



ASX Announcement

Aus Tin Mining Limited (ASX:ANW)

20 September 2019

Operations Update for Granville and Taronga

Highlights:

- **The Company is to undertake a strategic review of the Granville operation following a disruption to mining activities.**
- **Interim program of drilling and metallurgical test work to be undertaken Taronga to progress data for future feasibility work.**
- **Letter of funding support received from the Company's largest shareholder, DGR Global Ltd.**

The Directors of Aus Tin Mining Limited (the Company) wish to provide the following update in relation to the Granville Tin Mine on the west coast of Tasmania, and the Taronga Tin Project (Taronga) in northern NSW.

Granville Tin Mine (TAS)

Notwithstanding mining operations at the Granville East Mine have been on an improving trendline, transmission problems with the mine truck necessitated it be transported to Launceston earlier this week for repairs. This follows a recent failure of the 50-tonne mine excavator which the Company has now been advised could take up to six weeks to repair. Whilst a replacement 20-tonne hire excavator has enabled the continuation of normal crushing operations, the loss of both the truck and mine excavator has impacted the Company's ability to productively continue its mining operations and delivery of ore to the crusher and processing plants for several weeks.

The Company has decided to therefore utilise this period to undertake a strategic review of Granville in order to determine the most economically efficient means of extracting value from the project. This will inevitably necessitate a period during which operations will be reduced or even suspended, and based on the outcome of the review, also while any appropriate restructure is carried out. The strategic review is expected to take a number of weeks and the Company will provide a further update during the week of 7th October 2019. During this period costs for the mine are being reduced and staff requested to take annual leave.

The disruption to mining activities occurs at a time when the highest grade ore sampled to date is ready for extraction (**Figure 1**) and when pre-concentrate production at the plant had been improving (**Figure 2**), albeit that it had not yet achieved the target production rate for final concentrate. Final concentrate that has been produced and bagged has been independently sampled this week in preparation for a sale under the Traxys off-take agreement.

CEO Peter Williams said *"the failure of key mining equipment at a time production at the plant was improving is clearly unfortunate, but the resulting window provides an opportunity to critically review the project. The Company has invested significantly in Granville but it is yet to achieve selected KPIs, so changes are required and the strategic review is intended to identify these."*

