

AusTinMining

Aus Tin Mining Limited

ABN 84 122 957 322

Interim Report - 31 December 2020

For personal use only

Directors

Brian Moller - Non-executive Chairman
Nicholas Mather - Non-executive Director
Richard Willson - Non-executive Director

Company secretary

Karl Schlobohm

Registered office and principal
place of business

Level 27
111 Eagle Street
Brisbane
QLD 4000
Phone: (07) 3303 0611

Share register

Link Market Services Limited
10 Eagle Street
Brisbane
QLD 4000
Phone: 1300 554 474

Auditor

BDO Audit Pty Ltd
Level 10
12 Creek Street
Brisbane
QLD 4000

Solicitors

Hopgood Ganim
Level 8, Waterfront Place
1 Eagle Street
Brisbane
QLD 4000

Stock exchange listing

Aus Tin Mining Limited shares are listed on the Australian Securities Exchange (ASX code:
ANW)

Website

www.austinmining.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Aus Tin Mining Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Aus Tin Mining Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Brian Moller - Non-executive Chairman
Nicholas Mather - Non-executive Director
Richard Willson - Non-executive Director

Principal activities

During the half-year, the principal activities of the consolidated entity involved exploration for tin, nickel and other commodities. There were no significant changes in the principal activities of the consolidated entity.

Competent Persons Statement

The information in this report 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 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 report that relates to Ore Reserves is based on information extracted from the report entitled "Pre-Feasibility Study 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.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$716,351 (31 December 2019: \$1,553,056).

Safety / Environment / Community

During the reporting period the Company reported no safety or environmental incidents, or community complaints at any of its sites.

Taronga Tin Project (NSW)

The benefit of owning 100 percent of a world class tin project such as Taronga was highlighted by the tin price surges in early 2021. On 3 February 2021, the price had risen dramatically from a low in April 2020 of US\$14,000 per tonne to a price of US\$25,000 per tonne. This coincided with the Company receiving favourable results from test work undertaken on the Taronga Ore, as described in further detail below.

The Taronga Tin Project comprises several exploration licenses and one mining licence in northern NSW. The Taronga Mineral Resource is represented in **Table 1** below and shows that the Taronga deposit contains an Indicated and Inferred resource of 57,000 tonnes of tin as well as 26,400 tonnes of copper and 4,400,00oz of silver. The Company completed a Pre-feasibility Study in 2014¹ (**PFS**) that demonstrated that Taronga was technically feasible and economically viable, and identified several areas of potential upside, including an increased resource grade, higher tin recoveries and the recovery of by-product credits, all of which have the capacity to significantly enhance the economics of the project.

During the period, the Company commenced an internal review to evaluate options for the potential selective mining of higher-grade zones within the ore body. In conjunction with this internal review, a preliminary trial of alternative crushing circuit equipment, specifically the use of High Pressure Grinding Rolls (HPGR) was progressed. This equipment was selected due to its efficiency in respect of lower power usage and wear costs as well as having the potential to preferentially crack the Taronga ore along quartz veins and expose the coarse cassiterite crystals. The cassiterite could then be released and the remaining potentially barren rock could be stockpiled for further analysis or processing.

Table 1: Summary Tin, Copper & Silver Mineral Resource for Taronga Deposit

Taronga Tin Deposit - Mineral Resource (JORC 2012)									
0.1% Sn Cut-Off Grade	Indicated			Inferred			Total		
	Mt	Assay % Sn	Contained Metal tonnes	Mt	Assay % / g/t	Contained Metal tonnes or oz	Mt	Assay % / g/t	Contained Metal Tonnes or oz
Tin	26.9	0.17%Sn	45,200t	9.4	0.13%Sn	12,000t	36.3	0.16%Sn	57,200t
Copper	-	-	-	36.3	0.07%Cu	26,400t	36.3	0.07%Cu	26,400t
Silver	-	-	-	36.3	3.8g/tAg	4,400,000oz	36.3	3.8g/tAg	4,400,000oz

As reported by the Company on 25 January 2021, the initial test work conducted at the ALS Metallurgy laboratory in Perth was highly encouraging, and will be followed up by other tests which will be designed to optimise the process. The success of the initial testwork is demonstrated in the graph below which shows that the majority of tin is concentrated in the -1mm fraction following one pass through a HPGR crusher, resulting in a large shift of tin minerals being distributed into the fines relative to the mass distribution.

At the Emmaville and Torrington prospects, site access was limited during the reporting period due to COVID-19 travel restrictions, the Company shifted exploration activities to focus on desktop related studies. Desktop related activities included:

- Digitising and delineating historical exploration results from Poverty Point, including 2500 metres of drilling data and construction of 3D computer models to assist exploration targeting.
- Digitising and delineating of 2163 drilling interval assay data, vein density mapping and lithogeochemical mapping data for potential computer modelling to assist with exploration and potential resource estimates. (past resource estimates stated as 4.2Mt @ 0.114% Sn containing 4,880 t Sn (Anglo American Ltd. 1974). Shell 1981 (R00014077) speculated that if known mineralisation extended to 100m, and similar grades persisted throughout, then potential existed for 150mt – 200mt @ 400ppm.

