



ASX Announcement

Aus Tin Mining Limited (ASX: ANW)

15 April 2015

Stage 1 Development of Taronga Tin Project

Highlights

- **Decision to advance Taronga Tin Project with Stage 1 Development encompassing trial open cut mining and pilot plant operations.**
- **Stage 1 Development capital costs estimated at \$2.5M and expected to generate sufficient revenue at current tin prices to meet all of the capital and operating costs associated with the trial.**
- **Technical deliverables for Stage 1 Development will include resource reconciliation and metallurgical data for inclusion in final project design.**
- **Potential ongoing transition into Stage 2 will be evaluated during Stage 1.**

The Directors of Aus Tin Mining Limited (the Company) are pleased to announce a decision to advance the development of the Taronga Tin Project (Taronga) with a proposed Stage 1 Development comprising trial mining and pilot scale operations. The decision will allow for the accelerated development of Taronga and the overall project, the collection of key data for inclusion in the final project design.

During 2014, the Company completed a Pre-Feasibility Study¹ ("PFS") for Taronga that confirmed the technical and economic viability of Taronga. The PFS also identified several areas of potential upside, including an increased resource tin grade, increased tin recovery and the recovery of by-product credits. The Company subsequently considered options for assessing these areas of upside and determined that a bulk sample would generate the most useful data.

A review of the Mineral Resource (JORC 2012) was undertaken in early 2015 and several zones of mineralisation were identified as suitable for the extraction of a bulk sample. An area within the Northern Zone was ultimately selected as representative of the Mineral Resource and the proximity of ore to surface.

Consultants MiningOne Pty Ltd undertook an optimisation of the PFS Probable Ore Reserve¹ and estimated an open cut mining inventory of 333,000 tonnes at a tin grade of 0.24%Sn with a waste to ore ratio of 0.22:1 (refer Figure 1). It is contemplated that the trial mining will be undertaken over a 12 month period by a suitably qualified mining contractor.

