



Notice of Extraordinary General Meeting and Explanatory Memorandum

Aus Tin Mining Ltd
ACN 122 957 322

Date of Meeting: Wednesday 24 June 2015

Time of Meeting: 10am (Brisbane time)

Place of Meeting: Level 7, Waterfront Place, 1 Eagle Street, Brisbane

Notice is given that a Extraordinary General Meeting of shareholders of Aus Tin Mining Ltd (ACN 122 957 322) (**Company**) will be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane, on 24 June 2015 at 10am.

Agenda

ORDINARY BUSINESS

Resolution 1 - Issue of Shares to DGR Global Ltd

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“That in accordance with Listing Rule 10.11, and for all other purposes, the Company be authorised to issue up to a maximum of 125,000,000 fully paid ordinary shares to DGR Global Ltd (**DGR**) at an issue price of \$0.004 per share as detailed in the Explanatory Memorandum be approved”.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- DGR Global Ltd; and
- any associate of DGR Global Ltd.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 2 – Issue of Shares to Private Investors

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“That in accordance with Listing Rule 7.1, and for all other purposes, the Company be authorised to issue up to a maximum of 2,500,000 fully paid ordinary shares to the private investors (being investors that fell within one or more of the classes of exemptions specified in Section 708 of the Corporations Act) as detailed in the Explanatory Memorandum at an issue price of \$0.004 per share be approved”.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- any recipient of the Proposed Placement Shares; and
- any associate of any recipient of the Proposed Placement Shares.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 3 - Ratify Previous Share Issue

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“That in accordance with the provisions of Listing Rule 7.4 of the Official Listing Rules of the ASX Limited (ASX), and for all other purposes, the shareholders ratify the previous issue of 233,000,000 fully paid ordinary shares in the Company (**Previous Shares**) to those persons and corporations set forth in the Explanatory Memorandum (**Recipients**) and being investors that fell within one or more of the classes of exemptions specified in Section 708 of the Corporations Act.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- the Recipients; and
- any associate of the Recipients.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 4 – Grant of Director Options to Brian Moller

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 10,000,000 options to subscribe for Shares exercisable at \$0.02 each and expiring on 30 June 2017 to Brian Moller, being the Non-Executive Chairman of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Resolution 5 – Grant of Director Options to Nicholas Mather

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 10,000,000 options to subscribe for Shares exercisable at \$0.02 each and expiring on 30 June 2017 to Nicholas Mather, being the Non-Executive Director of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Resolution 6 – Grant of Director Options to John Bovard

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 10,000,000 options to subscribe for Shares exercisable at \$0.02 each and expiring on 30 June 2017 to John Bovard, being the Non-Executive Director of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Resolution 7 – Grant of Director Options to Richard Willson

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act and for all other purposes, the Company be authorised to issue 10,000,000 options to subscribe for Shares exercisable at \$0.02 each and expiring on 30 June 2017 to Richard Willson, being the Non-Executive Director of the Company, or his nominee and otherwise on terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Notes:

A copy of this Notice of Meeting and the accompanying Explanatory Memorandum has been lodged with the Australian Securities & Investments Commission in accordance with section 218 of the Corporations Act.

A detailed summary of the proposed terms of the Options is contained within the Explanatory Memorandum.

The total number of Options to be issued to Mr Moller, Mr Mather, Mr Bovard and Mr Willson, or their respective nominees, is 40,000,000.

The Options are intended to be issued as soon as possible following the Meeting, but in any event, no later than one (1) month after the date of the Meeting.

The Options are being issued for nil consideration and no funds will be raised by the issue of the Options.

Voting Exclusion Statement

The Company will disregard any votes cast on:

- Resolution 4 by:
 - Mr Moller; and
 - any associate of Mr Moller;
- Resolution 5 by:
 - Mr Mather; and
 - any associate of Mr Mather;
- Resolution 6 by:
 - Mr Bovard; and
 - any associate of Mr Bovard;
- Resolution 7 by:
 - Mr Willson; and
 - any associate of Mr Willson.