¹ Refer ASX Announcement 7th April 2014

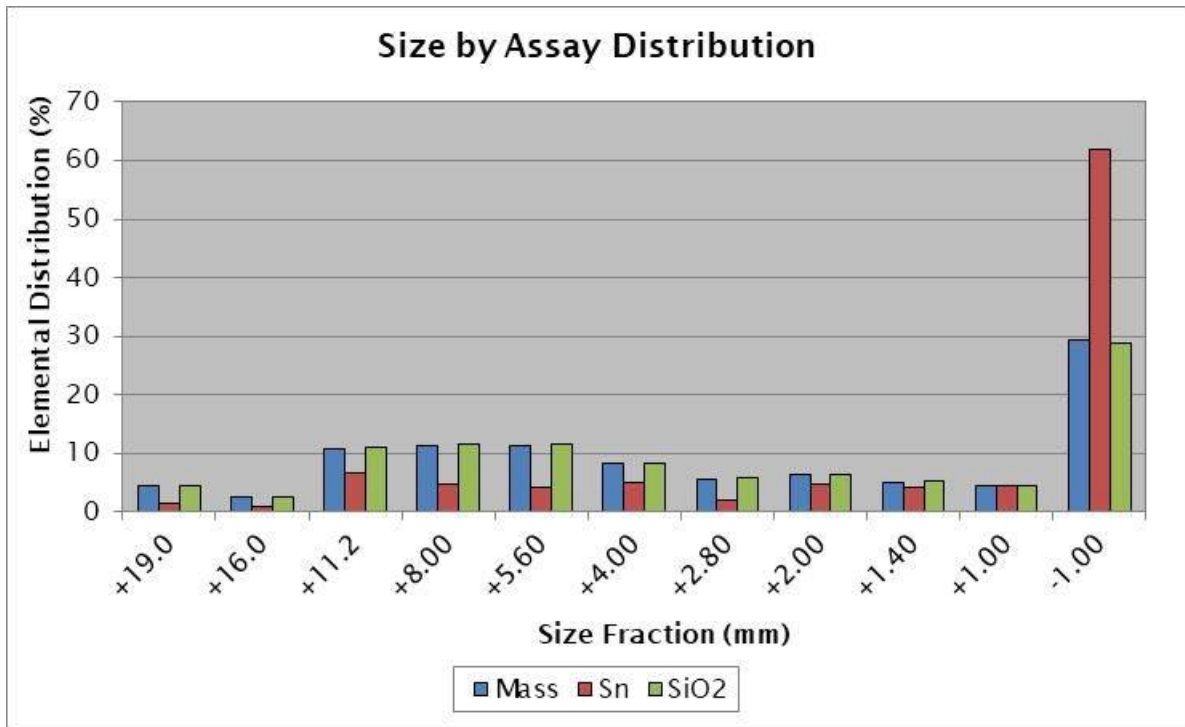


Figure 1 – showing tin concentration in the -1mm size fraction after HPGR crushing

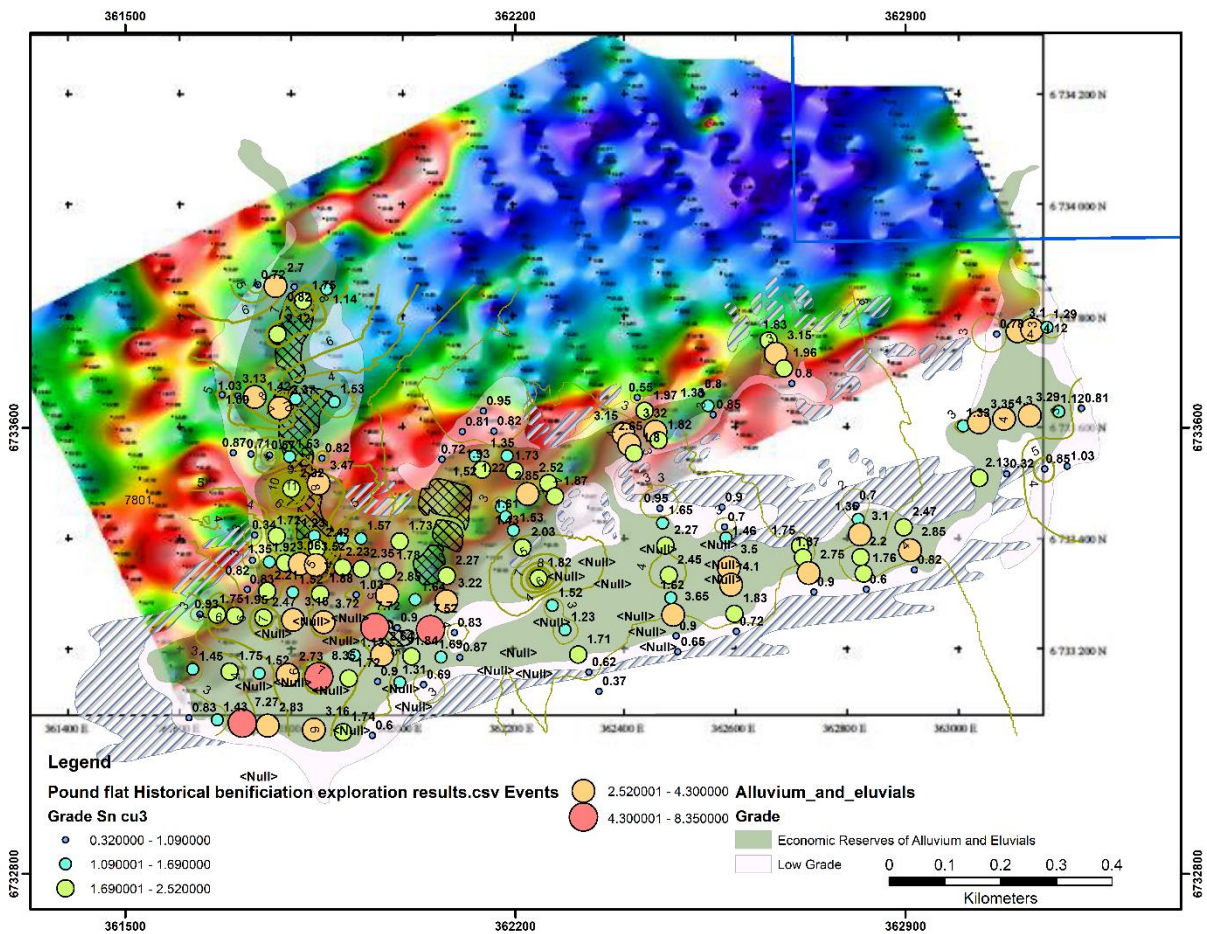


Figure 2 – location of past exploration results at Pound Flat, Taronga Tin Project

