



ASX Release: 31 July 2020

## Quarterly Activities Report - Period Ended 30 June 2020

**Aus Tin Mining Ltd**  
(“the Company”)

**ASX CODE: ANW**

### At Time of Publication

**Shares on Issue**  
2,885 million

**Unlisted Options**  
106 million

**Market Capitalisation**  
\$2.8M (at \$0.001/share)

**DIRECTORS**  
Brian Moller (Chairman)  
Nick Mather  
Richard Willson

**CHIEF EXECUTIVE OFFICER**  
Peter Williams

**COMPANY SECRETARY**  
Karl Schlobohm

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## REVIEW OF ACTIVITIES

### Lachlan Fold Belt

During the quarter the Company announced it had executed a non-binding term sheet setting out the agreed commercial terms for a farm-in on three exploration licences prospective for Cu-Au in the Lachlan Fold Belt in NSW. Documentation for the farm-in is currently being drafted and in the interim the Company has undertaken two site visits. A suite of samples has been submitted for analysis, and 3D modelling of magnetics has been commissioned.

### Taronga Tin Project / Torrington Exploration Project

During the quarter further digitisation of data from the Great Britain and Pound Flat prospects was undertaken and will be used to generate exploration targets.

### Ashford Coking Coal Project

The Company announced earlier today it had signed a binding term sheet with Laneway Resources Ltd to acquire 100 percent of the Ashford Coking Coal Project located in northern NSW. The project has a resource of 14.8Mt of potential coking coal and the Company intends to undertake a feasibility study and progress a mining lease application.

### Granville Tin Project

During the quarter the Company announced the proposed sale of the Granville assets but subsequent to the end of the quarter the transaction failed to complete. Granville will remain on care & maintenance as alternative options for divestment are pursued.

### Corporate

In conjunction with the announced transaction for the Ashford Coal Project, the Company will undertake program to strengthen the Company’s balance sheet via a rights issue to raise a minimum \$1.2 million in cash, as well as the conversion of a minimum of \$1.66 million worth of debt into equity, subject to existing placement capacity and where necessary shareholder approval. Furthermore, the Company has engaged Brisbane-based corporate advisors Bizzell Capital Partners Pty Ltd (BCP) as Lead Manager to initially raise up to \$100,000 by way of the issue of convertible notes to provide general working capital and finance the costs of the rights issue. At the election of BCP an additional \$450,000 may be raised through the issue of additional Convertible Notes at a later time.

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### Lachlan Fold Belt (NSW)

During the quarter the Company announced it had entered into a non-binding term sheet with Lachlan Copper Pty Ltd (**Lachlan Copper**), which set out agreed commercial terms for a farm-in over three Exploration Licences (ELs) prospective for copper and gold located within the Lachlan Fold Belt in NSW. The ELs were last actively explored during the 1970s and the Company is targeting two types of mineralisation being:

- Targeting Cu-Au porphyry within Ordovician host rocks (Molong Volcanic Belt (**MVB**) / Macquarie Arc) which host Cadia-Ridgeway (Cu-Au);
- Further potential for magmatic copper deposits, McPhillamys style gold deposits and VHMS base metal deposits within Siluro-Devonian host rocks.

The key terms of the non-binding term sheet are that the Company may spend \$500,000 on the three licences over two years to earn an initial 51 percent interest, and thereafter may elect to spend a further \$5 million over five years to earn an additional 29 percent (to total 80 percent interest). As part of the up-front consideration arrangements, the Company will issue Lachlan Copper Pty Ltd \$50,000 worth of shares and, subsequent to a proposed capital raising, pay \$50,000 in cash. Aus Tin Mining and Lachlan Copper are currently drafting documentation for the farm-in agreement and associated Joint Venture Agreement (JVA).

During the quarter Aus Tin Mining has compiled and digitised numerous historical datasets for Narrallen (EL8758), and two site visits were undertaken to complete land access agreements and conduct initial field reconnaissance. A suite of samples was collected from various sites at the Narrallen prospect (Figure 1) and have been submitted for analysis but results are yet to be received. In parallel Lachlan Copper has commissioned 3D modelling of the available magnetics data to ascertain the depth of selected magnetic targets at Narrallen.



