



ASX Announcement

12 May 2016

Conversion of Debt Funding

Terms of ASX Waiver

Further to its market release of 14 April 2016, Aus Tin Mining Limited (the Company; ASX:ANW) is pleased to provide the following update to shareholders and interested investors.

Convertible Note Funding – DGR Global

On 14 April 2016 the Company executed a Term Sheet with DGR Global Limited (DGR) for the provision of \$350,000 in secured Convertible Note financing, to be converted to equity in the Company at \$0.005 cents at the earliest opportunity, and subject to regulatory clearances. This initiative allowed the Company to retain a 100% interest in the acquisition of the Granville Tin Project via its subsidiary company Ten Star Mining Pty Ltd.

On 18 April 2016 there was a partial conversion by DGR under the Convertible Note financing, being \$12,577.45 (2,515,490 shares at \$0.005 per share), leaving a balance of \$337,422.55 outstanding. All relevant regulatory clearances for the conversion of the balance have now been received.

Accordingly, the Company will forthwith arrange for the allotment of 67,484,510 fully paid ordinary shares to DGR Global (\$377,422.55 at \$0.005 per share) with the Appendix 3B and other relevant paperwork to be prepared and lodged today.

As a result of this allotment, DGR Global's shareholding position in the Company will be increase from 19% to approximately 22.8%. The ASX has confirmed that the allotment of these shares can proceed without Aus Tin Mining obtaining shareholder approval. However, the ASX has stipulated that if DGR Global ever has a relevant interest in 25% or more of the Company's fully paid ordinary shares, the Company should consult with ASX about whether or not ASX will exercise its discretion under listing rule 10.11.2 to require shareholder approval before further equity securities are issued to DGR Global.

ASX Waiver for Security to be Granted to DGR Global under the Convertible Note

The ASX has provided the Company with a waiver from the application of Listing Rule 10.1 in relation to the granting of any security in favor of DGR Global pursuant to the Convertible Note financing as announced on 14 April 2016. The terms of the waiver granted by ASX are as outlined in Annexure A, attached.



However, given the full conversion to equity of the Convertible Note funding by DGR Global as outlined above, no amount of debt financing remains, and the provision of security is therefore not required. Accordingly, no security over the Company's assets is required to be granted to DGR Global.

The Company looks forward to updating the market in due course regarding the recommencement of operations at the Granville Tin Project.

On behalf of the Board
KM Schlobohm
Company Secretary

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

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Annexure A

Terms of the Waiver Granted by ASX in relation to Listing Rule 10.1

Based solely on the information provided, ASX Limited ("ASX") grants Aus Tin Mining Limited (the "Company") a waiver from listing rule 10.1, to the extent necessary to permit the Company to grant security over the assets of its subsidiary Ten Star Mining Pty Ltd ("TSM") and the Granville Tin Project to DGR Global Limited ("DGR") (the "Security") pursuant to a \$350,000 secured funding package, without obtaining shareholder approval on the following conditions:

- 1.1 The Security includes a term that if an event of default occurs and DGR exercises its rights under the Security, neither DGR nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company's or TSM's obligations under the Security, or otherwise deal with the assets of the Company or its subsidiaries, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by DGR exercising its power of sale under the Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to DGR in accordance with its legal entitlements.
- 1.2 A summary of the material terms of the Security is made in each annual report of the Company during the term of the Security.
- 1.3 Any variations to the terms of the Security which is:
 - 1.3.1. not a minor change; or
 - 1.3.2. inconsistent with the terms of the waiver,must be subject to shareholder approval.
- 1.4 The Company and TSM must seek to discharge the Security when the funds advanced under the Security are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further loan facility amount.
- 1.5 The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the repayment of the funds advanced under the Security and the discharge of the Security, including the timeframe within which it expects the repayment and discharge to occur.