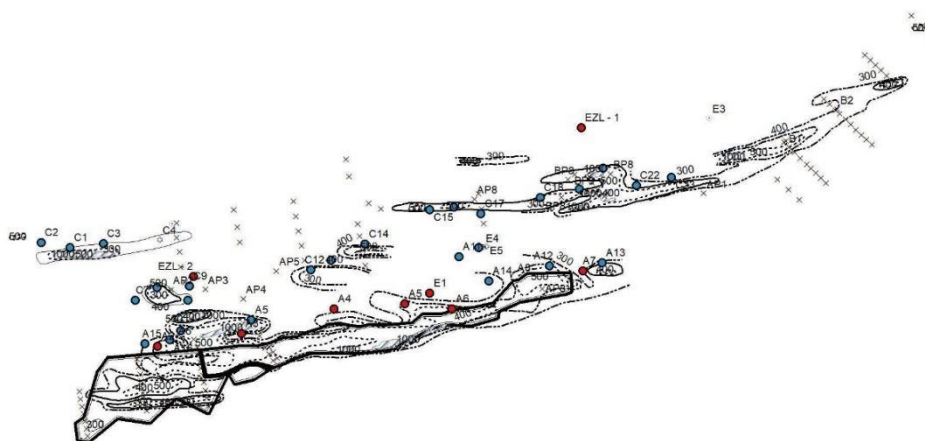
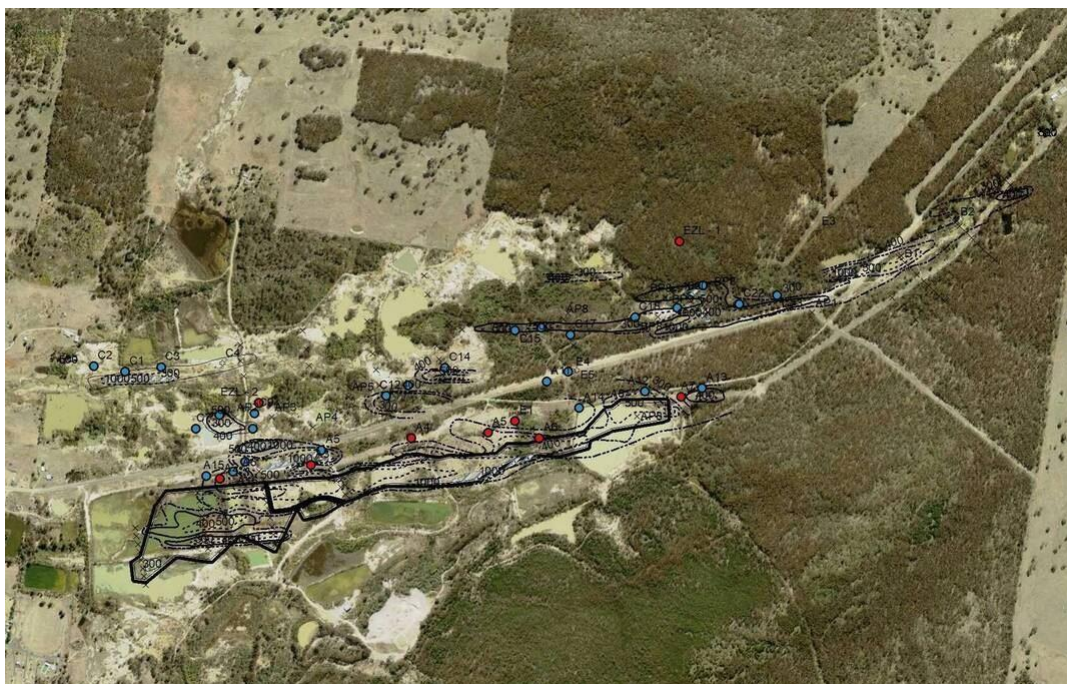


Figure 3 (top) and Figure 4 (bottom) – overview of digitisation of past auger and drill results along with lithogeochemical and vein density mapping digitised

Ashford Coal Project (NSW)

The Ashford Coking Coal Project is located in northern NSW approximately 50km west of the Taronga Tin Project and approximately 100km east of the Inland Rail's proposed route. In July 2020, the Company announced that it had signed a binding term sheet with Laneway Resources Ltd (**Laneway**) to acquire 100 percent of the Ashford Coking Coal Project (**Ashford Project**). The Ashford Project comprises two granted Exploration Licenses (EL 6234, EL 6428) located approximately 10km north of the Ashford township in northern NSW (Figure 5). Coal mining at Ashford dates back to 1884 and, most recently, the colliery operated until 1988 supplying a now closed local power station.

The Ashford Project has a resource of 14.8Mt within EL6234 comprising 6.5Mt of Indicated Resources and 8.3Mt of Inferred Resources. Coal quality studies found the resources could qualify as semi-hard coking coal². Work undertaken by Laneway has indicated of the total resource, 9.4Mt is likely to be accessible by conventional open cut methods at a 15:1 vertical waste to in-situ coal tonnes stripping ratio cut off. A further 5.4Mt is expected to be mined via high wall mining methods.

In summary the proposed transaction will comprise two stages being:

- (1) **Stage 1** - the purchase by Aus Tin Mining of a 40 percent interest in either the Ashford Project itself or the wholly-owned subsidiary of Laneway which owns the Ashford Project, in consideration for the issue of 20 percent of the enlarged share capital of Aus Tin Mining to Laneway. The final structure of the acquisition will depend on what is most efficient for Laneway from a transfer duty, tax and regulatory perspective; and
- (2) **Stage 2** - an option (the **Stage 2 Option**) for ANW to purchase the remaining 60 percent interest in the Ashford Project within three years for A\$7 million payable as to A\$2 million in cash and \$5 million in shares or cash at the election of Aus Tin Mining, plus an ongoing royalty payable to Laneway of \$0.50 per tonne of coal sold from the Ashford Project. The Stage 2 Option must be exercised before the third anniversary of the date on which the Stage 1 acquisition is completed.