**Figure 1 – Outcrop observed at Narrallen (EL8758) during field reconnaissance**



### Taronga Tin Project / Torrington Exploration Project

During the quarter further digitisation of historic data was undertaken for the Great Britain prospect (EL8335) located east of the Emmaville township. A total of 2,163 intervals of assay data (mainly Sn but some other commodities) was retrieved and preliminary modelling identified the potential for a low grade, large tonnage resource if mapped surface mineralisation extends at depth. Further work will be undertaken during the current quarter.

Digitisation of approximately 2,500 intervals of historic drill assay data was also undertaken for the Pound Flat prospect (EL 7801) south west of the Emmaville township. Whereas previous exploration undertaken by the Company at Pound Flat has focussed on tin mineralisation in the extensive sheeted veining systems similar to that at the Taronga Tin Project, the results of the digitised data suggests potential for both the alluvial and eluvial domains (Figure 2) at relatively shallow depths and will be investigated further.

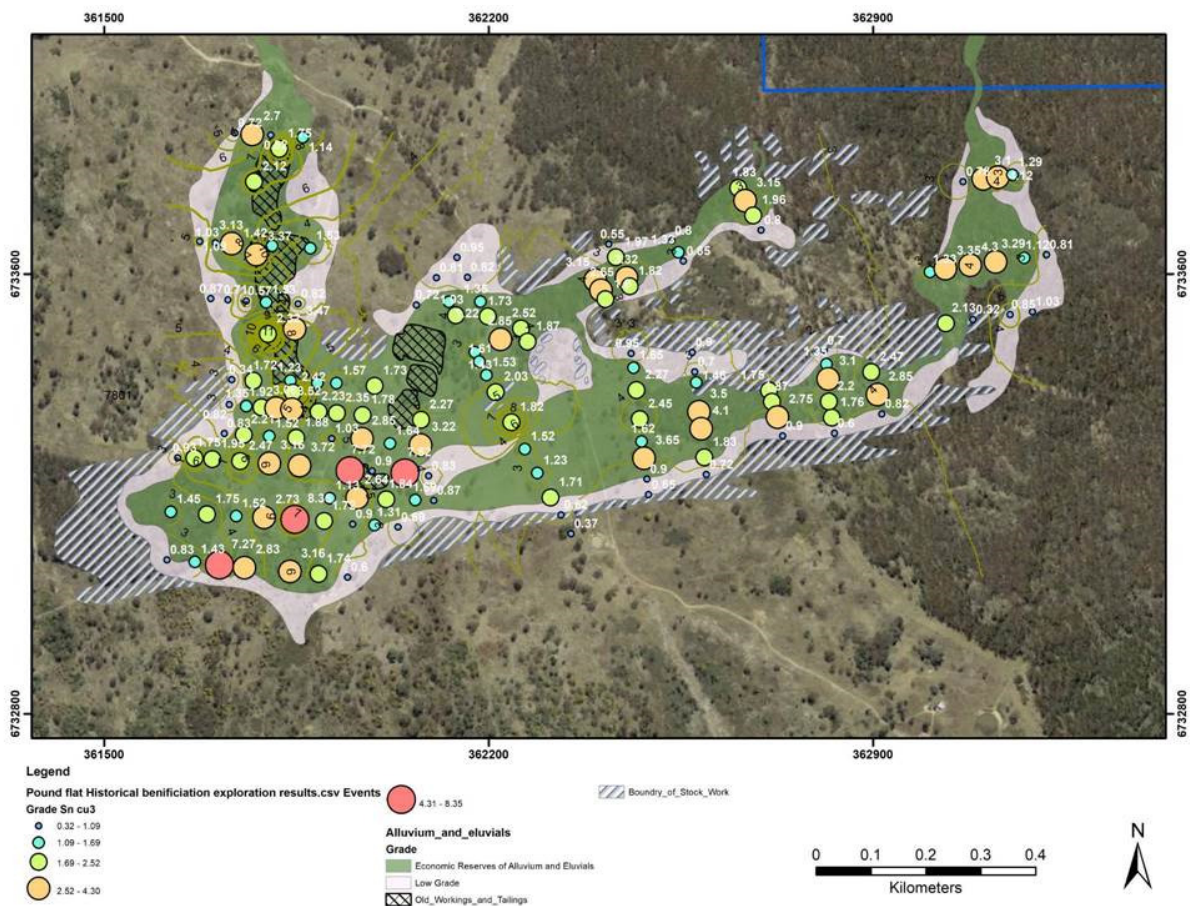


Figure 2 – Digitisation results for Pound Flat (EL7801)

### Granville Tin Project (Tasmania)

During the quarter the Company announced the proposed sale of the Granville assets but subsequent to the end of the quarter the transaction failed to complete. Granville will remain on care & maintenance as alternative options for divestment are pursued.

### Ashford Coking Coal Project

Earlier today the Company announced it had signed a binding term sheet with Laneway Resources Ltd (**Laneway**) to acquire 100 percent of the Ashford Coking Coal Project (**Ashford Project**) located in northern NSW. The Ashford Project comprises two granted Exploration Licenses (EL 6234, EL 6428) located approximately 10km north of the Ashford township in northern NSW (Figure 3). Coal mining at Ashford dates back to 1884 and most recently the colliery operated until 1988 supplying a now closed local power station. The Ashford Project is approximately 50km west of the Company's Taronga Tin Project and approximately 100km west of the Inland Rail's proposed route.

The Ashford Project has a resource of 14.8Mt within EL6234 comprising 6.5Mt of Indicated Resources and 8.3Mt of Inferred Resources and coal quality studies found the resources could qualify as semi-hard coking coal<sup>1</sup>. Work undertaken by Laneway has indicated of the total resource, 9.4Mt is likely to be accessible by conventional open cut methods to a 15:1 vertical waste to in-situ coal tonnes stripping ratio cut off. A further 5.4Mt is expected to be mined via high wall mining methods.