However, the Company need not disregard a vote if, in relation to Resolution 4 – Resolution 7 (inclusive):

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Proxy Appointment Restriction:

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolutions 4 – Resolution 7 (inclusive) by a member of the Key Management Personnel or their Closely Related Parties who has been appointed as a proxy unless:

- the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- the appointed proxy is the Chairman and the appointment of the Chairman as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board



Company Secretary
19 May 2015

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to shareholders of Aus Tin Mining Ltd (ACN 122 957 322) (Company) to explain the seven (7) resolutions to be put to Shareholders at the General Meeting to be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane on 24 June 2015 commencing at 10am (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 7.

2. Resolution 1 – Issue of Shares to DGR Global Ltd

Introduction

Resolution 1 seeks shareholder approval for the issue of shares to DGR Global Ltd (**DGR**).

DGR provides management and administration services to the Company. The shares are being issued will be fully paid ordinary shares of the Company that rank equally with the Company's current issued shares.

The Directors have resolved to refer to Shareholders for approval of the proposed grant of a maximum of 125,000,000 fully paid ordinary shares to DGR Global Ltd (**DGR Shares**).

Approval for the issue of the DGR Shares is sought in accordance with the Listing Rule 10.11. As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

Background to the Proposal

DGR holds at the date of this Notice of Meeting some 133,030,650 shares in the Company which represents 11.42% of the issued share capital. As such, for the purposes of the Listing Rules DGR Global may be treated as a related party of the Company.

At the same time as the third party investors committed to a private placement of \$920,000 (refer Resolution 3), DGR Global committed funding of \$500,000 to the Company on the same terms.

Since that the ASX Listing Rules may deem DGR Global to be a related party, the Directors felt that the proposed allotment of share should be subject to shareholder approval.

Information on the Issue

DGR has agreed to cap the amount of funding to be provided, and the maximum number of DGR Shares it can receive at 125,000,000, or such lesser number so as to ensure it does not exceed a 19.99% shareholding level in the Company.

Directors' Recommendation

Mr Moller and Mr Mather are Directors of both DGR and the Company and as such do not consider it appropriate to make any recommendations on this Resolution.

Each of Mr Bovard and Willson recommend that Shareholders vote in favour of this resolution.

The reasons for their recommendation include:

- (1) The investment commitment from DGR Global was received at the same time and on the same terms as the funding received from the third party investors the subject of Resolution 3;
- (2) The allotment of shares will not result in DGR exceeding a 19.99% interest in the Company. As such, if it is not considered that DGR will be able to exert away from of additional control over the Company, and thus the interests of minority shareholders will not be prejudiced.

Effect on Control

DGR presently holds 133,030,650 Shares in the Company which represents approximately 11.42% of the issued share capital of 1,165,279,987 at the date of preparing this Notice of Meeting. DGR Global also has two (2) of (4) current Board members. As such, DGR may be treated as a related party of the Company for the purposes of the ASX Listing Rules. As such, approval is being sought for the proposed allotment of shares.

If the maximum of 125,000,000 DGR Shares are issued with shareholder approval, DGR's shareholding will increase from 133,030,650 to 258,030,650 or from approximately 11.42% to 19.96% of the Company, assuming no other Shares are issued before then by the Company, save for those covered by Resolutions dealt with in this Meeting.

Listing Rule 10.13

For the purposes of Listing Rule 10.13 and for all other purposes the following information is provided to Shareholders:

(a) 10.13.1 and 10.13.4: Name and relationship of the Related Party

Two of the Directors of the Company, Brian Moller and Nicholas Mather are also directors of DGR Global Ltd. As such, the Board has taken into account the possibility that ASX may under its discretion under LR 10.11.2 consider the relationship between DGR Global and the Company as such that shareholder approval ought to be obtained.

(b) 10.13.2: Maximum Number of Securities to be issued (if known) or the formula for calculating the number of Securities to be issued

The maximum number of Equity Securities to be issued is 125,000,000.

(c) 10.13.3: Date by which the Securities will be issued

The Company will issue the shares as soon as possible but in any event within one month following this Meeting.

(d) 10.13.4: Issue price and terms of the Securities

The shares are being issued at an issue price of \$0.004 per Share and will rank pari passu with all of the other fully paid ordinary shares on issue in the Company.