The transaction is subject to a number of conditions, including for Stage 1, being (i) both parties conducting and being fully satisfied with the results of its legal, financial and technical due diligence; and (ii) the strengthening of Aus Tin Mining's balance sheet (via Entitlement Offer announced on 17 August 2020); and (iii) the entry into formal transaction documentation. The Stage 2 of the Proposed Transaction is also subject to a number of conditions including (i) the granting of any shareholder or third-party approval required; and (ii) the expiry or termination of the Lind Facility.

Upon completion of the Stage 1 acquisition the Company intends to undertake a feasibility study and progress a Mining Lease Application. With the Federal Government having recently announced the fast tracking of construction for the Inland Rail project³ the Company will evaluate as part of the feasibility study the opportunity to utilise this infrastructure to unlock the Ashford Project for export through Brisbane or Newcastle.

During the reporting period a site visit with consulting geologists from Laneway and personnel from Aus Tin Mining was conducted. Further, meetings with representatives of Laneway and the NSW Resources and Geoscience were held to discuss impending EL renewals and provide an overview of proposed programs of work intended to progress the obtaining of a mining licence at Ashford.

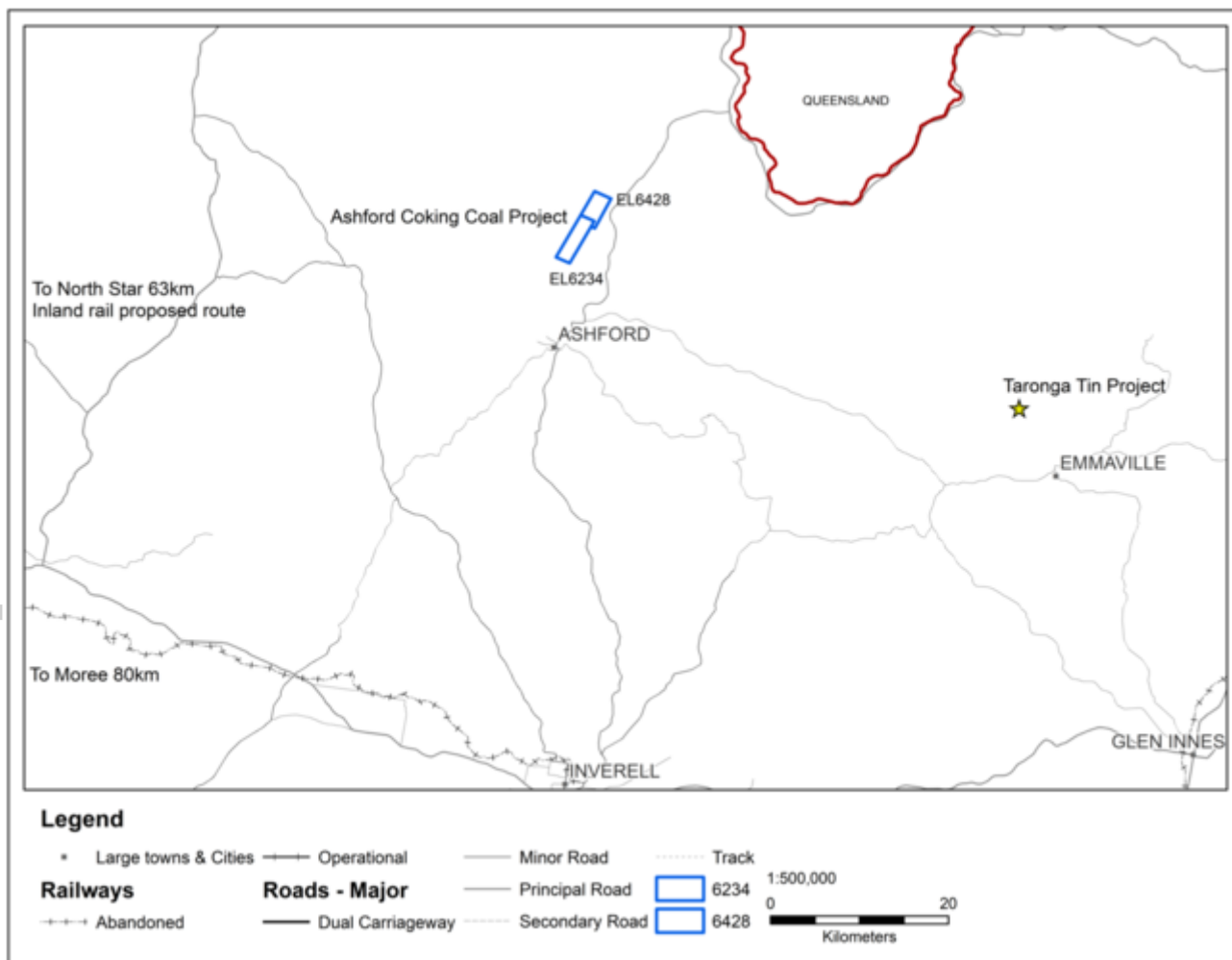


Figure 5 – Location of Ashford Coking Coal Project

² Refer Laneway Resources Limited ASX Announcement dated 20 November 2017

³ Source: Prime Minister of Australia (www.pm.gov.au); CEDA 's State of the Nation Conference; 15 June 2020

Mackenzie Coal Project (Qld)

On 23 October 2020, the Company announced it had signed a binding term sheet with Resources and Energy Investments Pty Ltd for the acquisition of its interests in the Mackenzie Coal Project which is adjacent to producing coal mines in the Bowen Basin, Queensland. A previous owner of the project, Moreton Resources Ltd, announced a JORC Resource of potential low volatile PCI coal quality. The resource is reportedly based on 31 drill holes targeting four main seams (Aries, Castor, Pollux and Pisces) occurring at depths of between 250m and 450m. Moreton Resources reported the “resource contains semi-soft metallurgical coking coal and low volatile PCI coal properties throughout.” Subject to the satisfaction of several conditions, the acquisition is to be paid for via the issue of \$1 million worth of Aus Tin Mining shares at a price of \$0.001 each.



