



ASX Release: 31 January 2019

## Quarterly Activities Report - Period Ended 31 December 2018

**Aus Tin Mining Ltd**  
("the Company")

**ASX CODE: ANW**

### At Time of Publication

**Shares on Issue**  
1,988 million

**Unlisted Options**  
227 million (@ \$0.02)

**Market Capitalisation**  
\$30M (at \$0.015/share)

### **DIRECTORS**

Brian Moller (Chairman)  
Nick Mather  
John Bovard  
Richard Willson

### **CHIEF EXECUTIVE OFFICER**

Peter Williams

### **COMPANY SECRETARY**

Karl Schlobohm

### **CONTACT DETAILS**

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### **HIGHLIGHTS**

- **Completion of key infrastructure at Granville enabling transition to Level 2 operations and targeted resumption of concentrate sales in current quarter**
- **Positive results from Taronga ore-sorting pilot work and progressive development model being pursued for the Stage 1 Project**
- **Drilling program completed at Pembroke**

### **REVIEW OF ACTIVITIES - SUMMARY**

#### **Granville Tin Project**

During the quarter the mining & civil contractor extracted waste material from the eastern wall of the open-cut mine and ore has been exposed at the southern end of the pit in preparation for mining. Construction of the new tailings Storage Facility (TSF) was finalised in January 2019.

Transition to Level 2 operations commenced subsequent to the quarter targeting increased tin concentrate production, and tin concentrate sales are scheduled to recommence during the current quarter.

#### **Taronga Tin Project**

During the quarter the Company undertook pilot ore sorting test work generating a significant uplift in the grade of sorted product and fines, and is evaluating the options for implementing ore-sorting for the Taronga Stage 1 Project.

A progressive development model for Taronga Stage 1 was conceived to better align capital expenditure with anticipated cash flow from Granville. The revised model will also reduce initial water demand at a time when eastern Australia is experiencing significant drought conditions.

#### **Mt Cobalt / Pembroke**

During the quarter the Company undertook a four-hole program at Pembroke targeting shear zones and a zone of elevated magnetic susceptibility. The program was significantly delayed owing to the drilling contractor experiencing equipment issues and subsequent to the end of the quarter the Company has elected to appoint a new contractor to undertake the program at Mt Cobalt.

#### **Corporate**

During the quarter the Company secured additional funding through the Convertible Security Funding Agreement and an additional \$1 million in funds was received after the end of the quarter.

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## DECEMBER QUARTER 2018 ACTIVITIES

### Granville Tin Project (TAS)

During the quarter the mining & civil contractor commenced mining of waste material from the eastern wall of the open-cut mine. Approximately 2,400bcm of waste was mined, classified as either Potentially-Acid Forming (PAF) or Non-Acid Forming (NAF) and placed on the respective waste rock emplacements. Mining is taking place as a series of four benches cut-back into the eastern wall of the pit to expose ore below the current base of the pit, and at quarter's end two benches had been developed and a third bench started (Figure 1). During the quarter the mining & civil contractor mobilised additional equipment to increase productivity although mining activities were suspended for most of November and December as the contractor focused their resources on the construction of the new Tailings Storage Facility (TSF). The mining fleet has since been re-mobilised back to the mine.



Figure 1 – Mining activities at the Granville East Mine (showing cut-back progressing on eastern wall)

During the quarter civil works for the TSF were completed and subsequent to the end of the quarter the lining for the TSF was installed (Figure 2) and is in the process of being covered in a protective layer of re-processed tailings.



Figure 2 – New Tailings Storage Facility (TSF) at Granville Tin Project

Construction of the new TSF was the final major permit condition required for the Granville Expansion, and the Company has now commenced the transition to Level 2 operations that incorporates a resumption of processing ore from the Granville East Mine (with a commensurate increase in feed grade and tin concentrate production) and increased daily throughput rate. Tin concentrate sales are scheduled to recommence during the current quarter and upon achieving the target production rate sales will occur on a monthly basis. It is the Company’s intention to publish actual production and sales data on a quarterly basis for the March 2019 quarter onwards.

**Taronga & Torrington Tin Project (NSW)**

During the quarter the Company progressed pre-construction regulatory approvals for the Stage 1 Project including the Environmental Protection licence that was issued by the NSW Environment Protection Authority. The major outstanding approval remains finalisation of the Mining Operations Plan (MOP) and the Company is working with the Department of Planning and Environment and targeting finalisation of the MOP during the March 2019 quarter.