(e) 10.13.6A: Intended use of funds raised

The intended use of the funds is as per 4.6 below.

(f) 10.13.6: Voting exclusion statement

A voting exclusion statement is set out in Resolution 1.

3. Resolution 2 – Issue of Shares to Private Investors

Resolution 2 seeks the approval of Shareholders for the issue fully paid ordinary shares to the private investors detailed below (**Proposed Placement Shares**). The issue price for the shares is to be \$0.004 per share, payable in cash. None of the investors are related parties of the Company.

Terms of the Proposed Allotment

It is important to note the following in relation to the proposed allotment of the Proposed Placement Shares:

The issue price of the Proposed Placement Shares of \$0.004 is the same as that used for the recent placement to third party investors. The commitment was made by the relevant parties at the same time as those investors whose shares are to be ratified pursuant to Resolution 3, but the Company did not have sufficient placement capacity under its 25% placement capacity to accept undertake the placement to the Proposed Placement Share investors at that time. The Proposed Placement Shares are to be paid for in cash. The Company intends to use the cash received – together with its existing cash resources - to progress development of the Taronga Tin Project, carry-out work across the Company's exploration portfolio and provide working capital.

Accordingly, the Proposed Placement Shares are to be allotted to the following investors on terms which are no more favourable than the terms available to the third party investors who participated in the recent placement, and whose shares are to be ratified pursuant to Resolution 3.

	Proposed Allottee / Subscriber	Price	Number	Amount
	Shares Allotted 13 March 2015			
1	Benn Whistler	\$0.004	500,000	\$2,000
2	Nockolds Superannuation Pty Ltd <Nockolds Super Fund A/C>	\$0.004	2,000,000	\$8,000

If this Resolution 2 is approved by shareholders, the shares will be issued to shareholders by Friday, 26 June 2015.

4. Resolution 3 - Ratification of Previous Issue of Shares

Resolution 3 seeks the ratification of shareholders for the previous issue of 233,000,000 shares to the persons and corporations listed hereunder (**Previous Placement Shares**).

(a) Listing Rule 7.4

As noted above, in accordance with Listing Rule 7.4, the Company is seeking Shareholders to ratify the previous issue of the Placement Shares, being issues of securities made by the Company during the previous 12 months for which Shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders.

The Company seeks Shareholder approval to ratify the previous issue of the Placement Shares in accordance with Listing Rule 7.4 in order to refresh the Company's ability to issue up to 15% of its share capital (in a 12 month period) under Listing Rule 7.1.

Under Listing Rule 7.4, an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval if the issue:

- (1) did not breach Listing Rule 7.1 (i.e. the issue did not exceed the 15% limit under Listing Rule 7.1); and
- (2) holders of the ordinary securities subsequently approve the issue.

(b) Terms of the Previous Issue of Shares

For the purposes of Listing Rule 7.5 the Company advises as follows:

- (1) 8,000,000 of the Placement Shares were issued on 13 March 2015.
- (2) 225,000,000 of the Placement Shares were issued on 13 April 2015.
- (3) The Placement Shares were issued to the Placement Recipients at a price of \$0.004 per Share.
- (4) The Placement Shares rank pari passu with the existing Shares on issue, are not subject to escrow restrictions and are subject to the rights and obligations set out in the Company's Constitution.
- (5) The Placement Recipients, and the number of shares issued to each, are as follows:

	Allottee / Subscriber	Price	Number	Amount
	Shares Allotted 13 March 2015			
1	ACN 604 719 520 Pty Ltd <The Ballotta A/C>	\$0.004	5,000,000	\$20,000
2	Jane James	\$0.004	1,500,000	\$6,000
3	Kirkenel Pty Ltd <Kirkenel Super Funjd>	\$0.004	1,500,000	\$6,000
			8,000,000	\$32,000
	Shares Allotted 13 April 2015			
	ACN 604 719 520 Pty Ltd <The Ballotta A/C>	\$0.004	225,000,000	\$900,000
	Total Placement Shares (Combined)		233,000,000	\$932,000

- (6) The funds raised will be used to progress development of the Taronga Tin Project, carry-out work across the Company's exploration portfolio and working capital.