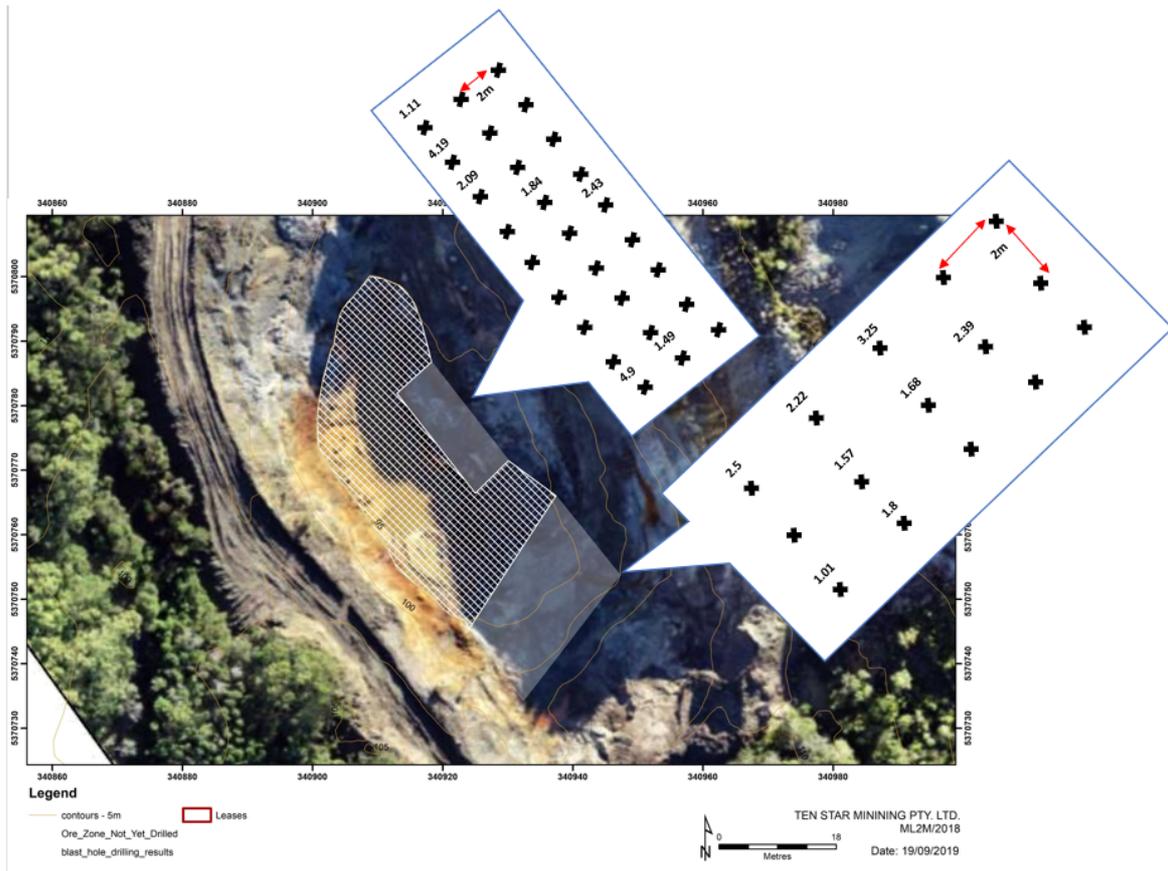


Figure 1 – Sketch of Granville East Mine and recent drill hole sampling results (assays greater than 1%Sn)

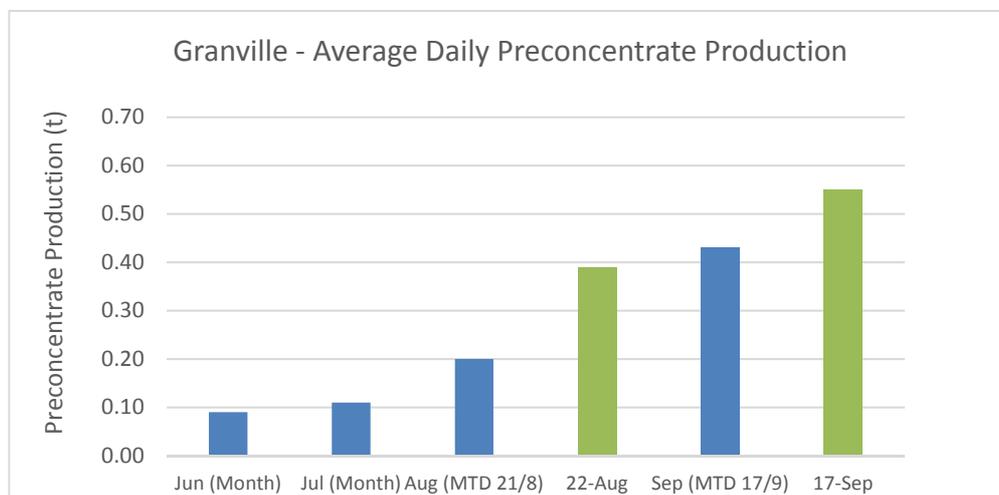


Figure 2 – Average daily preconcentrate production (updated graph from ASX Announcement of 23 August 2019)

Taronga Tin Project (NSW)

Based on the abovementioned issues at Granville, and given it was anticipated the Taronga Stage 1 development was to be funded from cashflow from Granville, the Company considers it prudent to defer further work on Taronga Stage 1 development incorporating the trial mine and pilot processing. Furthermore, given the current intense drought conditions impacting northern NSW, and recent reports that WaterNSW predict the Border Rivers (rivers system in which Taronga is located) will run dry by

September 2020 without government intervention and rain, the Company had already been considering interim programs less reliant on water but which would still progress towards a Definitive Feasibility Study. The Company is currently working with its consultants to finalise an interim work program aimed at delivering an updated mineral resource, demonstrate grade upside and provide updated metallurgical data, and is anticipated to comprise:

1. A program of close-spaced reverse circulation (RC) drilling to evaluate the potential upside in the resource grade across a selected number of resource blocks; and
2. A program of two PQ diamond drill holes to obtain sufficient sample to undertake a program of metallurgical test work evaluate the potential upside of increased tin recovery and recovery of by-product credits (notably copper and silver).

