



ASX Announcement

Aus Tin Mining Limited (ASX:ANW)

29 June 2017

Operations Update for the Granville Tin Project

Highlights

- Improved operational performance achieved during the quarter.
- Receipt of formal approval for the Granville Expansion from West Coast Council:
 - Increase in annual production rate to 40,000 tpa;
 - Resumption of mining at high grade tin Granville East Mine;
 - Construction of new infrastructure;
 - Forecast production rate of 550 tonnes per annum of contained tin at A\$15,600/t.

The Directors of Aus Tin Mining Limited (**the Company**) are pleased to provide the following operations update for the Granville Tin Project.

Granville Operating Performance

During the current quarter changes were made to the operating parameters for the primary jig, lifting recovery from an average 37 percent for March 2017 up to 93 percent (**Figure 1**). The increased recovery of primary jig concentrate enabled the commissioning of the ball mill and process improvements were made to the magnetic separator and flotation circuits.

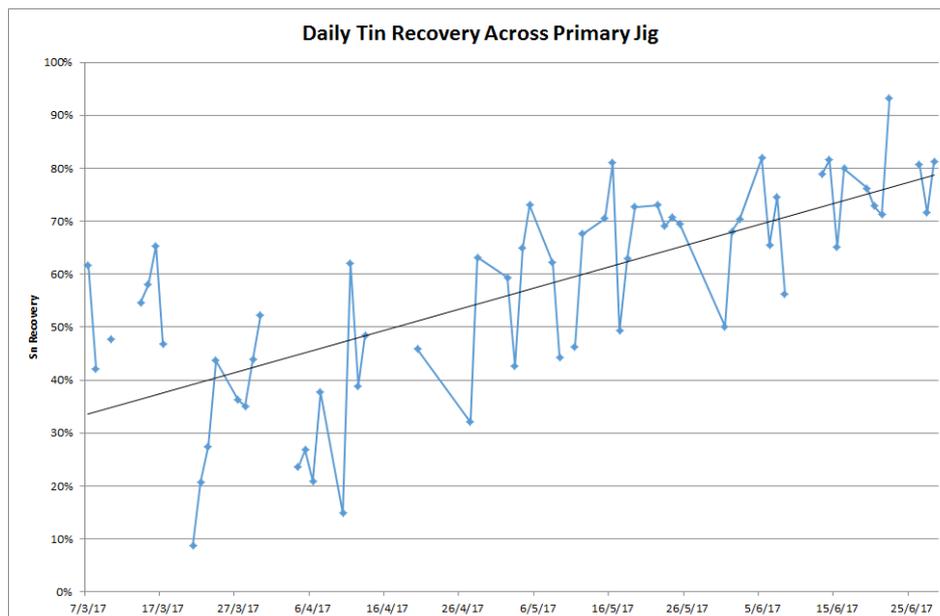


Figure 1 – Daily tin recovery across primary jig (data to 28/6/17)

The Company plans to implement further changes to increase tin recovery, including the installation of additional gravity separation capacity (scavenger jig and secondary table) plus additional equipment to improve materials handling ahead of the increased production rate associated with the Granville Expansion. The proposed works program will be funded via the recently announced \$3.25 million funding package.

Granville Expansion

As previously advised, on 20th June 2017 Tasmania's West Coast Council approved the expansion of the Granville Tin Project (Granville Expansion) subject to certain conditions being met. The Company has since received formal approval for the Granville Expansion confirming the increased production rate and permission to resume mining at the Granville East Mine. The Company has now also received all accompanying conditions and is working with regulators to satisfy their requirements ahead of resumption in mining operations.

A key outcome of the approval is the capacity to increase the annual production rate. Under the current existing user rights, the Company is restricted to an annual processing rate of 1,000m³ (or approx. 2,500 tonnes) of ore. The approval will permit the Company to increase the annual processing rate to 16,000m³ or 40,000 tonnes, and facilitate an increase in the plant utilisation. As outlined above, the Company intends to expand the gravity circuit to increase tin recovery and will also implement a number of minor modifications to the "front-end" of the circuit to accommodate an increased production rate.

Another key outcome of the approval will be the capacity to resume mining at the high grade tin Granville East Mine. During due diligence conducted in 2015, the Company undertook a limited program of drilling which confirmed high grade mineralisation at the Granville East Mine including results of 7m @ 2.22%Sn from 2m and 7m @ 2.65%Sn from 4m¹. Utilising the results of drilling plus data from the existing open cut, it was estimated up to 40,000 tonnes of material suitable for processing might be extracted. A mine plan has been developed comprising a cut back on the eastern wall of the existing pit (**Figure 2**).



Figure 2 – Topographical overview of existing Granville East open pit, with proposed east wall cutback superimposed

The Granville Expansion is subject to a number of conditions, including the requirement to construct new waste rock emplacements at the mine and a new tailings storage facility at the processing plant. Regulators, including EPA Tasmania, have stipulated various operating plans are to be submitted prior to the commencement of activities associated with the Granville Expansion, and the Company will seek to finalise the outstanding requirements during the next quarter.

¹ Refer ASX Release 7 December 2015

The Granville Expansion is anticipated to provide the cash flow to underpin the Company’s development portfolio, including the Taronga Tin Project and Mt Cobalt Project. Based on forecast production of 550 tonnes per annum of tin in concentrate and the forecast cash cost of production for the Granville Expansion at approx. A\$15,600/t of recovered tin, the operating margin is estimated at A\$10,000/t of tin in concentrate at current tin prices (refer **Table 1**).