¹ Refer ASX announcement dated 7th April 2014

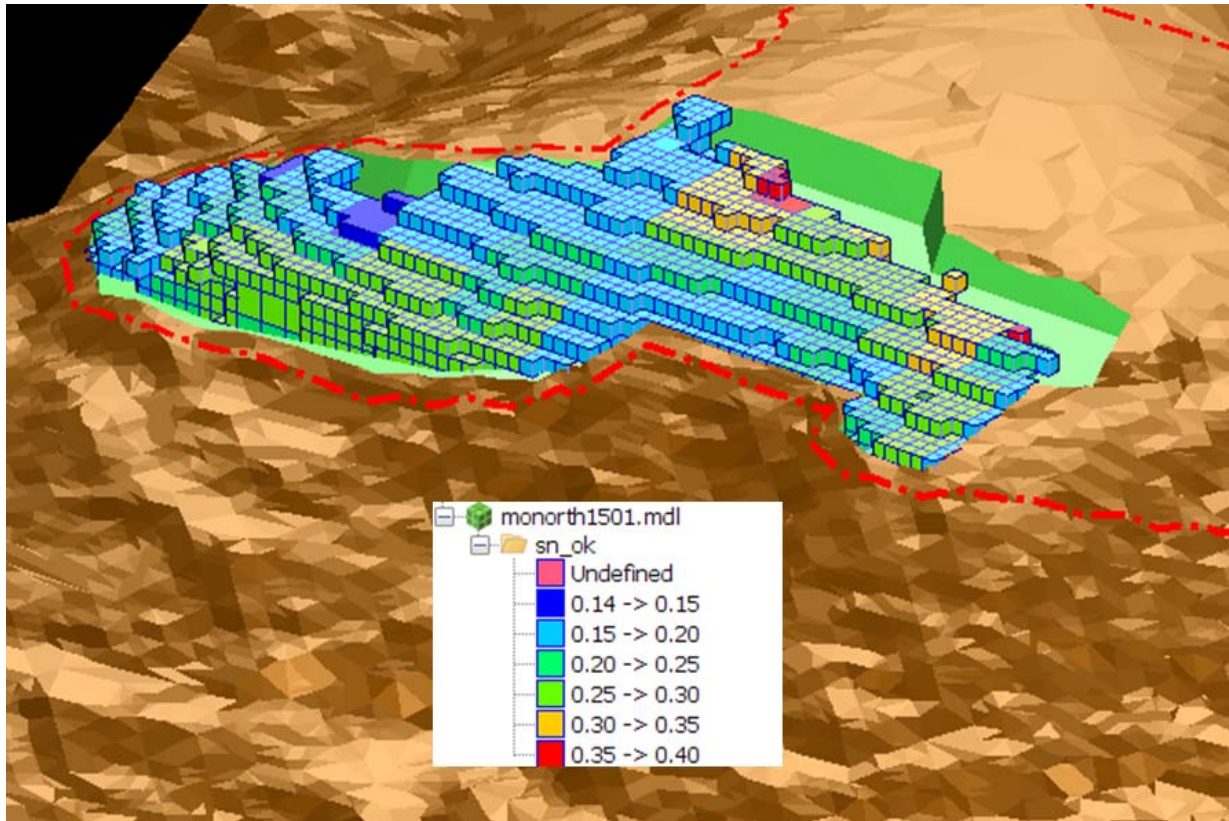


Figure 1: Block model showing grade and conceptual pit design at Taronga Tin Project

Run of Mine (ROM) ore from the open pit will be processed on-site using modular equipment including crushers and pre-concentration to produce an intermediate grade concentrate ahead of tin dressing using conventional gravity separation to produce a final concentrate. The Company is in discussions with a global trading house to purchase the concentrate ex-mine gate.

Stage 1 Development capital cost is estimated at \$2.5M including contingency, the most significant item being \$1.0M for modular processing equipment. The plant has been designed so it can be used both for the Stage 1 Development and potentially at any one of the Company's high grade supplementary feed targets² at a future date. Stage 1 Development is expected to generate sufficient revenue at current tin prices to meet all of the capital and operating costs associated with the trial.

The Stage 1 Development is envisaged to meet the requirements for "non-designated development" and the Company will work closely with local councils and the relevant government agencies to obtain all approvals as soon as possible.

The Stage 1 Development will enable the Company to achieve a number of important technical outcomes, including:

- i. Undertake a comprehensive resource reconciliation for a significant part of the Probable Ore Reserve¹ and seek to validate previous work that concluded grades could be 19 to 56 percent higher than the resource grade. Mining One note in their Mineral Resource (JORC 2012) report a probable range of true grades between 0.19%Sn to 0.25%Sn based on a trend observed whereby larger samples tended to provide a higher grade (the Support Effect) and as evidenced by assays results for bulk samples collected for metallurgical pilot plant test work conducted by previous owners (0.21 to 0.24%Sn). As reported in conjunction with the PFS, the effect of increasing the feed grade from 0.16% to 0.19% would be to increase NPV by 130% to AU\$145.7M¹.

² Refer ASX announcement dated 2nd September 2014

- ii. Generate metallurgical data and report on the potential to improve overall tin recovery by achieving a finer product from crushing and grinding and the enhanced recovery of fine tin. As reported in conjunction with the PFS, a one percent improvement in overall tin recovery increases NPV_(8%) by AU\$6M¹.
- iii. Generate suitable samples for further metallurgical test work, including the recovery of by-product credits of copper, silver, tungsten and molybdenum. To date the Taronga Project NPV analysis has not included any value for these by-product credits. However, the Company has previously reported encouraging copper and silver recoveries from metallurgical test work using historical diamond core³ and an independent valuation estimate copper and silver revenues at \$5Mpa⁴.
- iv. Evaluation of exploration targets identified for potential high-grade supplementary feed for Taronga using the modular processing equipment.
- v. Establish the feasibility and economics of transitioning to a possible Stage 2 and beyond.

Chief Executive Officer, Peter Williams said *"It is only because of the low strip ratio and simple metallurgy at Taronga that we can consider the Stage 1 Development. The program will provide an unparalleled opportunity to demonstrate areas of upside whilst obtaining real data for inclusion in the final design. The fact that the Stage 1 Development is expected to be at least cash flow neutral is a good outcome, and will enable us to advance the development of the Taronga Tin Project into a world class tin producer"*.



On behalf of the Board
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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.

³ Refer ASX announcement date 20th May 2013

⁴ Minelvest report "Preliminary Valuation of Taronga Tin Project" available from www.austinmining.com.au

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.