Further details on the proposed transaction are provided in the ASX announcement but in summary the proposed transaction will comprise two stages being:

1. **Stage 1** being the purchase by Aus Tin Mining of a 40 percent interest in either the Ashford Project itself or the wholly-owned subsidiary of Laneway which owns the Ashford Project, in consideration for the issue of 20 percent of the enlarged share capital of Aus Tin Mining to Laneway. The final structure of the acquisition will depend on what is most efficient for Laneway from a transfer duty, tax and regulatory perspective; and
2. **Stage 2** being an option (the **Stage 2 Option**) for ANW to purchase the remaining 60 percent interest in the Ashford Project within three years for A\$7 million payable as to A\$2 million in cash and \$5 million in shares or cash at the election of Aus Tin Mining, plus an ongoing royalty payable to Laneway of \$0.50 per tonne of coal sold from the Ashford Project. The Stage 2 Option must be exercised before the third anniversary of the date on which the Stage 1 acquisition is completed.

The transaction is subject to a number of conditions, including for Stage 1 being (i) both parties conducting and being fully satisfied with the results of its legal, financial and technical due diligence; and (ii) the strengthening of Aus Tin Mining's balance sheet; and (iii) the entry into formal transaction documentation. To facilitate the strengthening of the balance sheet Aus Tin Mining has announced its intention to undertake a rights issues to raise a minimum of \$1.2 million in cash and the conversion of \$1.66 million of certain debt into equity subject to existing placement capacity and where necessary shareholder approval. If these conditions are not satisfied by 31 October 2020 then either the Company or Laneway may terminate the binding term sheet. The Stage 2 of the Proposed Transaction is also subject to a number of conditions including (i) the granting of any shareholder or third-party approval required; and (ii) the expiry or termination of the Lind Facility.

As and from the Stage 1 Completion, Laneway will be entitled to nominate two Directors to the Board of the Company and as and from the completion of the acquisition of Stage 2, Laneway will be entitled to nominate the majority of Directors to the Board of the Company.

