 410,000 tonne trial mine and pilot plant but commencement has been deferred due to prevailing drought conditions. 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.

The Company is also actively exploring for cobalt at its Mt Cobalt project west of Gympie (QLD). 2018 drilling has returned high grades for an enriched cobalt-manganese oxide zone at Mt Cobalt. 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.

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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 – Taronga Mineral Resource (2013) and Ore Reserves (2014)

Mineral Resource (JORC 2012) – Tin Resource									
0.1% Sn Cut-off Grade									
	Indicated			Inferred			Total		
	Mt	Assay % Sn	Tin Metal tonnes	Mt	Assay % Sn	Tin Metal tonnes	Mt	Assay % Sn	Tin Metal tonnes
Northern Zone	19.3	0.16	30,800	7.7	0.12	9,300	27.0	0.15	40,100
Southern Zone	7.6	0.19	14,400	1.7	0.16	2,700	9.3	0.19	17,100
Total	26.9	0.17	45,200	9.4	0.13	12,000	36.3	0.16	57,200

Table 1 A: Taronga Tin Project - Tin Mineral Resource (Estimated in 2013)

Mineral Resource (JORC 2012) – Copper Resource									
0.1% Sn Cut-off Grade									
	Indicated			Inferred			Total		
	Mt	Assay % Cu	Copper Metal tonnes	Mt	Assay % Cu	Copper Metal tonnes	Mt	Assay % Cu	Copper Metal tonnes
Northern Zone				27.0	0.07	19,000	27.0	0.07	19,000
Southern Zone				9.3	0.08	7,400	9.3	0.08	7,400
Total				36.3	0.07	26,400	36.3	0.07	26,400

Table 1B: Taronga Tin Project - Copper Mineral Resource (Estimated in 2013)

Mineral Resource (JORC 2012) – Silver Resource									
0.1% Sn Cut-off Grade									
	Indicated			Inferred			Total		
	Mt	Assay Ag g/t	Silver Metal ounces	Mt	Assay Ag g/t	Silver Metal ounces	Mt	Assay Ag g/t	Silver Metal ounces
Northern Zone				27.0	3.8	3,300,000	27.0	3.8	3,300,000
Southern Zone				9.3	3.8	1,100,000	9.3	3.8	1,100,000
Total				36.3	3.8	4,400,000	36.3	3.8	4,400,000

Table 1C: Taronga Tin Project - Silver Mineral Resource (Estimated in 2013)

PFS Base Case - Ore Reserves (JORC 2012) & Production Target									
	Proven			Probable			Production Target		
	Mt	Assay % Sn	Tin Metal tonnes	Mt	Assay % Sn	Tin Metal tonnes	Mt	Assay % Sn	Tin Metal tonnes
Northern Zone	-	-	-	15.6	0.16	24,500	16.5	0.16	25,600
Southern Zone	-	-	-	6.4	0.17	11,100	6.7	0.17	11,500
Total	-	-	-	22.0	0.16	35,600	23.2	0.16	37,100

Table 2 Taronga Tin Project - Tin Ore Reserve (Reported in 2014)