Table 1 – Summary Forecast Economics for Granville Expansion

	A\$/t	Assumption / Comment
Revenue (A\$/t contained tin)	A\$25,600/t	Tin price – US\$19,580/t; A\$:US\$ - 0.764
Operating Costs (A\$/t recovered tin)		
Site: Mining/processing/admin/contingency	11,300	Mining by contractor / processing by Company
Offsite: Marketing/smelter charges	3,600	Includes concentrate transport, smelting & refining
Government Royalties	700	
Total Operating Costs (A\$/t recovered tin)	15,600	
Operating Cash Flow (A\$/t recovered tin)	A\$10,000/t	

Tin mineralisation at the Granville East Mine occurs in a medium to high grade, banded magnetite-cassiterite skarn replacement body extending in a north-south orientation, with an estimated width of 15 metres. The deposit is hosted in metamorphosed Neo-Proterozoic black carbonaceous shale and quartzite of the Oonah formation overlaid by Tertiary conglomerate and subsequent Quaternary stream alluvium and swamp and marsh deposits.

The magnetite-cassiterite skarn dips in an easterly direction (**Figure 3**) and drilling by previous operators has confirmed continuation of the skarn at 85m down hole². The Company intends to undertake further drilling at the Granville East Mine to test the depth extension and assess the potential to extend the life of the mine. The Company considers there to be significant potential to extend the Life of Mine either through (i) potential extension down dip of skarn mineralisation; (ii) Identified exploration target within existing Mining Lease; and/or (iii) potential exploitation of over 100 identified tin prospects within a 25km radius of the processing plant.

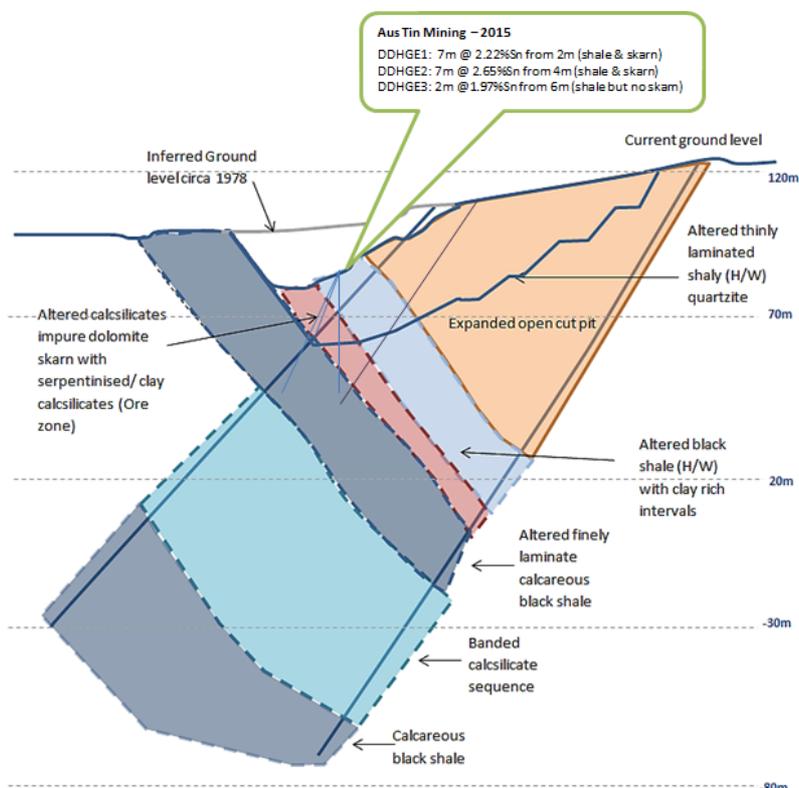


Figure 3 – Simplified cross section of Granville East open cut (not to scale)

² Refer ASX Release 7 December 2015

Peter Williams, Chief Executive Officer said *“the Granville Expansion is an important milestone that will enable the Company to resume mining at the high grade tin Granville East Mine, and provides the platform from which the Company can generate cash flow to fund its portfolio of projects. It’s an exciting period for the Company at a time when LME tin stocks have fallen to 20 year lows, levels not seen since tin became a critical component of the electronics industry as a replacement for lead solder”*.



On behalf of the Board
KM Schlobohm
Company Secretary

Email: info@austinmining.com.au

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

For further information contact:

Mr. Peter Williams
CEO, Aus Tin Mining Limited
Ph: 07 3303 0611

Karl Schlobohm
Company Secretary, Aus Tin Mining Limited
Ph: 07 3303 0680

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). Subject to regulatory approvals, 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 testwork 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. Plans for a staged development of the Taronga Tin Project are in formation, together with the associated approvals processes.

The Company also maintains an active exploration program. The Company holds a portfolio of exploration licenses prospective for nickel, cobalt and copper (Kilkivan QLD); and tin, copper, silver, tungsten and lithium (Torrington NSW).

Forward Looking Statement

This announcement may contain certain statements and projections provided by or on behalf of Aus Tin Mining Limited (Aus Tin Mining) with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of Aus Tin Mining. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or mining which may be beyond the control of Aus Tin Mining which could cause actual results or trends to differ materially, including but not limited to price fluctuations, exploration results, reserve and resource estimation, environmental risks, physical risks, legislative and regulatory changes, political risks, project delay or advancement, ability to meet funding requirements, factors relating to property title, native title and aboriginal heritage issues, dependence on key personnel, share price volatility, approvals and cost estimates. Accordingly, there can be no assurance that such statements and projections will be realised. Aus Tin Mining makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

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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.

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.