Apart from the reduced cost and delivery of results sooner, a key benefit of the interim program would be the collection of data enabling a re-estimation of the mineral resource. Previous drilling at Taronga was undertaken on a 50m x 50m grid with some infill drilling on a 25m x 25m grid, and was considered adequate to establish a JORC Indicated Resource classification. However, due to the coarse nature of the tin mineralisation (cassiterite) at Taronga and the varying intensity in veining containing the cassiterite, the calculated grade of individual resource blocks (12.5m x 12.5m x 12.5m) using ordinary kriging is influenced by the distribution of high grade samples or the “nugget effect”, that in turn is influenced by sample size.

The current mineral resource estimate is 36.3Mt at 0.16%Sn (refer **Table 2** for full details) whereas previous experts reports potential grade for the deposit of 0.19%Sn to 0.25%Sn based on a larger sample size (**Figure 3**). The proposed drill program will generate a larger sample and provide an improved distribution data for grades, including high grades, that may be employed in future resource estimates. A comparison of the two programs is provided in the table below:

Table 1: Comparison of Stage 1 Project and Proposed Interim Program

Project Summary	Stage 1 Project (Aug '19)	Interim Program
Physicals	340,000t ore 862t 60%Sn Concentrate	[100] RC holes, close spaced, shallow [2] PQ diamond & metallurgical test work
Up-front CAPEX	\$3.0M	\$0.5-0.6M (Estimated)
OPEX	\$9.0M	-
Revenue	\$11.8M (based on US\$17,000/t)	-
Time	20 months	4-6 months
Potential Outcomes		
Resource Grade	<ul style="list-style-type: none"> • Full resource reconciliation for [63] resource blocks 	<ul style="list-style-type: none"> • Drill assessment of variability in tin grade • Revised variograms for potential recalculation of entire northern zone
Tin Recovery	<ul style="list-style-type: none"> • Pilot plant optimisation for gravity, ore sorting recovery, sufficient for DFS 	<ul style="list-style-type: none"> • Laboratory scale test work, expected sufficient for DFS
By-product Recovery (copper & silver)	<ul style="list-style-type: none"> • Significant sample available for extensive laboratory scale test work, expected sufficient for DFS 	<ul style="list-style-type: none"> • Limited laboratory scale test work
OPEX	<ul style="list-style-type: none"> • Real data for inclusion in DFS 	<ul style="list-style-type: none"> • Laboratory data for inclusion in DFS

As previously announced¹, the Company intends to direct additional resources to exploration targets at Emmaville and Torrington prospective for tungsten, and silver and copper.

¹ Refer ASX Announcement dated 11th September 2019

Letter of Funding Support from DGR Global

The Company is pleased to have received a letter of funding support from its largest shareholder, DGR Global for an amount of up to \$1,000,000 and for a term of up to 12 months, with funding requests to be accompanied by details of proposed expenditure and subject to DGR Global approval. As it awaits the outcomes of the strategic review at Granville, and results of the interim work program at Taronga, the Company will continue to pursue suitable funding avenues.



On behalf of the Board
Karl Schlobohm
Company Secretary

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About Aus Tin Mining (the Company)

Aus Tin Mining Limited (ASX: ANW) has a vision to become a major Australian tin producer. The Company has recommenced production at the high-grade Granville Tin Project located north of Zeehan (TAS) and the Company intends to expand the Granville Tin Project and undertake exploration to extend the Life of Mine. The Company is also developing the world class Taronga Tin Project located near Emmaville (NSW). The Company defined and announced its maiden JORC compliant resource for the Taronga Tin Project in late 2013 and test work and exploration activities on site have revealed potential credits for copper, silver, tungsten, molybdenum, lithium and rubidium. Highly prospective regional targets have also been established within the Company's broader tenement footprint, and within trucking distance of the proposed processing site at Taronga. In May 2019 the Company received final regulatory approvals for the first stage of development at Taronga for a trial mine and pilot plant.