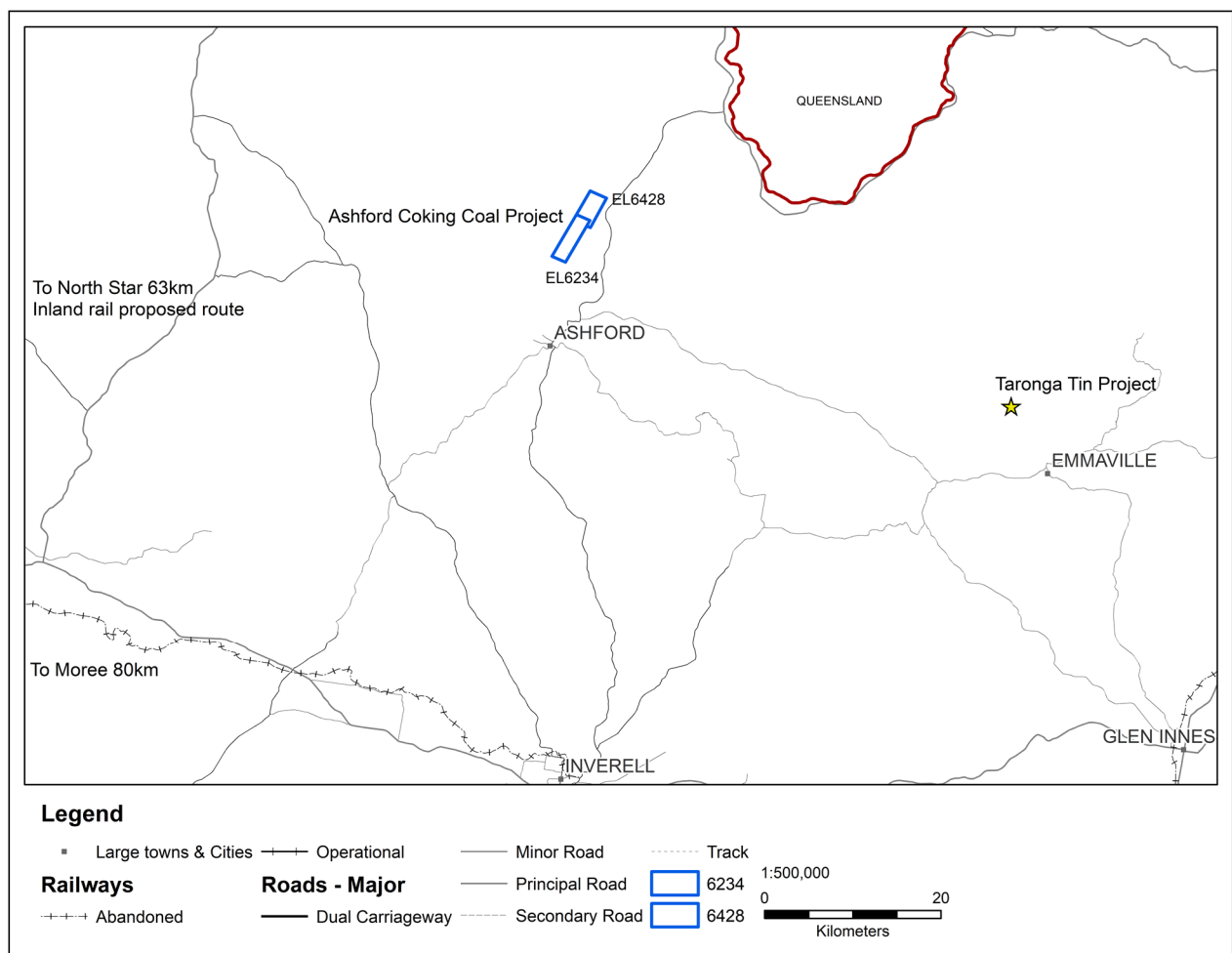
<sup>1</sup> Refer Laneway Resources Limited ASX Announcement dated 20 November 2017

As and from the completion of Stage 1 until such time as:

1. an additional \$1m of capital is raised by ANW (either through cash subscriptions or debt conversion) (the **Non-Lind Cap Raising**); and
2. \$1m of the Lind Facility is converted into equity in ANW or repaid (separate and in addition to the Non-Lind Cap Raising),

ANW will issue to Laneway (subject to the satisfaction of any necessary approvals), such additional Shares as is necessary from time to time to ensure that Laneway holds 20% of the issued Share capital of ANW.