5. Resolutions 4, 5, 6, 7 – Grant of Director Options

Introduction

The Directors have resolved to refer to members for approval the proposed grant of 10,000,000 Options to Moller, 10,000,000 Options to Mr Mather, 10,000,000 Options to Mr Bovard and 10,000,000 Options to Mr Willson, (or their respective nominees) each a Director of the Company, (each a **Recipient**) exercisable at \$0.02 each, vesting immediately, and expiring on the 30 June 2017. The terms of the Director Options are set out in more detail below.

Approval for the issue of the Director Options is sought in accordance with the provisions of Listing Rule 10.11 and Part 2E of the Corporations Act. As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1. In order for the Director Options to be granted to a Director, the requirements of Chapter 2E of the Corporations Act need to be observed.

Options Terms

A summary of the material terms of the Director Options is set out below:

- The securities to be issued to each Director are options to subscribe for fully paid Shares.

- The Director Options are to be issued for no consideration.
- The exercise price of each Director Option is \$0.02 (**Exercise Price**).
- The Director Options will vest on the date of issue.
- The Director Options will expire on 30 June 2017 (**Expiry Date**):
- Shares issued on exercise of the Director Options will rank equally with all existing Shares from the date of issue.
- The Director Options, once vested, may be exercised wholly or in part by notice in writing to the Company received at any time on or before the Expiry Date together with a cheque for the Exercise Price of the Director Option multiplied by the number of Shares in respect of which Director Options are being exercised.
- The Director Options shall be unlisted but shall be transferable.
- Upon allotment of Shares pursuant to the exercise of Director Options, the Company shall use its best endeavours to have such Shares quoted and listed on the Official List of the ASX.
- Option holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the Director Options, in accordance with the requirements of the Listing Rules.
- Option holders do not participate in dividends or in bonus issues unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend or bonus issue.
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - the number of Options, the exercise price, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the Option holder which are not conferred on Shareholders; and
 - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders of the Company approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- If there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Option holder would have received if the Options had been exercised before the record date for the bonus issue.
- If, during the life of any Option, there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^1 = O - \frac{E [P - (S + D)]}{N + 1}$$

where

O^1 = the new exercise price of the Option

O = the old exercise price of the Option

E = the number of underlying securities into which one Option is exercisable

P = the average market price per security (weighted by reference to volume) of the underlying securities during the five (5) trading days ending on the day before the ex right date or the ex entitlements date

S = the subscription price for a security under the pro-rata issue

D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro-rata issue)

N = the number of securities with rights or entitlements that must be held to receive a right to one new security

- The terms of the Director Options shall only be changed if holders (whose votes are not to be disregarded) of Shares approve of such a change. However, the terms of the Director Options shall not be changed to reduce the Exercise Price, increase the number of Director Options or change any period for exercise of the Director Options.

Regulatory Requirements

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of various exceptions to the general prohibition. One of the exceptions includes where the company first obtains the approval of its shareholders in general meeting in circumstances where the requirements of Chapter 2E in relation to the convening of that meeting have been met. A “related party” for the purposes of the Corporations Act is defined widely and includes a director of the public company.

A “financial benefit” for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The proposed Resolutions 4 to 7, if passed, will confer financial benefits to the Recipients and the Company seeks to obtain member approval in accordance with the requirements of Chapter 2E of the Corporations Act and for this reason, and for all other purposes, the following information is provided to Shareholders.

(a) The related parties to whom Resolutions 4, 5, 6 and 7 would permit the financial benefit to be given

Each of Mr Moller, Mr Mather, Mr Bovard and Mr Willson (or their respective nominees), being directors of the Company.

(b) The nature of the financial benefit

The nature of the proposed financial benefit to be given is:

- the grant of 10,000,000 Director Options to Mr Moller as referred to in Resolution 4;
- the grant of 10,000,000 Director Options to Mr Mather as referred to in Resolution 5;
- the grant of 10,000,000 Director Options to Mr Bovard as referred to in Resolution 6;
- the grant of 10,000,000 Director Options to Mr Willson as referred to in Resolution 7;
- the Director Options shall be issued for no cash consideration; and
- the Director Options shall be exercisable into fully paid Shares at an exercise price of \$0.02 each expiring on or before 30 June 2017.