Figure 6 – Location of Mackenzie coal project

Lachlan Copper – Proposed Farm-in (NSW)

Given the Company’s focus on the potential acquisition of the two coking coal projects outlined above, the exclusivity arrangements on the prospective farm-in on three exploration licences operated by Lachlan Copper Pty Ltd were allowed to expire.

Granville (TAS)

The Granville Tin Project remains a non-core asset of the Company and is under evaluation.

Company Strategy

From a project development and strategy perspective, the Company will continue to focus on its four point plan targeting improved shareholder value as announced during 2020, and as illustrated below:



Matters subsequent to the end of the financial half-year

On 14 January 2021, 111,111,111 \$0.0009 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners.

On 14 January 2021, 50,000,000 fully paid ordinary shares were issued as Conversion shares pursuant to the conversion of 50,000,000 unlisted convertible notes.

On 29 January 2021, 1,801,790,000 ordinary shares were issued at \$0.001 per share following the placement of the entire shortfall arising under the Company's 2020 Entitlement Offer.

At the Annual General Meeting of shareholders held on 29 January 2021, the shareholders approved the acquisition of the Ashford Coking Coal Project and the Mackenzie Coking Coal Project. During the half year ended 31 December 2020, the Company signed a binding term sheet with Laneway to acquire 100 per cent of the Ashford Project in two stages. The Company also signed a binding term sheet with Resources and Energy Investments Pty Ltd to acquire 100 per cent of the issued capital of Mackenzie Coal Project Pty Ltd, the entity acquiring the rights to the Mackenzie Project.

On 1 February 2021, 111,111,111 \$0.0009 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners.

On 10 February 2021, 959,404,400 \$0.001 ordinary shares were issued to DGR Global Limited and the Directors of Aus Tin Mining Limited, all being related parties, in partial satisfaction of debts owed to those parties by the Company. The issue of these securities was approved at the Company's Annual General Meeting on 29 January 2021.

On 26 February 2021, 100,000,000 \$0.001 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners.

On 1 March 2021, the Company announced that it had placed 2,000,000,000 new ordinary shares professional and sophisticated investors at an issue price of \$0.001 per share to raise a total of \$2 million in cash.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Brian Moller
Non-executive Director

9 March 2021
Brisbane

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DECLARATION OF INDEPENDENCE BY D P WRIGHT TO THE DIRECTORS OF AUS TIN MINING LIMITED

As lead auditor for the review of Aus Tin Mining Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Aus Tin Mining Limited and the entities it controlled during the period.



D P Wright
Director

BDO Audit Pty Ltd

Brisbane, 9 March 2021

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General information

The financial statements cover Aus Tin Mining Limited as a consolidated entity consisting of Aus Tin Mining Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Aus Tin Mining Limited's functional and presentation currency.

Aus Tin Mining Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 27
111 Eagle Street
Brisbane
QLD 4000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 9 March 2021.

Aus Tin Mining Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020



	Note	Consolidated	
		31 Dec 2020	31 Dec 2019
		\$	\$
Revenue from contracts with customers		-	60,854
Cost of sales		-	(61,147)
Gross loss		-	(293)
Other income		27,767	5,494
Interest revenue		2,223	9,809
Convertible note fair value movement		37,890	94,723
Expenses			
Administration and consulting expense		(254,204)	(315,173)
Employee benefits expense		(230,307)	(183,745)
Depreciation and amortisation expense		(20,342)	(501,151)
Exploration costs written off		(19,254)	-
Legal expenses		(116,255)	(7,491)
Management fees		(96,000)	(96,000)
Other Granville operating costs		(32,738)	(558,114)
Finance costs		(4,358)	(1,115)
Total expenses		(773,458)	(1,662,789)
Loss before income tax expense		(705,578)	(1,553,056)
Income tax expense		(10,773)	-
Loss after income tax expense for the half-year attributable to the owners of Aus Tin Mining Limited		(716,351)	(1,553,056)
Other comprehensive income/(loss) for the half-year, net of tax		-	-
Total comprehensive income/(loss) for the half-year attributable to the owners of Aus Tin Mining Limited		<u>(716,351)</u>	<u>(1,553,056)</u>
		Cents	Cents
Basic earnings per share	15	(0.02)	(0.07)
Diluted earnings per share	15	(0.02)	(0.07)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Aus Tin Mining Limited
Statement of financial position
As at 31 December 2020



		Consolidated	
	Note	31 Dec 2020	30 June 2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	3	198,524	4,066
Trade and other receivables		21,609	18,282
Other assets	4	50,180	37,023
Total current assets		<u>270,313</u>	<u>59,371</u>
Non-current assets			
Property, plant and equipment	5	314,116	334,458
Exploration and evaluation	6	11,452,311	11,363,661
Other assets	4	737,627	746,777
Total non-current assets		<u>12,504,054</u>	<u>12,444,896</u>
Total assets		<u>12,774,367</u>	<u>12,504,267</u>
Liabilities			
Current liabilities			
Trade and other payables	7	2,244,917	2,735,196
Borrowings	8	2,179,710	2,607,905
Total current liabilities		<u>4,424,627</u>	<u>5,343,101</u>
Non-current liabilities			
Provisions		628,335	628,335
Total non-current liabilities		<u>628,335</u>	<u>628,335</u>
Total liabilities		<u>5,052,962</u>	<u>5,971,436</u>
Net assets		<u>7,721,405</u>	<u>6,532,831</u>
Equity			
Issued capital	9	25,789,196	23,884,271
Reserves		1,707,182	1,707,182
Accumulated losses		(19,774,973)	(19,058,622)
Total equity		<u>7,721,405</u>	<u>6,532,831</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Aus Tin Mining Limited
Statement of changes in equity
For the half-year ended 31 December 2020



