



## CARBINE TUNGSTEN

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3 November 2015

Dear Shareholder

### **NON-RENOUNCEABLE ENTITLEMENTS OFFER**

Carbine Tungsten Limited (ASX: CNQ) (“Carbine” or “the Company”) is seeking to raise up to \$2,479,744 (before costs) through a pro-rata non-renounceable entitlements offer of one (1) new ordinary share in the capital of the Company (Share) for every five (5) Shares held by Eligible Shareholders on 11 November 2015 at an issue price of \$0.04 per Share (Entitlements Offer).

The Offer Document in respect of the Entitlements Offer was lodged with the Australian Securities Exchange (ASX) on 3 November 2015. A copy of the Offer Document together with an Entitlement and Acceptance Form will be mailed to eligible shareholders on 16 November 2015.

Under the Entitlement Offer, shareholders with a registered address in Australia, New Zealand or Singapore (“Eligible Shareholders”) are being invited to subscribe for one New Share for every five existing shares held on the Record Date being 11 November 2015.

There is no minimum subscription in respect of the Offer and the Offer is not underwritten. Eligible Shareholders will have the opportunity to apply for additional New Shares and Directors reserve the right, at their discretion, to place any New Shares not taken up by Eligible Shareholders.

### **Indicative Use of Proceeds of Entitlements Offer**

The proceeds of the Entitlement Offer will primarily be applied to the advancement of the Company’s Mt Carbine Stockpile and Open Pit Projects.

Additional working capital will also be required to retire the balance of the USD \$1 million loan received from Mitsubishi Corporation RtM Japan Ltd (“Mitsubishi RtMJ”) in 2014 and ensure environmental early works rehabilitation is completed to the satisfaction of the Queensland Government’s Department of Environment and Heritage Protection.

A working capital budget of \$250,000 for exploration will include drilling adjacent to the Inferred and Indicated Mineral Resources in the Mt Carbine sheeted quartz vein tungsten deposit.

A portion of the proceeds will also be used to evaluate the proposed purchase of the Mt Carbine and Mossman quarries, which if successful, will provide the Company with not only long-term strategic business opportunities but also an invaluable source of cash flow. The quarry purchase has very broad and exciting revenue prospects as well as providing economies of scale for the Mt Carbine Stockpile Project and eventual “open-pit” mining. This purchase will potentially allow Carbine to strategically position itself and the commissioning of the Mt Carbine Stockpile Project to take full advantage of the anticipated recovery in the tungsten market cycle.

Additional working capital will be used to fund the Company’s operations. Expenses of the offer are estimated to be 1% of the total funds raised.



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The Company proposes to use the proceeds of the Entitlements Offer as follows:

Description of Cash Outflows	AUD \$	%
Expansion and Support of the Mt Carbine Stockpile Project	750,000	30%
Repayment of Existing Loan Facility with Mitsubishi RtMJ	750,000	30%
Environmental Early Works Rehabilitation	300,000	12%
Exploration Drilling at Mt Carbine	250,000	10%
Working Capital to Fund the Company's Operations	250,000	10%
Mt Carbine & Mossman Quarry Purchase – Audit & Evaluation	150,000	6%
Expenses of Entitlements Offer	29,744	1%
<b>Approximate total funds raised under the Entitlements Offer</b>	<b>\$2,479,744</b>	<b>100%</b>

The above expenditure budget is indicative only and may change according to circumstances prevailing at the time.

### Summary of the Offer

1. The Entitlements Offer comprises one (1) New Share for every five (5) existing shares held on 11 November 2015 (Record Date) at \$0.04 per Share.
2. Eligible shareholders will comprise those shareholders with a registered address in Australia New Zealand and Singapore.
3. The Entitlements Offer is not underwritten.
4. Any fractional entitlements arising from the Entitlements Offer will be rounded up.
5. Shares issued under the Entitlements Offer will rank equally with existing Shares on issue on the Record Date. The Company will make application for official quotation of the new Shares proposed to be issued under the Offer. Share entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferrable.
6. Up to approximately 61,993,605 Shares will be issued pursuant to the Entitlements Offer, assuming no unquoted options are exercised prior to the Record Date. Shareholders who do not take up all or any part of their entitlement will not receive any payment or value in respect of the entitlement not taken up and their equity interest in the Company will be diluted.
7. Eligible shareholders may, in addition to taking up their entitlements in full, apply for additional shares in excess of their entitlements. Additional shares will only be available where there is a shortfall between applications received from eligible shareholders and the number of New Shares proposed to be issued under the rights issue (Top-Up Offer).
8. Any entitlement not taken up by shareholders pursuant to the Entitlements Offer will form the shortfall offer. The Directors of the Company reserve the right to issue any shortfall shares in their absolute discretion.



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Eligible Shareholders' entitlements pursuant to this Entitlement Offer are non-renounceable and accordingly, eligible shareholders may:

- take up their entitlement offer in full or in part;
- do nothing, in which case their entitlements will lapse; or
- take up their entitlement in full and apply for additional New Shares.

No action is required to be taken at this stage. If you intend to take up your entitlement offer in full or in part, or apply for additional New Shares, then you should take appropriate action when you receive a copy of the Offer Document together with an Entitlement and Acceptance Form, which will be mailed to Eligible Shareholders on 16 November 2015.

### Timetable

Further details of the Entitlements Offer, including details on how to accept and the key risks of the Entitlements Offer, will be set out in an Offer Document which is expected to be released to the ASX today and despatched to shareholders on 16 November 2015. Outlined below is a timetable of relevant events and dates relating to the Entitlements Offer. These events and dates are indicative only and subject to change. Subject to the ASX Listing Rules, the Corporations Act and other applicable laws, the Company's Board reserves the right to modify all dates, including the Entitlements Offer closing date.

Event	Date
Announcement of Entitlement Offer	3 November 2015
Lodge Appendix 3B and Offer Document with ASX	3 November 2015
Notice of Entitlements Offer Sent to Option Holders	3 November 2015
Notice of Entitlements Offer Sent to Shareholders	5 November 2015
Shares Traded on an "ex" Entitlement Basis	9 November 2015
Record Date for Determining Entitlements	11 November 2015
Offer Document and Entitlement and Acceptance Form Despatched to Eligible Shareholders.	16 November 2015
Last Day to Extend the Entitlement Offer Closing Date	24 November 2015
Closing Date for the Entitlements Offer (5pm EDST)	27 November 2015
Securities Quoted on Deferred Settlement Basis	30 November 2015
Notification of Under-Subscriptions (Shortfall) to ASX	2 December 2015
Issue of New Shares under the Entitlement Offer and Deferred Settlement Trading Ends	4 December 2015
Trading of New Shares on ASX Commences on a Normal Settlement Basis	7 December 2015



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Application for New Shares under the Entitlements Offer may only be made by completing the Entitlement and Acceptance Form which accompanies the Offer Document.

A copy of the Offer Document is available for review on the ASX website [www.asx.com.au](http://www.asx.com.au) and on the Company's website [www.carbinetungsten.com.au](http://www.carbinetungsten.com.au).

Shareholders eligible to participate in the Entitlement Offer should read the Offer Document carefully and consult professional advisers as necessary.

**Carbine Tungsten Limited**

A handwritten signature in purple ink that reads "David W Clark". The signature is written in a cursive, flowing style.

David W Clark  
Company Secretary