(c) Directors’ Recommendation

With respect to **Resolution 4**, Mr Mather, Mr Bovard and Mr Willson recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:

- (i) the grant of the Director Options as proposed to Mr Moller will provide him with reward and incentive for future services he will provide to the Company to further the progress the Company;
- (ii) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- (iii) in the Company's circumstances as they existed as at the date of this Explanatory Memorandum, Mr Mather, Mr Bovard and Mr Willson considered that the incentive provided a cost-effective and efficient incentive as opposed to alternative forms of incentives (eg cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party.

As Mr Moller is interested in the outcome of Resolution 4, he accordingly makes no recommendation to Shareholders in respect of this Resolution.

With respect to **Resolution 5**, Mr Moller, Mr Bovard and Mr Willson recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:

- (i) the grant of the Director Options as proposed to Mr Mather will provide him with reward and incentive for future services he will provide to the Company to further the progress the Company;
- (ii) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- (iii) in the Company's circumstances as they existed as at the date of this Explanatory Memorandum, Mr Moller, Mr Bovard and Mr Willson considered that the incentive provided a cost-effective and efficient incentive as opposed to alternative forms of incentives (eg cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party.

As Mr Mather is interested in the outcome of Resolution 5, he accordingly makes no recommendation to Shareholders in respect of this Resolution.

With respect to **Resolution 6**, Mr Moller, Mr Mather and Mr Willson recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:

- (i) the grant of the Director Options as proposed to Mr Bovard will provide him with reward and incentive for future services he will provide to the Company to further the progress the Company;
- (ii) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- (iii) in the Company's circumstances as they existed as at the date of this Explanatory Memorandum, Mr Moller, Mr Mather and Mr Willson considered that the incentive provided a cost-effective and efficient incentive as opposed to alternative forms of incentives (eg cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party.

As Mr Bovard is interested in the outcome of Resolution 6, he accordingly makes no recommendation to Shareholders in respect of this Resolution.

With respect to **Resolution 7**, Mr Moller, Mr Mather and Mr Bovard recommend that Shareholders vote in favour of this Resolution. The reasons for their recommendation include:

- (i) the grant of the Director Options as proposed to Mr Willson will provide him with reward and incentive for future services he will provide to the Company to further the progress the Company;
- (ii) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- (iii) in the Company's circumstances as they existed as at the date of this Explanatory Memorandum, Mr Moller, Mr Mather and Mr Bovard considered that the incentive provided a cost-effective and efficient incentive as opposed to alternative forms of incentives (eg cash bonuses, increased remuneration).

However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party.

As Mr Willson is interested in the outcome of Resolution 7, he accordingly makes no recommendation to Shareholders in respect of this Resolution.

(d) Directors' Interest and Other Remuneration

Mr Moller

Mr Moller has a material personal interest in the outcome of Resolution 4, as it is proposed that Director Options be granted to him (or his nominee) as set out in Resolution 4.

Excluding the Director Options, Mr Moller (and entities associated with him) holds 13,017,452 Shares in the Company, and no options to subscribe for Shares in the Company, Please refer to the table below which indicates the holdings of Mr Moller (and entities associated with him).

Other than the Director Options to be issued to Mr Moller pursuant to Resolution 4, Mr Moller is entitled to receive director's remuneration of \$50,000 per annum (total cost to the Company) from the Company for his services as an Non-Executive Director.

Mr Mather

Mr Mather has a material personal interest in the outcome of Resolution 5, as it is proposed that Director Options be granted to him (or his nominee) as set out in Resolution 5.

Excluding the Director Options, Mr Mather (and entities associated with him) holds 72,871,113 Shares in the Company and 10 million options to subscribe for Shares in the Company, exercisable at \$0.04 on or before 30 June 2015, and 12.2 million options to subscribe for Shares in the Company, exercisable at \$0.025 on or before 25 November 2015, the latter being for underwriting services. Please refer to the table below which indicates the holdings of Mr Mather (and entities associated with him).

Other than the Director Options to be issued to Mr Mather pursuant to Resolution 5, Mr Mather is entitled to receive remuneration of \$100,000 per annum (total cost to the Company) from the Company for his services as an Executive Director.