Upon completion of the Stage 1 acquisition the Company intends to undertake a feasibility study and progress a Mining Lease Application. With the Federal Government having recently announced the fast tracking of construction for the Inland Rail project<sup>2</sup> the Company will evaluate as part of the feasibility study the opportunity to utilise this infrastructure to unlock the Ashford Project for export through Brisbane or Newcastle.



**Figure 3 – Location of Ashford Coking Coal Project**

<sup>2</sup> Source: Prime Minister of Australia ([www.pm.gov.au](http://www.pm.gov.au)); CEDA 's State of the Nation Conference; 15 June 2020



Coking (or metallurgical) coal, as distinct from thermal coal, is primarily used to produce steel. The Department of Industry, Science, Energy and Resources<sup>3</sup> report Australia is the world's number 1 exporter of metallurgical coal and in 2019 exported 184Mt with an estimated value of A\$35 billion. They also report from April 2020 metallurgical coal prices dropped as a result of slowing global economic activity associated with the spread of COVID-19, specifically in China and India, with steel production reportedly cut by 60-70 percent during India's lockdown, and whilst the price for metallurgical coal is forecast to remain flat for the remainder of 2020, the medium-term price is forecast to rise as steel production is anticipated to recover to meet demand created by infrastructure build stimulus programs.

### **Corporate**

In conjunction with the announced transaction for the Ashford Coal Project, the Company will undertake program to strengthen the Company's balance sheet via a rights issue to raise a minimum \$1.2 million in cash, and the conversion of \$1.66 million worth of debt into equity subject to existing placement capacity and where necessary shareholder approval. Furthermore, the Company has engaged Brisbane- based corporate advisors Bizzell Capital Partners Pty Ltd (**BCP**) as Lead Manager to initially raise up to \$100,000 by way of the issue of convertible notes to provide general working capital and finance the costs of the rights issue. At the election of BCP, an additional \$450,000 may be through the issue of additional Convertible Notes at a later time.

No Directors Fees were paid during the quarter.

No material fieldwork or exploration was undertaken and no payments were made during the quarter for exploration or project related matters.

### **Tenement Management**

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

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<sup>3</sup> Source: Department of Industry, Science, Energy & Resources; Resources and Energy Quarterly, June 2020



*Authorised by the Board of Directors*

On behalf of the Board

KM Schlobohm

Company Secretary

Electronic copies and more information are available on the Company website: [www.austinmining.com.au](http://www.austinmining.com.au)

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**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.



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

### Mining Leases /Exploration Licences held at 30 June 2020

Tenement	Location	% Interest	Grant Date	Renewal Submitted	Expiry Date
2M/2018	TAS (Zeehan)	100%	06.08.18		05.03.22
32M/1988	TAS (Zeehan)	100%	01.11.88	25.10.19	01.11.19
EPM 19366	QLD (Kilkivan)	100%	09.08.12		08.08.22
ML 1774	NSW (Emmaville)	100%	23.09.18		21.12.29
EL 8407	NSW (Emmaville)	100%	04.11.15		04.11.23
EL 7800	NSW (Emmaville)	100%	04.07.11		04.07.22
EL 7801	NSW (Emmaville)	100%	04.07.11		04.07.21
EL 8335	NSW (Emmaville)	100%	05.01.15		05.01.21
EL 8637	NSW (Emmaville)	100%	31.08.17		31.08.20
EL 8639	NSW (Emmaville)	100%	31.08.17		31.08.20

### Mining Lease / Exploration Licences acquired during the period

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

Tenement	Location	% Interest	Grant Date	Surrender Date	Expiry Date
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### Mining Lease / Exploration Licences Applications outstanding for the period

Tenement	Location	% Interest	Grant Date	Application Date	Expiry Date
EL9/2019	TAS (Zeehan)			29.08.19	