

ASX Release: 31 October 2013

Quarterly Activities Report - Period Ended 30 September 2013

ASX CODE: ANW

At Time of Publication

Shares on Issue

606.6 million

Unlisted Options

87.5 million

Performance Shares

8.9 million

Market Capitalisation

\$6.67M

DIRECTORS

Brian Moller (Chairman)
Nick Mather
Ben Harrison
John Bovard
Richard Willson

CHIEF EXECUTIVE OFFICER

Peter Williams

COMPANY SECRETARY

Karl Schlobohm

CONTACT DETAILS

Level 27, 111 Eagle Street
Brisbane QLD 4000
Tel: +61 7 3303 0604
Fax: +61 7 3303 0681

www.ausnico.com.au

HIGHLIGHTS

- **Maiden Mineral Resource (JORC 2012) of 57,200t contained tin announced for Taronga Tin Deposit**
- **Independent review characterises Taronga ore as simple to process and metallurgical flow sheet finalised for Updated PFS**
- **Entitlement Issue fully subscribed**

REVIEW OF ACTIVITIES

Updated PFS for the Taronga Tin Project

During the quarter the Company reported a Maiden Mineral Resource (JORC 2012) for the Taronga Tin Deposit of 36.3M tonnes containing 57,200 tonnes of tin, 26,400 tonnes of copper and 4,400,000oz of silver. The Mineral Resource confirms the Taronga Tin Deposit as a world class asset, which remains open at depth and with the potential for uplift in tin grade attributable to a sample volume variance. Approximately 79% of the contained tin within the Mineral Resource was classified as Indicated providing a suitable foundation for the Updated PFS.

Work continued on the Updated PFS for the Taronga Tin Project, including the finalisation of the metallurgical flow sheet. The metallurgical flow sheet includes pre-concentration, coarse grinding and gravity concentration and reflects the simple metallurgical performance of the ore.

Exploration Other

An extension to the southern tenement boundary of the Heazlewood Project was granted. The Exploration Licence now encompasses 500m of a magnetic target considered to be analogous to the Avebury deposit also in Tasmania.

Entitlement Issue Completed

The Company completed a 2 for 5 non-renounceable Entitlement Offer raising approximately \$870,000. The Offer was fully subscribed and funds will be used to progress the Updated PFS, exploration activities and meet working capital.

JUNE QUARTER 2013 ACTIVITIES

Taronga Tin Project (NSW)

During the quarter the Company announced the Maiden Mineral Resource (JORC 2012) for the Taronga Tin Deposit. The Mineral Resource estimate was independently prepared by Mining One Consultants (Mining One) and it was estimated and reported in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Minerals Resources and Ore Reserves (JORC Code 2012).

Taronga Tin Deposit - Mineral Resource (JORC 2012)									
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 Taronga Tin Project - Tin Mineral Resource

Of the total Mineral Resource reported in Table 1, approximately 74% of the tonnage and 79% of the contained tin has been classified as Indicated.

Most drilling at the Taronga Tin Deposit was undertaken to a depth of 200m but limited drilling at depth does indicate potential for continuation of mineralisation, which may trend to higher grade mineralisation as the vein widths increase but vein density decreases. No provision has been included in the resource estimate for the potential grade uplift attributable to sample volume variance as reported by previous owners Newmont.

No historical resource was previously calculated for copper and silver, although over 65% of mineral intercepts were assayed for copper and silver. The copper and silver Mineral Resource (Table 2) has a lower classification owing to low sample grades and fewer assay data for these elements compared with tin. There is insufficient assay data to calculate a resource estimate for other elements known to exist within the mineralisation, namely fluorine, tungsten and molybdenum.

Taronga Tin Deposit – Copper and Silver Mineral Resource (JORC 2012)									
0.1% Sn Cut-off Grade									
	Indicated			Inferred			Total		
	Mt	Assay % Cu & g/t Ag	Contained Metal tonnes or oz	Mt	Assay % Cu & g/t Ag	Contained Metal tonnes or oz	Mt	Assay % Cu & g/t Ag	Contained Metal tonnes or oz
Northern Zone									
Copper	-	-	-	27.0	0.07	19,000t	27.0	0.07	19,000t
Silver	-	-	-	27.0	3.8	3,300,000oz	27.0	3.8	3,300,000oz
Southern Zone									
Copper	-	-	-	9.3	0.08	7,400t	9.3	0.08	7,400t
Silver	-	-	-	9.3	3.8	1,100,000oz	9.3	3.8	1,100,000oz
Total									
Copper	-	-	-	36.3	0.07	26,400t	36.3	0.07	26,400t
Silver	-	-	-	36.3	3.8	4,400,000oz	36.3	3.8	4,400,000oz

Table 2 Taronga Tin Project - Copper & Silver Mineral Resource

During the quarter the Company also commenced a review to confirm the metallurgical flow sheet for inclusion in the Updated PFS, which was subsequently completed in October 2013. The Independent Metallurgist undertaking the work concluded that the predominant tin mineral (cassiterite) is mostly coarse grained and considered straightforward to process when compared to complex high sulphide, fine grained, disseminated tin ores such as those found for example elsewhere in Australia. The Independent Metallurgist also concluded that a concentrate grading 55% Sn and acceptable to smelters should be produced at a tin recovery of 70%.