Mr Bovard

Mr Bovard has a material personal interest in the outcome of Resolution 6, as it is proposed that Director Options be granted to him (or his nominee) as set out in Resolution 6.

Excluding the Director Options, Mr Bovard (and entities associated with him) holds 14,458,211 Shares in the Company and 5 million options to subscribe for Shares in the Company exercisable at \$0.04 on or before 30 June 2015. Please refer to the table below which indicates the holdings of Mr Bovard (and entities associated with him).

Other than the Director Options to be issued to Mr Bovard pursuant to Resolution 6, Mr Bovard is entitled to receive director's remuneration of \$40,000 per annum (total cost to the Company) from the Company for his services as Non-Executive Director.

Mr Willson

Mr Willson has a material personal interest in the outcome of Resolution 7, as it is proposed that Director Options be granted to him (or his nominee) as set out in Resolution 7.

Excluding the Director Options, Mr Willson (and entities associated with him) holds 4,066,750 Shares in the Company, and 5 million options to subscribe for Shares in the Company, exercisable at \$0.04 on or before 30 June 2015. Please refer to the table below which indicates the holdings of Mr Willson (and entities associated with him).

Other than the Director Options to be issued to Mr Willson pursuant to Resolution 7, Mr Willson is entitled to receive director's remuneration of \$40,000 per annum (total cost to the Company) from the Company for his services as an Non-Executive Director.

If all of the new Director Options granted are exercised by Mr Moller, Mr Mather, Mr Bovard and Mr Willson, the following will be the effect on their holdings in the Company:

Director (including associated entities)	Current Share Holding	% of Total Share Capital *	Shares Held Upon Exercise	% of Total Share Capital*
Mr Moller	13,017,452	1.12%	23,017,452	1.91%
Mr Mather	72,871,113	6.25%	82,871,113	6.88%
Mr Bovard	14,458,211	1.24%	24,458,211	2.03%
Mr Willson	4,066,750	0.35%	14,066,750	1.17%
All Other Holders	1,060,866,461	91.04%	1,060,866,461	88.01%
Total	1,165,279,987	100.00%	1,205,279,987	100.00%

*Assuming that no other shares are allotted, and that **none** of the following current unlisted options (**Unlisted Options**) on issue are exercised:

- 20,000,000 existing directors' options (10 million options to Mr Mather, 5 million Options to Mr Bovard and 5 million options to Mr Willson) exercisable at \$0.04 each, expiring on 30 June 2015;
- 45,500,000 options to various parties exercisable at \$0.04 each, expiring on 30 June 2015;
- 12,231,115 underwriting options to Mr Mather exercisable at \$0.025 each, expiring 25 November 2015.

(e) Valuation

The Director Options are not currently quoted on the ASX and as such have no market value. The Director Options each grants the holder thereof a right to subscribe for one Share upon exercise of each Director Option and payment of the Exercise Price of the Director Option described above. Accordingly, the Director Options may have a present value at the date of their grant.

The Director Options may acquire future value dependent upon the extent to which the Shares exceed the Exercise Price of the Director Options during the term of the Director Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have value. Various factors impact upon the value of options including things such as:

- the period outstanding before the expiry date of the options;
- the exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (ie. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- the value of the shares into which the options may be converted; and
- whether or not the options are listed (ie readily capable of being liquidated), and so on.

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black-Scholes Model option valuation formula).

The Company has sought an independent valuation of the Director Options from RFC Corporate Finance Ltd. The method used to value the options was the Black-Scholes Model, which is the most widely used and recognised model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company's underlying Share price and expected dividends.

Inherent in the application of the Black-Scholes Model are a number of inputs, some of which must be assumed. The data relied upon in the valuation applying the Black-Scholes Model was:

- an exercise price of the options being \$0.02;
- a market price of Shares of \$0.005 being the closing price of Shares prior to the 5 May 2015 valuation, as a proxy for the market price at the future date of issue, being the date of the Annual General Meeting to approve the issue;
- the Director Options vesting on the date of issue, being estimated to be 30 June 2015;
- the Expiry Date of 30 June 2017.
- a volatility measure of 100%;
- a risk-free interest rate of 1.96%; and
- a dividend yield of 0.00%.