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	22,404,815	1,707,182	(16,813,382)	7,298,615
Loss after income tax expense for the half-year	-	-	(1,553,056)	(1,553,056)
Other comprehensive income/(loss) for the half-year, net of tax	-	-	-	-
Total comprehensive income/(loss) for the half-year	-	-	(1,553,056)	(1,553,056)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	1,228,340	-	-	1,228,340
Balance at 31 December 2019	<u>23,633,155</u>	<u>1,707,182</u>	<u>(18,366,438)</u>	<u>6,973,899</u>
	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	23,884,271	1,707,182	(19,058,622)	6,532,831
Loss after income tax expense for the half-year	-	-	(716,351)	(716,351)
Other comprehensive income/(loss) for the half-year, net of tax	-	-	-	-
Total comprehensive income/(loss) for the half-year	-	-	(716,351)	(716,351)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 9)	1,904,925	-	-	1,904,925
Balance at 31 December 2020	<u>25,789,196</u>	<u>1,707,182</u>	<u>(19,774,973)</u>	<u>7,721,405</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Aus Tin Mining Limited
Statement of cash flows
For the half-year ended 31 December 2020



	Note	Consolidated	
		31 Dec 2020	31 Dec 2019
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		-	60,854
Payments to suppliers and employees (inclusive of GST)		(508,971)	(746,393)
		(508,971)	(685,539)
Interest received		2,223	9,809
Government grants		22,312	-
Interest and other finance costs paid		(4,358)	(1,115)
Income taxes paid		(10,773)	-
Net cash used in operating activities		(499,567)	(676,845)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(79,045)
Payments for exploration and evaluation assets	6	(107,904)	(32,195)
Payments for security deposits		-	(2,638)
Proceeds from disposal of property, plant and equipment		5,455	50,000
Proceeds from release of security deposits		9,150	-
Net cash used in investing activities		(93,299)	(63,878)
Cash flows from financing activities			
Proceeds from issue of shares	9	549,609	250,000
Proceeds from convertible notes	8	335,000	-
Repayment of short term loan		(16,701)	-
Share issue transaction costs		(61,980)	(21,660)
Proceeds from borrowings - net		-	50,500
Net cash from financing activities		805,928	278,840
Net increase/(decrease) in cash and cash equivalents		213,062	(461,883)
Cash and cash equivalents at the beginning of the financial half-year		(14,538)	470,230
Cash and cash equivalents at the end of the financial half-year	3	198,524	8,347

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

For the half-year ended 31 December 2020 the consolidated entity incurred a loss of \$716,351 after income tax and net cash outflows from operating activities of \$499,567. At 31 December 2020, the consolidated entity had net current liabilities of \$4,154,314.

The ability of the consolidated entity to continue as a going concern is principally dependent upon raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required for the consolidated entity to continue to progress the mineral properties in which it has an interest and to meet the consolidated entity's working capital requirements.

These conditions give rise to a material uncertainty, which may cast significant doubt over the consolidated entity's ability to continue as a going concern.

The Directors have concluded that the going concern basis of preparation of the financial statements is appropriate and any uncertainty regarding going concern is mitigated by the following:

- As at the date of this report, the consolidated entity had cash on hand of approximately \$2.75 million, which is sufficient to meet the ongoing corporate costs and expected project commitments for a twelve (12) month period.
- Proven ability of the consolidated entity to raise the necessary funding or settle debts via the issuance of shares, as evidenced by the raising of \$1,566,905 in cash and debts converted during the half-year ended 31 December 2020, and by the further raising of \$3.8 million in cash between 31 December 2020 and the date of this report.

Based on the above, the Directors are of the opinion that at the date of signature of the financial report there are reasonable and supportable grounds to believe that the consolidated entity will be able to meet its liabilities from its assets in the ordinary course of business, for a period of not less than 12 months from the date of this financial report and has accordingly prepared the financial report on a going concern basis.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the consolidated entity not be able to continue as a going concern.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the parent entity's Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The consolidated entity is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the Board which is at the consolidated entity level.

The consolidated entity does not have any products/services it derives revenue from.

Management currently identifies the consolidated entity as having only one operating segment, being exploration for Nickel, Gold, Copper and Tin in Australia. All significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from the segment are equivalent to the financial statements of the consolidated entity as a whole.

Note 3. Cash and cash equivalents

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
<i>Current assets</i>		
Cash at bank	198,524	4,066

Note 4. Other assets

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
<i>Current assets</i>		
Prepayments	50,180	37,023
<i>Non-current assets</i>		
Security deposits	737,627	746,777
	<u>787,807</u>	<u>783,800</u>

Note 5. Property, plant and equipment

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
<i>Non-current assets</i>		
Freehold land - at cost	183,030	183,030
Plant and equipment - at cost	999,698	999,698
Less: Accumulated depreciation	(871,440)	(853,039)
	<u>128,258</u>	<u>146,659</u>
Motor vehicles - at cost	15,100	54,502
Less: Accumulated depreciation	(12,417)	(50,319)
	<u>2,683</u>	<u>4,183</u>
Office equipment - at cost	7,359	7,359
Less: Accumulated depreciation	(7,214)	(6,773)
	<u>145</u>	<u>586</u>
	<u>314,116</u>	<u>334,458</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Freehold land \$	Plant and equipment \$	Motor vehicles \$	Office equipment \$	Total \$
Balance at 1 July 2020	183,030	146,659	4,183	586	334,458
Depreciation expense	-	(18,401)	(1,500)	(441)	(20,342)
Balance at 31 December 2020	<u>183,030</u>	<u>128,258</u>	<u>2,683</u>	<u>145</u>	<u>314,116</u>