The Company now intends to commence mining an initial parcel of 50,000 tonnes of ore and waste ahead of the remaining 360,000 tonnes of material. The key benefits of the rescheduled program include the capacity to generate accelerated results for the resource reconciliation (to assess the potential grade upside) and the deferral of the more significant capital costs associated with the construction of the TSF and pilot plant to be better aligned with anticipated cash flow from Granville. As with much of eastern Australia, the project area has experienced drought conditions and the rescheduled program will also reduce the initial water demand to within the Company’s existing water use rights.

During the quarter the Company also received results from pilot ore sorting test work completed for Taronga and the results indicate that ore sorting could provide significant benefits. In summary, the results indicated:

1. Significant mass rejection (up to 66 percent) to waste may be achieved which could either reduce the scale of the downstream processing plant and/or enable an increased plant throughput;
2. Significant uplift (up to 3x) in the grade of sorted product which could increase the tin units reporting to a downstream processing plant;
3. Significant uplift (over 3x) in the grade of fines (-8mm) material, highlighting the potential for preliminary beneficiation in conjunction with ore-sorting; and
4. Consistent waste grades across all tests highlights potential to increase tin recovery with increasing feed grade.

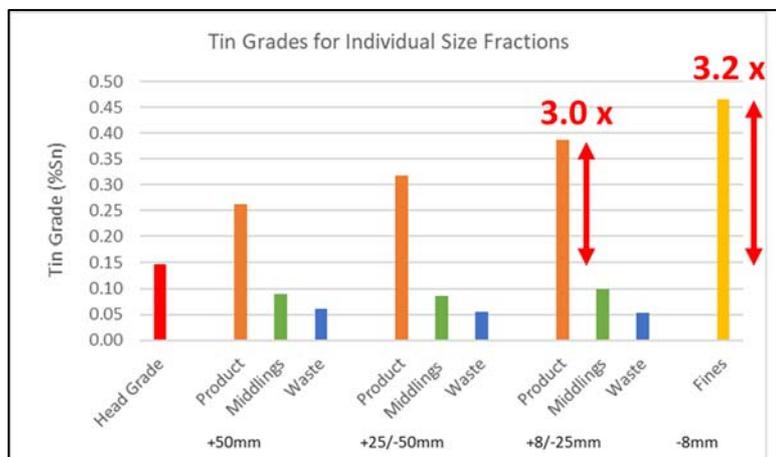


Figure 3: Summary results for TOMRA 1200 XRT ore sorter pilot work

## Mt Cobalt / Pembroke

During the quarter the Company undertook a program of drilling at the Pembroke prospect (approximately 1km south of Mt Cobalt) that included:

1. Three reverse circulation (RC) holes (PEM026-PEM028) for a total length of 192m to test for potential shear zones that have previously been found at Mt Cobalt to host high-grade cobalt. Geological logs indicated the presence of minor sulphides in two holes and increased manganese in the third.
2. One combined RC / diamond hole (PEM029) for a total length of 425m to target a zone of elevated magnetic susceptibility and conductivity that where considered prospective for sulphides. Geological logs indicated the presence of potential nickel and copper sulphide mineralisation (**Figure 4**) and native copper was observed in the core. Analysis will be undertaken to verify initial geological interpretation of the sulphides, considered to be pyrrhotite (iron sulphide) and/or pentlandite (nickel-iron sulphide). The hole ended in an intrusive assimilation zone containing disseminated sulphide mineralisation interpreted to lie above the Black Snake porphyry.

Assay results for the entire program will be collectively reported once received.