Some relatively minor variables were included in the calculation to estimate the value of Director Option as "American style" options (being exercisable at any time prior to the stated expiry date). Theoretically, the Black-Scholes Model prices "European style" options (being exercisable only on this exercise date).

Based on the valuation, the Company has adopted an indicative value for the Director Options of 0.11 cents each.

On that basis, the respective value of the Director Options to be issued pursuant to Resolutions 4, 5, 6 and 7 are as follows:

- Mr Moller – \$11,000
- Mr Mather – \$11,000
- Mr Bovard – \$11,000
- Mr Willson – \$11,000

(f) Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

There is no other information known to the Company or any of the Directors save and except as follows:

Market Price movements:

The option valuation noted above is based on a market price of the Shares at the time of the valuation dated 5 May 2015 of \$0.005.

There is a possibility that the market price of the Shares on the date of issue of the Director Options will be different to this and that the market price of the Shares will change up to the date of the Annual General Meeting.

The effect on the valuation per option of movements in the market price of the Shares is set out below:

Market Price	Valuation per option
\$0.003	0.04 cents
\$0.004	0.07 cents
\$0.005	0.11 cents
\$0.006	0.15 cents
\$0.007	0.20 cents
\$0.008	0.25 cents

(a) Opportunity Costs

The opportunity costs and benefits foregone by the Company issuing the Director Options to Mr Moller, Mr Mather, Mr Bovard and Mr Willson, or their respective nominee, is the potentially diluted impact on the issued Share capital of the Company (in the event that the Director Options are exercised). Until exercised, the issue of the Director Options will not impact upon the number of Shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused by the issue of the Shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled directors on appropriate incentive terms. It is also considered that the potential increase of value in the Director Options is dependent upon a concomitant increase in the value of the Company generally.

(b) Trading History of the Shares

As at 5 May 2015, the closing price of Shares on ASX was \$0.005.

Set out below is the trading history of the Shares over the past 12 months.

	Market Price 6 months prior to Notice of Meeting	Market Prices 12 months prior to Notice of Meeting
High	\$0.005	\$0.007
Low	\$0.003	\$0.003
VWAP	\$0.004	\$0.004

(c) Taxation Consequences

No stamp duty will be payable in respect of the grant of the Director Options. No GST will be payable by the Company in respect of the grant of the Director Options (or if it is then it will be recoverable as an input credit).

AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

(d) Dilutionary Effect

The dilutionary effect on the Company and its shareholders is summarized in the table on page 14 above.

Listing Rule 10.11

Listing Rule 10.11 requires an entity to obtain the approval of shareholders to an issue of securities to a related party. Each of Mr Moller, Mr Mather, Mr Bovard and Mr Willson being a Director of the Company, is a related party. Accordingly, because the issue of the Director Options will result in the Company issuing securities to a related party, approval under Listing Rule 10.11 is required.

For the purposes of Listing Rule 10.13, the Company advises as follows:

- The maximum number of Director Options to be issued to Mr Moller, Mr Mather, Mr Bovard and Mr Willson is 40,000,000 Director Options, being:
 - 10,000,000 Director Options to Mr Moller or his associate;
 - 10,000,000 Director Options to Mr Mather or his associate;
 - 10,000,000 Director Options to Mr Bovard or his associate;
 - 10,000,000 Director Options to Mr Willson or his associate.
- The Director Options are intended to be granted as soon as possible following the meeting, but in any event, within one (1) month of the date of the Meeting.
- The Director Options are being issued for nil consideration.
- No funds are being raised by the grant of the Director Options, but up to \$800,000 would be raised in the future via their exercise. The money raised would be used for:
 - progress of the Company's ongoing business plan to list its project based subsidiary companies;
 - progress of the identification and initial exploration of new projects; and
 - payment of other corporate costs and to provide additional working capital.

In accordance with Listing Rule 7.2, as approval is being sought under Listing Rule 10.11, approval is not required to be obtained under Listing Rule 7.1.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 4, 5, 6 and 7.