Note 6. Exploration and evaluation

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation - at cost	<u>11,452,311</u>	<u>11,363,661</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Exploration and evaluation assets \$	Total \$
Balance at 1 July 2020	11,363,661	11,363,661
Additions	107,904	107,904
Write off of assets	<u>(19,254)</u>	<u>(19,254)</u>
Balance at 31 December 2020	<u>11,452,311</u>	<u>11,452,311</u>

Note 7. Trade and other payables

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,165,798	1,534,730
Accrued expenses	273,722	308,969
Employee entitlements	562,404	656,217
Other payables	<u>242,993</u>	<u>235,280</u>
	<u>2,244,917</u>	<u>2,735,196</u>

Note 8. Borrowings

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
<i>Current liabilities</i>		
Unsecured:		
Bank overdraft	-	18,604
Short term loan - third party	-	16,701
Secured:		
Convertible notes at fair value through profit or loss	<u>2,179,710</u>	<u>2,572,600</u>
	<u>2,179,710</u>	<u>2,607,905</u>

Note 8. Borrowings (continued)

Movements in the carrying value of convertible notes:

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
Opening balance	2,572,600	3,941,004
Face value of convertible notes issued	335,000	-
Repayments during the period (via equity conversions)	(690,000)	(1,250,000)
Movements in fair value	(37,890)	(118,404)
Closing balance	<u>2,179,710</u>	<u>2,572,600</u>

On 31 July 2020, the Company executed a mandate with Bizzell Capital Partners Pty Ltd (BCP) for BCP to act as Lead Manager for the issue of Convertible Notes (BCP Convertible Notes) to provide the Company with working capital and to finance the up-front costs associated with the conduct of an entitlement offer to all shareholders.

The principal terms of the BCP Convertible Notes issued by the Company were as follows:

Issue Amount:	Up to \$550,000
Issue Price:	\$0.0009 per Note
Interest Rate:	15% per annum
Interest Payments:	Half-yearly in arrears
Maturity Date:	31 December 2023
Conversion Terms:	Convertible at the election of the Noteholder into one (1) fully-paid ordinary share in Aus Tin Mining
Security:	Unsecured

Note 9. Issued capital

	Consolidated			
	31 Dec 2020	30 June 2020	31 Dec 2020	30 June 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>4,928,901,761</u>	<u>2,885,329,619</u>	<u>25,789,196</u>	<u>23,884,271</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	2,885,329,619		23,884,271
Shares issued pursuant to the funding agreement	6 August 2020	55,555,556	\$0.0009	50,000
Conversion of convertible notes	7 August 2020	51,111,111	\$0.0009	46,000
Conversion of convertible notes	11 August 2020	60,000,000	\$0.0009	54,000
Shares issued pursuant to the funding agreement	21 August 2020	55,555,556	\$0.0009	50,000
Shares issued pursuant to the funding agreement	2 September 2020	111,111,111	\$0.0009	100,000
Conversion of convertible notes	16 September 2020	111,111,111	\$0.0009	100,000
Shares issued pursuant to the funding agreement	1 October 2020	111,111,111	\$0.0009	100,000
Shares issued pursuant to the funding agreement	21 October 2020	111,111,111	\$0.0009	100,000
Conversion of convertible notes	23 October 2020	100,000,000	\$0.0009	90,000
Entitlement offer	5 November 2020	1,250,205,475	\$0.0010	1,250,205
Shares issued to supplier	13 November 2020	26,700,000	\$0.0010	26,700
Share issue costs		-	\$0.0000	(61,980)
Balance	31 December 2020	<u>4,928,901,761</u>		<u>25,789,196</u>

Shares issued pursuant to the funding agreement

These shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners.

Note 9. Issued capital (continued)

Entitlement offer

On 5 November 2020, the Company issued 1,250,205,475 shares at \$0.001 per share in terms of an Entitlement Offer (the Offer). The Offer raised \$1,250,205 before costs, including debt conversions by DGR Global Limited and members of the Board and management team of \$700,596. Accordingly, the Offer gave rise to a shortfall of approximately \$1,801,790. On 29 January 2021, 1,801,790,000 ordinary shares were issued at \$0.001 per share following the placement of the entire shortfall arising from the Offer.

Note 10. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Convertible notes	-	-	2,179,710	2,179,710
Total liabilities	-	-	2,179,710	2,179,710

Consolidated - 30 June 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Convertible notes	-	-	2,572,600	2,572,600
Total liabilities	-	-	2,572,600	2,572,600

There were no transfers between levels during the financial half-year.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The fair value of convertible notes are determined using option pricing models, which use various inputs including current market and contractual prices for underlying instruments, time to expiry, yield curves and volatility of underlying instruments.

Level 3 assets and liabilities

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range of inputs	Sensitivity
31 December 2020			
Convertible note payable	Share price volatility	90%	Lower volatility (-10 bps) would increase FV by \$5,999; higher volatility (+10 bps) would decrease FV by \$7,145
	Risk-free interest rate	1.02%	Lower discount rate (-25 bps) would increase FV by \$259; higher discount rate (+25 bps) would decrease FV by \$282

Note 11. Commitments

During the half-year ended 31 December 2020, the Company signed a binding term sheet with Laneway to acquire 100 per cent of the Ashford Project in two stages. The Company also signed a binding term sheet with Resources and Energy Investments Pty Ltd to acquire 100 per cent of the issued capital of Mackenzie Coal Project Pty Ltd, the entity acquiring the rights to the Mackenzie Project. The transactions were subject to the satisfaction of several conditions such as the completion of due diligence activities, the Company raising and debt-converting an agreed amount of capital, the vendor parties having clear title to the project assets, and the entering into of formal transaction documentation. The full terms and conditions of the respective deals are outlined in the Company's ASX releases of 31 July and 23 October 2020.