The Independent Metallurgist finalised the metallurgical flow sheet for the Updated PFS (refer Figure 1) including heavy medium separation based on the amenability of the ore to pre-concentration and coarse grinding based upon the good liberation achieved at particle sizes as high as 2.00mm.

The Independent Metallurgist also highlighted the potential to increase the overall tin recovery through the inclusion of hydrocyclones and centrifugal classification for the recovery of fine tin, and the recovery of copper and silver with the potential to making a saleable silver bearing copper concentrate from the bulk sulphide and/or the recovery of silver by leaching.

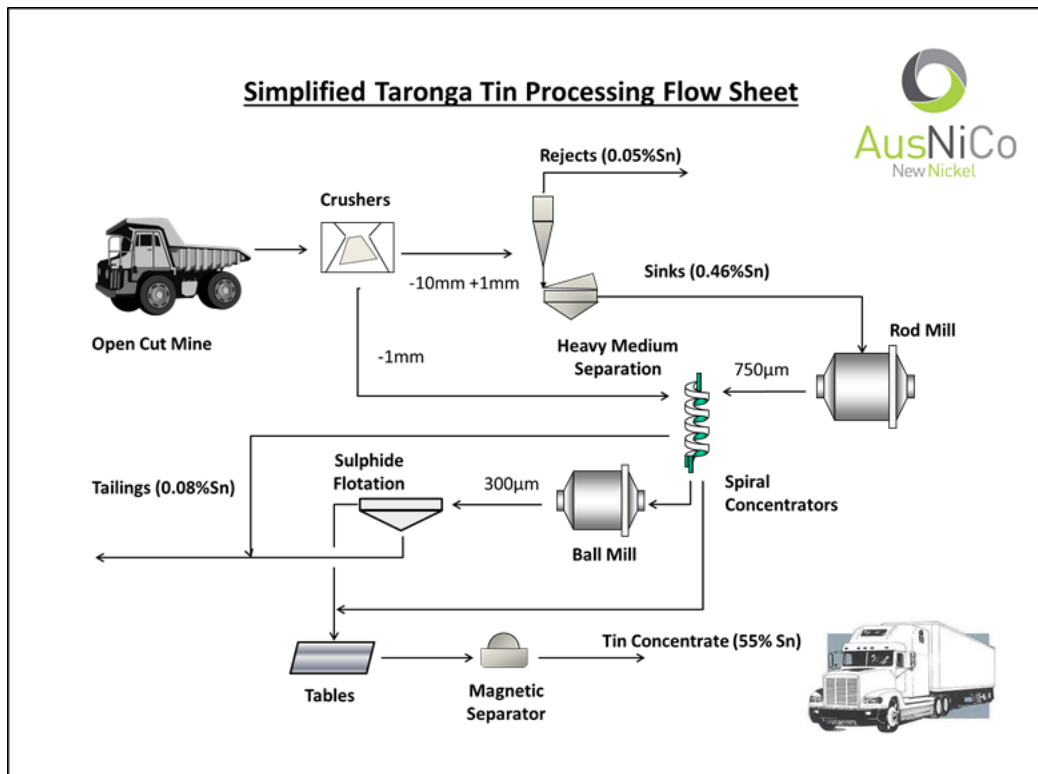


Figure 1 – Taronga Tin Updated Pre-Feasibility Study Flow Sheet

Heazlewood Project (Tasmania)

During the quarter the Company was granted an extension to the licence boundary of EL 50/2011 which will enable the Company to explore Anomaly E located within the southern part of the licence.

Anomaly E is a Total Magnetic Intensity (TMI) anomaly over a distance of approximately 500m, and is partially coincident with a strongly anomalous Electro Magnetic survey response (Figure 2). Anomaly E target is considered to be analogous to the Avebury deposit based on the existence of secondary magnetite alteration with probable granitic sources, a potential fluid pathway with the steep bounding faulted contact at Nickel Creek, evidence of sulfur proximate to the system (ie heazlewoodite at nearby Lord Brassey mine) and nickeliferous serpentinised dunite host rocks (evidenced by remobilised Nickel eg: Zaratite at Lord Brassey).