Voting restrictions

There are restrictions on voting on Resolutions 4 - 7 (inclusive) by Directors and their associates and Key Management Personnel and their Closely Related Parties, for additional details please refer to the Voting Exclusion Statement in relation to Resolutions 4 – 7 (inclusive) of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolutions 4 – 7 (inclusive), subject to compliance with the Corporations Act.

6. Voting Entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7pm (Brisbane time) on 22 June 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

7. Interpretation

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

ASIC means the Australian Securities & Investments Commission;

ASX means the ASX Limited;

Business Day means a day on which all banks are open for business generally in Brisbane;

Company means Aus Tin Mining Ltd ACN 122 957 (ASX: ANW);

Constitution means the constitution of the Company from time to time;

Corporations Act means the *Corporations Act* 2001 (Cth);

Directors means the board of Directors of the Company as at the date of the Notice of Meeting being Brian Moller, Nicholas Mather, John Bovard and Richard Willson;

Explanatory Memorandum means the explanatory statement accompanying this Notice;

Listing Rules means the official listing rules of the ASX as amended from time to time;

Market Price has the meaning given in the ASX Listing Rules;

Meeting means the Extraordinary General Meeting to be held on 24 June 2015 as convened by the accompanying Notice of Meeting;

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum;

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

Participating Directors means Mr Brian Moller, Mr Nicholas Mather, Mr John Bovard and Mr Richard Willson.

Placement means the allotments totalling 233,000,000 shares made by the Company on 13 March and 13 April 2015 at an issue price of \$0.004 per Share.

Proposed Placement Shares means 2,500,000 shares to be issued at \$0.004 per share to the private investors

Resolutions means the resolutions set out in the Notice of Meeting;

Shares means fully paid ordinary shares in the Company from time to time;

Shareholder means a shareholder of the Company;

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to **Karl Schlobohm** (Company Secretary):

Office: Aus Tin Mining Ltd, Level 27, 111 Eagle Street, Brisbane QLD 4000

Phone: +61 7 3303 0611

Notes

How to Vote

You may vote by attending the Annual General Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting by Proxy

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on their behalf. Where a member is entitled to cast two or more votes, they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a member of the Company.

Members who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the Corporations Act 2001 (Cth).

If a representative of the Company is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a sole director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to Section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a sole director can also sign alone.

Otherwise this form must be signed by a director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

To vote by proxy, the proxy form provided with this notice (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not less than forty eight (48) hours before the scheduled time for the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

Completed proxies can be returned to the Company Secretary by either mail to Level 27, 111 Eagle Street, Brisbane, Queensland 4001; or facsimile to (07) 3303-0681, or scanned and emailed to kschlobohm@austinmining.com.au

Appointment of Proxy

I/We being Shareholder(s) of Aus Tin Mining Limited (Company) hereby appoint:

☐ the Chairman of the Meeting
OR
 (mark with an "X")

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Aus Tin Mining Limited to be held at Level 7, Waterfront Place, 1 Eagle Street Brisbane, Qld on 24 June 2015 at 10.00am (Brisbane time) and at any adjournment of that meeting. If the Chair of the meeting is appointed as your proxy, or may be appointed by default, and you do NOT wish to direct your proxy how to vote as your proxy in respect of the resolution/s, please place a mark in the box opposite. ☐

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of a resolution and that votes cast by the Chair of the meeting for the Relevant Resolution other than as proxy holder will be disregarded because of that interest. If the Chair of the meeting is your proxy and you do not mark this box or direct the Chair of the meeting how to vote above, the Chair of the meeting will not cast your votes on the Relevant Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Relevant Resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of the resolutions including the Relevant Resolution.

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/s he has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest. If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is%. (An additional proxy form will be supplied by the Company on request). If you wish to appoint the proxy to exercise voting power over only some of your Shares, the number of Shares in respect of which this proxy is to operate is Shares (Note: proxy will be over all Shares if left blank).

I/we direct my/our proxy to vote as indicated below:

Resolution	For	Against	Abstain
1. Issue of Shares to DGR Global	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Issue Proposed Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratify Previous Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Allotment of Director Options to Moller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Allotment of Director Options to Mather	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Allotment of Director Options to Bovard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Allotment of Director Options to Willson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Secretary	Director	Director/Company Secretary	

Contact Name

Contact Daytime Telephone

Date