



ASX Announcement

Aus Tin Mining Limited (ASX: ANW)

8 November 2021

Taronga Tin Project Divested to First Tin plc for an Estimated \$34m in Cash and Equity in a Globally Diverse Tin Company to Accelerate Mine Development

Highlights:

- The execution of a Sale & Purchase Agreement (SPA) to sell Aus Tin's subsidiary company Taronga Mines Pty Ltd which owns outright the Taronga Tin Project to First Tin Limited (First Tin), a United Kingdom based, tin focused company with substantial tin assets in Saxony, Germany. First Tin is expecting to finalise a capital raising (Capital Raising) and IPO and list on the main board of the London Stock Exchange early in 2022.
- Under the terms of the SPA:
 1. Aus Tin will receive 60 million shares in First Tin, or a minimum of 22.6% of the shares in First Tin at an expected issue price of not less than 30 pence in conjunction with a Capital Raising of not less than £20 million. Aus Tin has been provided with an anti-dilution mechanism whereby its share consideration will increase in the event the issue price is lowered below 30 pence so its equity % shareholding is maintained.
 2. The shares which Aus Tin is granted in First Tin will be subject to a maximum escrow period of 12 months. Under the SPA, the escrow period for some of the shares may be reduced if there is a change in control of First Tin or upon listing the First Tin shares trade at prices substantially in excess of the anticipated issue price during the escrow period.
 3. In addition to share consideration in First Tin, Aus Tin will receive cash of A\$1.35 million.
 4. Aus Tin will be granted one Board seat provided its shares in First Tin continue to represent more than 10% of First Tin. Nicholas Mather is expected to fill that position.
 5. A Services Agreement with Robert Kidd (Interim CEO of Aus Tin) will be executed to appoint him as the Project Manager of the Taronga Project on completion of the deal.
- Sale consideration payable to Aus Tin:
 1. 60 million First Tin shares at an expected issue price of 30p = £18 million which at current exchange prices is notionally equivalent to A\$32.96 million.
 2. Cash of A\$1.35 million.
 3. Expected Total Consideration = A\$34.31 million.

The Directors of Aus Tin are delighted to announce the proposed sale of its 100% owned subsidiary, Taronga Mines Pty Ltd, which owns the Taronga Project near Emmaville NSW, to First Tin Ltd. The Directors are of the opinion that the sale of Taronga Mines to First Tin, a motivated and focused tin company, will accelerate the development of the Taronga Project and will ultimately be in the best interest of Aus Tin shareholders. First Tin has expressed its desire to develop Taronga into an operational tin mine as quickly as possible. First Tin embodies skills in development finance and marketing which endorse this strategy along with a diverse tin resource portfolio which will see First Tin as one of the world largest tin companies.

About First Tin

First Tin Ltd is a well-funded, UK based, public unlisted company that is planning a standard listing on the London Stock Exchange (LSE) in the first quarter of 2022, after raising between £20M to £30M.

The company holds two advanced stage tin projects in Germany: Tellerhauser and Gottesberg, with combined resources of 216,000t tin plus significant copper, zinc, indium and magnetite. These projects are well located in the heart of Europe, being in the Erzgebirge (Ore Mountains) district in the state of Saxony, south-eastern Germany, close to the Freiberg Cluster – a hub for raw materials research and development and home to the largest collection of smelters in Europe. A long tradition of mining exists in the area, with the first written mine records dating back to the year 1268.

A pre-feasibility study (PFS) has shown the Tellerhauser project to be viable and a definitive feasibility study (DFS) is planned to commence in early 2022, along with a large drilling programme designed to increase the resource base and convert additional inferred mineralisation to indicated status. It is planned to make this project a showcase for environmentally friendly mining, being a “zero waste mine” with all waste rock and tailings remaining or returning underground.

First Tin has a very strong management team including the CEO, Thomas Buenger, who was previously Chief Operating Officer of Arubis, the largest smelting conglomerate in Europe, and has the aim of becoming a globally significant producer of tin in Tier 1 jurisdictions where tracing tin from mine to end product will be entirely transparent.

The addition of the Taronga project to First Tin’s portfolio of projects will significantly strengthen that position, with a second DFS planned to be run concurrently, starting in early 2022. The total resource base of the company will increase to over 273,000t tin, equivalent to the fourth largest undeveloped tin resource worldwide. Subject to completing the two DFSs, annual production is targeted to be between 5,000t and 6,000t tin in concentrates.

About Taronga Mines Pty Ltd

Taronga Mines has a strong presence in the Emmaville district in northern New South Wales. Historically, the district has produced 88,000 tonnes of tin in concentrates. The company holds exploration licences and a mining lease which contain the Taronga Project which boasts a JORC 2012 Indicated and Inferred Resource of 36.3M tonnes @ 0.16% Sn containing 57,200 tonnes of tin (70% of this resource is in the Indicated category – refer Table 1 below for full details). In addition, the company holds several exploration licenses over other prospective exploration ground in the district many of which contain mineralisation styles similar to Taronga.

Table 1: Taronga Tin Project - Tin Mineral Resource (JORC 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 |

The first substantial exploration work undertaken at Taronga was in the 1930's when BHP drove an exploration adit into the Northern Zone of the Taronga deposit. BHP returned in the 1950's and did more work in an adit before withdrawing again. Newmont and their joint venture partners did most of the exploration work at Taronga between 1979 and 1982, including over 30,000 metres of drilling. Newmont also conducted comprehensive metallurgical testing as well as mine planning as part of a Prefeasibility Study before abandoning the project.

In 2014, Aus Tin completed a PFS on the Taronga Project which demonstrated viability at a tin price of US\$25,000 per tonne. In that study the project showed an NPV (8%) of A\$63 million and an IRR of 27% (refer ASX release of 7 April 2014 for full details).

In recent years Aus Tin has demonstrated that the Taronga ore could respond well to upgrading by forms of ore sorting techniques other than that considered in the 2014 PFS. Studies to optimise the best ore sorting system are planned for the next 6 months, and are expected to significantly reduce the capital expenditure requirement for the development of the project compared to the 2014 PFS.

The company continues to assess grade and recovery improvements, beneficiation, copper and silver credits and additional resource upgrades in an environment of continued improvements in tin prices and long forecasts in demand and supply imbalances.

The proposed sale is subject to a number of conditions including; and

- (a) The approval of Aus Tin shareholders (**Shareholder Approval**); and
- (b) First Tin completing its Capital Raising.

Shareholder Approval is to be sought from the shareholders of Aus Tin at the upcoming 2021 Annual General Meeting. In the absence of a higher or better proposal the proposed sale to First Tin is recommended and is supported by the Board. The Board expects that the sale will be supported by the major shareholders of Aus Tin including Laneway Resources Ltd, DGR Global Ltd, Samuel Holdings Pty Ltd and Tenstar Trading Ltd.

The sale transaction is expected to unlock value in the NSW tin assets of the Company, allowing continued exposure to the potential upside in the Taronga project via its holding in First Tin Ltd, whilst Aus Tin can give increased focus on its other projects including the Ashford coal project, and its Queensland nickel and cobalt assets at Mt Cobalt and Kaldanga.

This announcement has been authorized by the Company Secretary

Karl Schlobohm
Company Secretary

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

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Competent Persons 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 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.austinmining.com.au. Aus Tin Mining 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.

In the information in this Announcement that relates to Ore Reserves is based on information extracted from the report entitled "Pre-Feasibility Advances the Taronga Tin Project" created on 7th April 2014 and is available to view on www.austinmining.com.au. Aus Tin Mining 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.