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Level 27, 111 Eagle Street, Brisbane QLD 4000

Attn: Peter Williams

19 December, 2016

Ref: Taronga Tin Project Valuation Update

Dear Peter,

Further to our recent conversation regarding the Taronga Tin project, we have re-examined our assumptions contained in our report dated 4 June, 2014, to take into account the current spot tin price of A\$29,191/t (A\$22,273/t when we last reviewed the project in October, 2014).

Our 2014 valuation report assumed a slightly higher recovery (73% vs 70%) and grade (0.19% Sn vs 0.16% Sn) than the PFS, and also incorporated 50% of potential Cu and Ag revenues and a conceptual 28Mt reserve. In our revised 2016 model we have maintained many of the same assumptions, however we have removed the conceptual revenue from Cu and Ag due to the inferred resource status for each metal. A comparison with our current assumptions and the PFS are shown in Table 1, below. The proposed Stage 1 mining in 2017 should provide more confidence on the tin grade, potential operating cost parameters and by-product credit potential, assisting with the DFS into the larger scale development and enabling more clarity from a valuation perspective.

Updating the model, we obtain a post-tax NPV (8%) of A\$122m, and IRR of 37%. Taking 50% of potential Cu/Ag revenues, the post-tax NPV increases to A\$149m. We note the capital and operating cost assumptions applied in the 2014 PFS have not been updated as yet.

Table 1: comparison of assumptions (PFS vs Concept Model)

Parameter	PFS	Concept Modelled
Reserve (Mt)	23.2	28.0
Mine Life (2.5mtpa)	9.3	11.2
Grade (% Sn)	0.16	0.19
Recovery (% Sn)	70	73
Annual Production (kt Sn)	2.79	3.5
Opex (A\$/t) LOM average	20	21.8
Capital costs (A\$m)- LOM	98.3	98
Tin price (A\$/t)	27,778	29,191
Off-site costs (Sn only)	A\$1593/t	A\$1650/t
Net Copper Revenue	NA	NA
Net Silver Revenue	NA	NA
Cash cost (LOM, C1)	A\$18.0k/t	A\$15.6k/t

Table 2: NPV Matrix around our conceptual development scenario (28mt reserve)

Grade/Sn price	A\$26,272	A\$29,191*	A\$32,110
0.17%	A\$38m	A\$78m	A\$118m
0.19%	A\$77m	A\$122m	A\$166m
0.21%	A\$116m	A\$165m	A\$215m

*Spot price used A\$29,191 (16 December, 2016)

If you have any questions, please let me know.

Yours Sincerely,

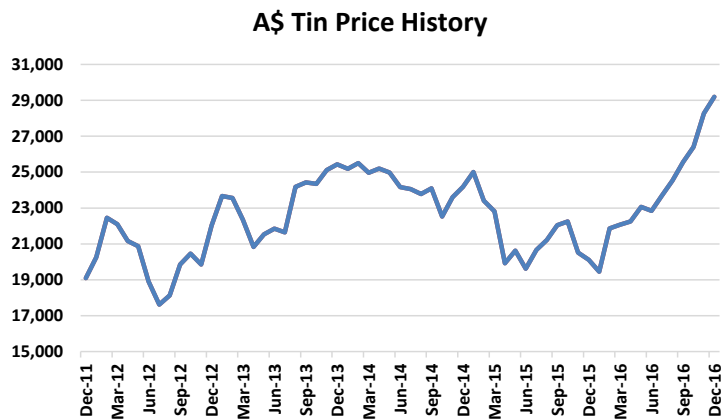


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Note: ANW PFS released 7 April, 2014. Indicated & Inferred JORC 2012 resource, refer to 2016 Annual Report.

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