Note 11. Commitments (continued)

Ashford Coking Coal Project

The Company and the vendors for the Ashford Coking Coal Project (Laneway Resources Ltd) have mutually agreed to extend the deadline for the satisfaction of certain conditions for the completion of the Stage 1 acquisition, and are currently working towards settlement of Stage 1 during March 2021.

Mackenzie Coking Coal Project

The Company and Resources and Energy Investments Pty Ltd (the entity acquiring the rights to the Mackenzie Coking Coal Project) have mutually agreed to extend the deadline for the satisfaction of certain conditions for the completion of the proposed acquisition, and are continuing to work co-operatively to achieve settlement in the future.

Note 12. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Payment for goods and services:		
Payment for services - DGR Global Ltd (a)	96,000	96,000
Payment for services - Hopgood Ganim (b)	65,093	5,183
Other transactions:		
Other payments to DGR Global Ltd	-	50,500

(a) The Group has a commercial arrangement with DGR Global Limited (common Directors include Nicholas Mather and Brian Moller) for the provision of various services, whereby DGR Global provides resources and services including the provision of its administration staff, its premises (for the purposes of conducting the Company's business operations), use of existing office furniture, equipment and stationery, together with general telephone, IT infrastructure, reception and other office facilities (Services). In consideration for the provision of the Services, the Group pays DGR Global a monthly administration fee.

(b) Mr Brian Moller (a Director), is a partner in the Australian firm Hopgood Ganim lawyers. Hopgood Ganim provides legal services to the Group and the fees are based on normal commercial terms and conditions.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
Current payables:		
Trade payables - DGR Global Ltd	663,690	815,372
Trade payables - Hopgood Ganim	46,911	-

The outstanding balances at each relevant period end are unsecured, interest free and settlement occurs in cash.

Note 13. Events after the reporting period

On 14 January 2021, 111,111,111 \$0.0009 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners.

On 14 January 2021, 50,000,000 fully paid ordinary shares were issued as Conversion shares pursuant to the conversion of 50,000,000 unlisted convertible notes.

On 29 January 2021, 1,801,790,000 ordinary shares were issued at \$0.001 per share following the placement of the entire shortfall arising under the Company's 2020 Entitlement Offer.

Note 13. Events after the reporting period (continued)

At the Annual General Meeting of shareholders held on 29 January 2021, the shareholders approved the acquisition of the Ashford Coking Coal Project and the Mackenzie Coking Coal Project. During the half year ended 31 December 2020, the Company signed a binding term sheet with Laneway to acquire 100 per cent of the Ashford Project in two stages. The Company also signed a binding term sheet with Resources and Energy Investments Pty Ltd to acquire 100 per cent of the issued capital of Mackenzie Coal Project Pty Ltd, the entity acquiring the rights to the Mackenzie Project.

On 1 February 2021, 111,111,111 \$0.0009 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners.

On 10 February 2021, 959,404,400 \$0.001 ordinary shares were issued to DGR Global Limited and the Directors of Aus Tin Mining Limited, all being related parties, in partial satisfaction of debts owed to those parties by the Company. The issue of these securities was approved at the Company's Annual General Meeting on 29 January 2021.

On 26 February 2021, 100,000,000 \$0.001 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners.

On 1 March 2021, the Company announced that it had placed 2,000,000,000 new ordinary shares professional and sophisticated investors at an issue price of \$0.001 per share to raise a total of \$2 million in cash.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 14. Non-cash investing and financing activities

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Convertible notes converted into shares	690,000	-
Shares issued to supplier	26,700	-
Amounts owing to the Board and management team converted into shares	700,596	-
	<u>1,417,296</u>	<u>-</u>

Note 15. Earnings per share

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Loss after income tax attributable to the owners of Aus Tin Mining Limited	<u>(716,351)</u>	<u>(1,553,056)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>3,726,797,076</u>	<u>2,353,757,936</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>3,726,797,076</u>	<u>2,353,757,936</u>
	Cents	Cents
Basic earnings per share	(0.02)	(0.07)
Diluted earnings per share	(0.02)	(0.07)

Note 16. Options

At the date of this report, the unissued ordinary shares of Aus Tin Mining Ltd under option are as follows:

Note 16. Options (continued)

Grant date	Date of expiry	Exercise price \$	Number under option
25 June 2018	25 June 2021	0.035	41,250,000
17 January 2019	17 January 2022	0.035	16,500,000
24 April 2019	22 April 2022	0.030	7,272,727
7 August 2019	30 June 2022	0.025	9,431,758

The following table illustrates the number (no.) and weighted average exercise prices (WAEP) of, and movements in, share based payment share options granted during the period:

	31 Dec 2020 No.	31 Dec 2020 WAEP \$	30 June 2020 No.	30 June 2020 WAEP \$
Outstanding at the beginning of the period	105,704,485	0.026	234,022,727	0.019
Granted during the period	-	-	9,431,758	0.025
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	(31,250,000)	0.014	(137,750,000)	0.022
Outstanding at the end of the period	<u>74,454,485</u>	<u>0.040</u>	<u>105,704,485</u>	<u>0.066</u>
Exercisable at the end of the period	<u>74,454,485</u>	<u>0.031</u>	<u>105,704,485</u>	<u>0.026</u>

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Brian Moller
Non-executive Director

9 March 2021
Brisbane

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Aus Tin Mining Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Aus Tin Mining Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO



D P Wright
Director

Brisbane, 9 March 2021

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