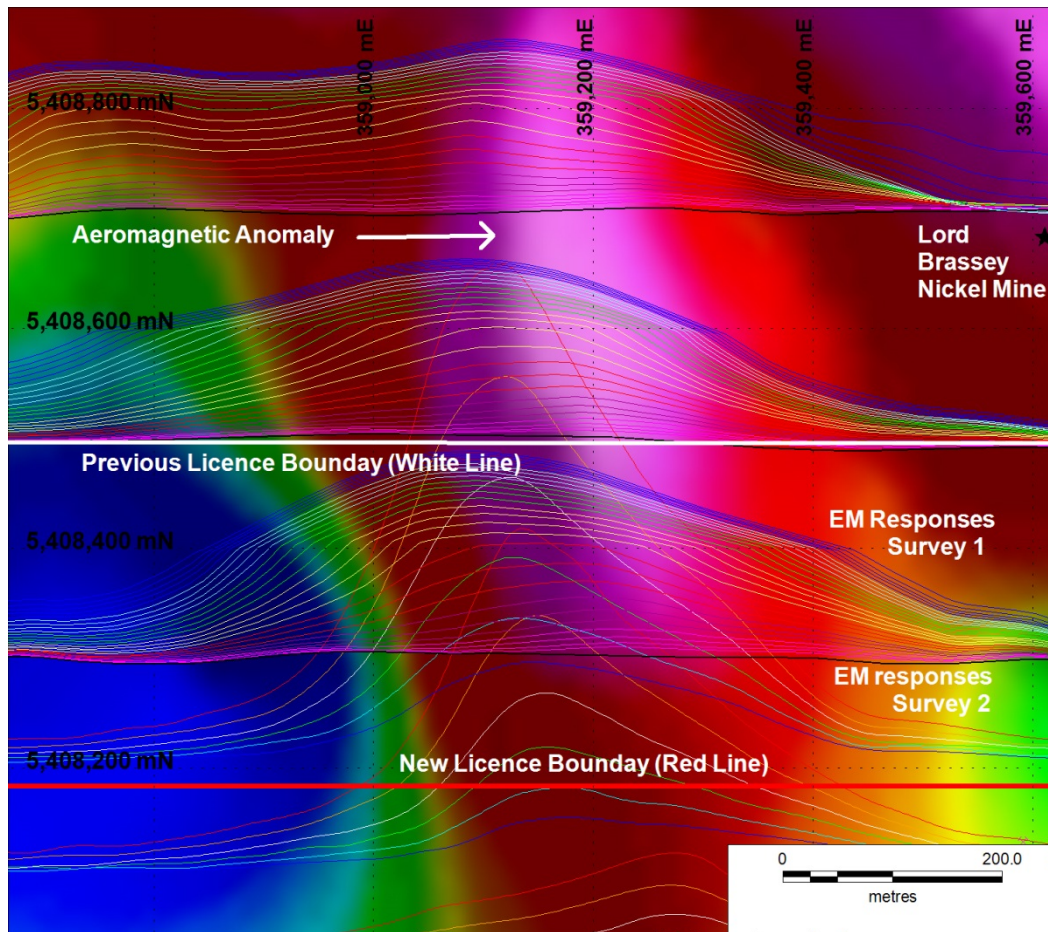


Figure 2 – Coincident TMI and EM responses at Anomaly E

Other Exploration

During the quarter the Company progressed Native Title agreements for a number of existing exploration licence applications and anticipates the finalisation and grant of additional project areas before the end of the year.

Tenement Management

All statutory reporting was completed in order to preserve in good standing, the Company's extensive, highly prospective exploration tenements.

Corporate

During the quarter the Company completed a 2 for 5 non-renounceable Entitlement Offer to raise \$873,651 before costs. The Offer was fully subscribed and funds will be used to progress the Updated PFS, exploration activities and meet working capital. The Company also commenced discussions with parties regarding financing at an asset level for the future funding for the Taronga Tin Project.



Subject to shareholder approval, the Company has announced a proposed change in name to Aus Tin Mining Limited, to better reflect the Company's development of the Taronga Tin Project.

A handwritten signature in blue ink, appearing to read "K. Schlobohm", is written over a light blue horizontal line.

On behalf of the Board
KM Schlobohm
Company Secretary

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 AusNiCo. 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 26th August 2013 and is available to view on www.ausnico.com.au. AusNiCo confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. AusNiCo 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.

Email: info@ausnico.com.au

Electronic copies and more information are available on the Company website: www.ausnico.com.au

For further information contact:

Mr Peter Williams
CEO, AusNiCo Limited
Ph: 07 3303 0604

Karl Schlobohm
Company Secretary, AusNiCo Limited
Ph: 07 3303 0661