**Figure 3: Sulphides observed in Pembroke core (PEM029, depth 388m)**

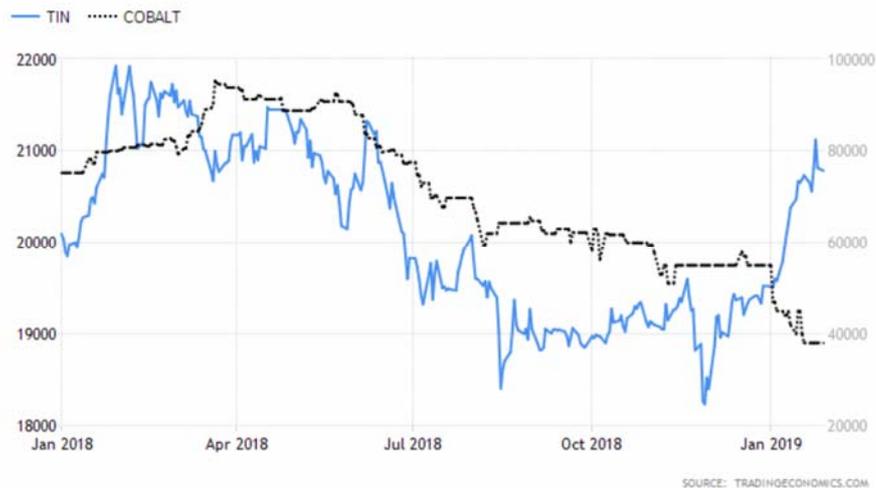
The Pembroke program was significantly delayed owing to the drilling contractor experiencing equipment issues, and following safety concerns with the mobilisation of their equipment to Mt Cobalt, a new drilling contractor has been appointed to undertake the Mt Cobalt program. The replacement drilling contractor completed the 2017/18 Mt Cobalt program for the Company and has significant experience operating in the region. The new drilling contractor has been contracted to drill three shallow diamond holes targeting potential shear zones north of the drilling completed in 2016 and 2018, and subject to suitable weather, work is expected to be undertaken during the current quarter.

## Corporate

During the quarter the Company finalised a \$1.0 million increase in the Convertible Security Facility Agreement (CSFA) with Australian Special Opportunity Fund L.P, a fund managed by The Lind Partners (together **Lind**), on the same terms as announced on 20 April 2018. A revised forecast for tin production at Granville had impinged on the Company's forecast cash position, and notwithstanding the potential lower demand for cash resulting from a rescheduled program at Taronga and possible postponement of elements of the Mt Cobalt drill program, the Company considered it prudent to secure additional capital. Funds were received post 31 December 2018.

### Commodities Market

For most of the December quarter both tin and cobalt prices (US\$/t) were range-bound averaging approximately US\$19,100/t and US\$55,000/t respectively. Subsequent to the end of the quarter the cobalt price declined on increasing LME stocks and improved outlook for production, however, the tin price has increased 6.8 percent on the back of historically low LME stocks and reduced production from Myanmar and on-going export constraints out of Indonesia.



**Figure 4 – 12-month tin and cobalt prices**

### Tenement Management

The Company's interest in tenements for the quarter is outlined in the attached Appendix 1.

### Investor Relations

A summary of the Quarterly Activities Report will be available via presentation on the Company's website and via Twitter in the next 24 hours.



On behalf of the Board  
 KM Schlobohm  
 Company Secretary



### 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.

Additionally, Aus Tin Mining makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Aus Tin Mining or by any of their respective officers, directors, shareholders, partners, employees, or advisers as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this presentation, Aus Tin Mining undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Aus Tin Mining Limited.

### 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 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 26<sup>th</sup> August 2013 and is available to view on [www.austinmining.com.au](http://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 7<sup>th</sup> April 2014 and is available to view on [www.austinmining.com.au](http://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.

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Electronic copies and more information are available on the Company website: [www.austinmining.com.au](http://www.austinmining.com.au)

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**Appendix: 1 Details of Exploration Tenements Held by Aus Tin Mining Limited**

**Mining Leases /Exploration Licences held at 31 December 2018**

Tenement	Location	% Interest	Grant Date	Renewal Submitted	Expiry Date
2M/2018	TAS (Zeehan)	100%	Replaces 21M/2003 & 9M/2006		05.03.22
32M/1988	TAS (Zeehan)	100%	06.08.18		01.11.19
EPM 19366	QLD (Kilkivan)	100%	09.08.12		08.08.19
ML 1774	NSW (Emmaville)	100%	23.09.18		21.12.29
EL 8407	NSW (Emmaville)	100%	04.11.15	29.10.18	04.11.18
EL 7800	NSW (Emmaville)	100%	04.07.11		04.07.19
EL 7801	NSW (Emmaville)	100%	04.07.11		04.07.21
EL 8335	NSW (Emmaville)	100%	05.01.15		05.01.21
EL 8637	NSW (Emmaville)	100%	31.08.17		31.08.20
EL 8639	NSW (Emmaville)	100%	31.08.17		31.08.20

**Mining Lease / Exploration Licences acquired during the period**

Tenement	Location	% Interest	Grant Date	Application Date	Expiry Date
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**Exploration Licences surrendered during the period**

Tenement	Location	% Interest	Grant Date	Surrender Date	Expiry Date
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**Mining Lease / Exploration Licences Applications outstanding for the period**

Tenement	Location	% Interest	Grant Date	Application Date	Expiry Date
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