



10 September 2014

Dear Option Holder

Non-Renounceable Entitlement Offer - Notice to Option Holders

This letter is to notify you that Aus Tin Mining Limited (Aus Tin Mining or the Company) today announced that it is seeking to raise approximately \$1,614,113 (before costs) via a pro-rata non-renounceable entitlement offer of 403,528,292 new fully paid ordinary shares (**New Shares**) with an offer ratio of 1 New Share for every 2 Shares held on the Record Date of 16 September 2014, at an offer price of 0.4 cents (\$0.004) per New Share (Offer), such Offer to be made pursuant to s708AA of the Corporations Act 2001 (Cth).

Option Holders

Holders of options are advised that eligibility for participation in the Company's entitlement offer is only available to shareholders, as there are no participating rights or entitlements inherent in the options themselves. Holders of shares and options are eligible to participate to the extent of their shareholding. Holders of options may only participate in the Offer following the exercise of their options.

Option holders have the ability to exercise their options prior to the Record Date (being 16 September 2014) which will entitle them to participate in the Offer. The relevant paperwork for the exercise of options can be obtained from the Company Secretary, Mr Karl Schlobohm (ph: 07-3303 0661; kschlobohm@austinmining.com.au).

However, option holders should note that, at the time of writing, the Company's current share price is well below the Company's current range of option exercise prices. **If you do not wish to participate in the Offer (in respect of your options) you do not need to take any action.**

Purpose of the Offer

The Company intends that the funds raised from the Capital Raising will be used to progress development of the Taronga Tin Project, carry-out work across the Company's exploration portfolio, provide working capital, and pay the costs of the Entitlement Offer.

Offer Document and Offer Details

Aus Tin Mining does not require shareholder approval in relation to the Entitlement Offer. The Company has prepared lodged an Offer Booklet with the ASX in relation to the Offer. The Offer Document will be despatched to Eligible Shareholders on 19 September 2014.

The Offer is non-renounceable, which means that rights to participate in the Offer cannot be sold, and therefore to the extent that shareholders entitled to participate in the Offer do not take up their entitlement, they will not receive any value in respect of those entitlements not taken up. Eligible Shareholders may also apply for additional New Shares over and above their entitlement.

The New Shares issued under the Offer will rank equally in all respects from the date of allotment with existing fully paid ordinary shares. Fractional entitlements will be rounded up to the nearest whole New Share.

The Board of Directors reserves the right to place any shortfall from the Entitlement Offer to third parties within three (3) months of the close of the Offer at a price no lower than the Offer Price.

Timetable

The proposed timetable for the Rights Issue is set out in the table below:

Announcement of Entitlement Offer and Appendix 3B lodged with ASX	10 September 2014
Notice of Entitlement Offer sent to Option Holders	10 September 2014
Notice of Entitlement Offer sent to Shareholders	10 September 2014
Offer Booklet lodged with ASX	10 September 2014
Trading on Ex basis	12 September 2014
Record Date for the Entitlement Offer (7:00pm AEST)	16 September 2014
Despatch of Offer Booklet and notice to Ineligible Holders	19 September 2014
Opening Date of Entitlement Offer (9:00am AEST)	22 September 2014
Closing Date of Entitlement Offer (5:00pm AEST)	3 October 2014
Trading on deferred settlement basis commences	7 October 2014
ASX notified of under subscriptions (no more than 3 business days after Closing Date)	9 October 2014
Allotment Date - expected date of allotment of the New Shares issued under the Entitlement Offer	13 October 2014
Normal trading begins	14 October 2014
Despatch Date - expected date of despatch of New Shares holding statements, and deferred settlement trading ends	14 October 2014

This timetable is indicative only and may be subject to change subject to the requirements of the Corporations Act and the ASX Listing Rules.

Effect of the Offer on the Company's Share Capital

The impact of the Offer on the share capital of the Company will be as follows:

Shares on issue as at 10 September 2014 (announcement of the Offer)	807,056,584
New Shares to be issued under the Entitlement Offer	403,528,292
Shares on issue following the Entitlement Offer	1,210,584,876

Upon completion of the Rights Issue, and assuming it is fully subscribed and that existing options are not exercised, the issued capital of Aus Tin Mining will comprise approximately 1,210,584,876 shares and 77,731,115 unlisted options exercisable at prices ranging from \$0.025 to \$0.04 each with expiry dates ranging from 30 June 2015 to 25 November 2015.

Subsequent Offer of Options

After completion of the Entitlement Offer the Company intends to reward all Shareholders on the Register of Members on a nominated record date being not later than 3 months from the close of Entitlement Offer with an offer of one (1) bonus option for each five (5) shares held at that time (**Bonus Options**). The Bonus Options will have a strike price of 2 cents per share and have an 18 month exercise period from the date of issue. A separate prospectus document for these Bonus Options will be issued sometime following the closure of the Offer.

Eligible Shareholders

The Rights Issue will be available to all registered shareholders at 7pm AEST on 16 September 2014 (**Record Date**) with registered addresses in Australia, New Zealand and Hong Kong (**Prescribed Jurisdictions**) or any other jurisdiction in which the Company subsequently determines it may extend the Rights Issue (**Eligible Shareholders**). As at the date of this announcement the Company only had a minimal number of registered shareholders outside the Prescribed Jurisdictions.

Further Details

As mentioned above, if you wish to participate in the Offer in respect of options which you hold, your options must be currently exerciseable, and you will need to exercise those options and pay the current exercise price in accordance with the terms of your Options well in advance of the record date to ensure that you are registered as a shareholder at that date.

Any queries regarding your option holding, or your current entitlement can be directed to the writer on 07 3303 0661 or kschlobohm@austinmining.com.au

Yours faithfully



Company Secretary
Aus Tin Mining Ltd