The Company is also actively exploring for cobalt at its Mt Cobalt project west of Gympie (QLD). Recent drilling has returned high grades for an enriched cobalt-manganese oxide zone. In addition, the Company is exploring an approximately 4km arc along the contact with the Black Snake Porphyry which is prospective for cobalt, nickel, copper and gold.

Taronga Tin Deposit - Mineral Resource (JORC 2012)									
0.1% Sn Cut-Off Grade	Indicated			Inferred			Total		
	Mt	Assay % Sn	Contained Metal tonnes	Mt	Assay % / g/t	Contained Metal tonnes or oz	Mt	Assay % / g/t	Contained Metal tonnes or oz
Tin	26.9	0.17%Sn	45,200t	9.4	0.13%Sn	12,000t	36.3	0.16%Sn	57,200t
Copper	-	-	-	36.3	0.07%Cu	26,400t	36.3	0.07%Cu	26,400t
Silver	-	-	-	36.3	3.8g/tAg	4,400,000oz	36.3	3.8g/tAg	4,400,000oz

Table 2: Summary - Tin, Copper & Silver Mineral Resource for Taronga Deposit

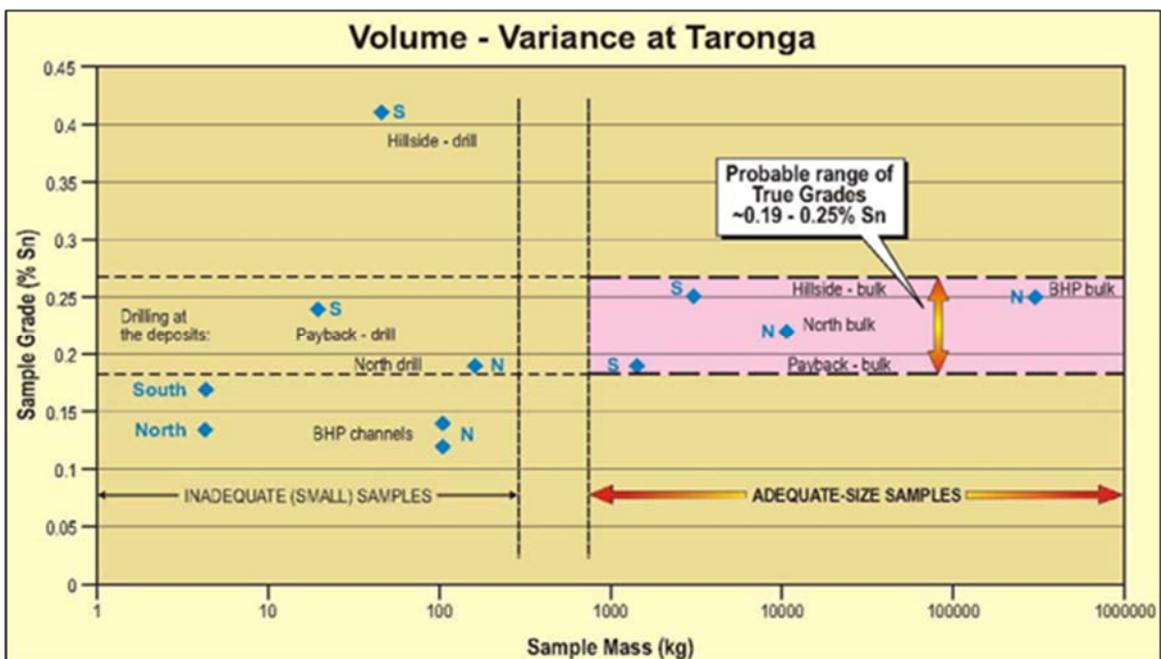


Figure 3: Probable range of true grades for Taronga Tin Project (Refer ASX Release dated 7th April 2014)

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COMPETENT PERSON 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.