

12 Million Tonne Stockpile, Mt Carbine ~15m Benching



**International Tungsten Industry Conference
Site Tour - Mt Carbine**

Quarterly Activities Report

For the Period Ended 30 September 2013



Carbine Tungsten Limited

ACN 115 009 106

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HIGHLIGHTS

- **Mitsubishi Corporation RtM Japan Ltd (“Mitsubishi RtMJ”) reinforces its interest in the Mt Carbine Tungsten Project following a successful site visit by its President, Mr Kenji Tani, on 12 July 2013.**
- **Environmental Authority (EA) approval secured in August 2013 for the annual processing of up to 3 million tonnes of hard-rock stockpiles. The awarding of this EA is also a critical step in securing \$15 million in Project funding from Mitsubishi RtMJ as outlined in the Memorandum of Understanding (MOU) signed in February 2013.**
- **Carbine Tungsten Limited (“Carbine” or “the Company”) showcases its Mt Carbine Project to approximately 80 international tungsten investors and delegates from the International Tungsten Industry Association (ITIA) Conference on 26 September 2013.**
- **Carbine completes run-off water diversion works for EA and operational compliance.**
- **Exploration targets firming for potential high grade open pit extension within the current mining lease and potential high grade satellite exploration prospects within a 1.5 km distance of the existing open pit within the current exploration leases.**
- **Carbine’s Annual General Meeting is scheduled to be held on Friday 15 November 2013 at The Rydges Melbourne, 186 Exhibition Street, Melbourne commencing at 11.00 am, Melbourne time.**

EXECUTIVE SUMMARY

The quarter has been another busy and successful period for Carbine with the key activities being focused upon the development of its world class Hard Rock Mining Project. The first phase of this Project, the processing of 12 million tonnes of at surface stockpiled material, has received Environmental Approval (EA) to proceed. Drainage diversion works to comply with the EA approval have now been completed and detailed process engineering design work has commenced.

Carbine are negotiating an interim loan facility with Mitsubishi RtMJ whilst final negotiations for Mitsubishi RtMJ’s full funding package, as agreed in the MOU, are being concluded. Negotiations with interested debt funding parties are also well advanced and nearing completion. The debt funding will be used to support exploration and other expenditure items related to the further expansion and development of the open pit phase of the Project.

The Company was delighted to be selected to host a site tour by an 80 person delegation of international visitors from the ITIA. The group of tungsten industry executives, managers and potential investors chose to visit the Mt Carbine Project as an extension to the ITIA Annual General Meeting held in Sydney which the Company’s management attended during late September 2013.

The Company has been conducting further exploration activities and analysis of prior drilling campaigns on its adjacent open pit extension “Iron Duke Prospect” and “Petersen’s Lode Prospect” historical workings prospects. The Company expects to make a more detailed announcement in relation to these exciting exploration prospects in the near future.

The tungsten market continues to remain strong with global growth in tungsten demand predicted to increase by 4.5% per annum for the next 5 years. This predicted demand requires a number of mines of a similar scale to Mt Carbine to come into production every year to satisfy the current and projected demand. As the number of globally available alternative tungsten mine projects continues to diminish due to either delayed regulatory approvals, economic or technical viability difficulties the Mt Carbine Project continues to stand out as a compelling world class tungsten supply source with realistic near and long term production capabilities.



Given the projected tungsten supply shortfall that is due to an insufficient number of viable mines available to develop and the time durations required to bring any new mines into production. The increasing market demand and resultant shortage of tungsten supply, predicts that tungsten pricing is likely to remain strong and grow stronger going forward.

The Company's research and development Tailings Retreatment Project has continued to produce and supply high grade tungsten concentrate for export to Mitsubishi RtMJ and further initiatives to improve the production and economics of this Project are continuing.

The Company continues to successfully deliver on its plan for the phased development of its world class, low cost, low risk, brownfield's tungsten mine project.

DEVELOPMENT, EXPLORATION, PRODUCT MARKETING & CORPORATE ACTIVITIES

QUARTER ENDED 30 SEPTEMBER 2013

DEVELOPMENT ACTIVITIES

CARBINE STRENGTHENS ITS RELATIONSHIP WITH MITSUBISHI RTMJ

The Company announced on 1 August 2013 that representatives from its Board and Senior Management Team had the pleasure of hosting a visit by Mitsubishi RtMJ's President, Mr Kenji Tani, to the Mt Carbine Tungsten Project on 12 July 2013. The purpose of this visit was to enable further due diligence to be undertaken on the Project by Mitsubishi RtMJ following the signing of the MOU in late February 2013. This document outlined Mitsubishi RtMJ's intention to provide up to \$15 million in Project funding to support Carbine's development plans for the existing tungsten stockpiles and former hard rock open-cut mine.

The Board of Carbine saw this visit as yet another positive step in the strengthening of its relationship with Mitsubishi RtMJ. The escalation from off-take partner to potential funding and project partner was very encouraging and the Company will continue to work closely with Mitsubishi RtMJ to unlock the value within its world class tungsten project.

ENVIRONMENTAL AUTHORITY APPROVAL SECURED FOR STOCKPILE PROCESSING

Carbine was delighted to announce on 19 August 2013 that the Company had achieved a significant milestone in its transition from tailings retreatment production to hard rock development, with the Queensland Department of Environment and Heritage Protection ("DEHP") issuing the EA for EPML00956913. This EPML covers the processing of up to 3 million tonnes of hard rock stockpiles per annum which will significantly increase the Company's existing production capacity.

Whilst the Company will continue to optimise its output from the Tailings Retreatment Plant, the EA approval provides Carbine with the opportunity to significantly increase its current production profile which will remain its primary focus as tungsten prices continue to increase in a supply constrained market.

The EA will also allow the Company to accelerate its discussions with its intended funding partner, Mitsubishi RtMJ, regarding their intention to provide \$15 million in development funding.



Environmental approval received for 12 Million Tonnes of Stockpiled Ore Material

INTERNATIONAL TUNGSTEN CONFERENCE - MT CARBINE SITE TOUR

Carbine was pleased to be selected by the ITIA to showcase the Mt Carbine Project as part of its 2013 Conference. 215 delegates attended the ITIA event, which was held in Sydney between 22 September and 25 September 2013 with participants representing a broad spectrum of tungsten users from across 26 countries.

Following the Sydney proceedings approximately 80 delegates from major tungsten investment groups and other interested parties travelled to North Queensland to participate in a tour of the Mt Carbine Project on 26 September 2013.

The Company was delighted at being afforded the opportunity to showcase Australia's tungsten industry to such a high calibre group of delegates. The interest Carbine received during the ITIA Conference was equally as encouraging, as it highlighted the Company's strategy to increase production through the development of its Hard Rock Project had the potential to meet the current strong demand from global tungsten users.

The ITIA Conference also highlighted the current critical tungsten supply levels, with the apparent consensus being that to meet future demand a 4-6% growth in tungsten supply was required. This was likened to an operation with the full-scale production of Mt Carbine coming online each year.

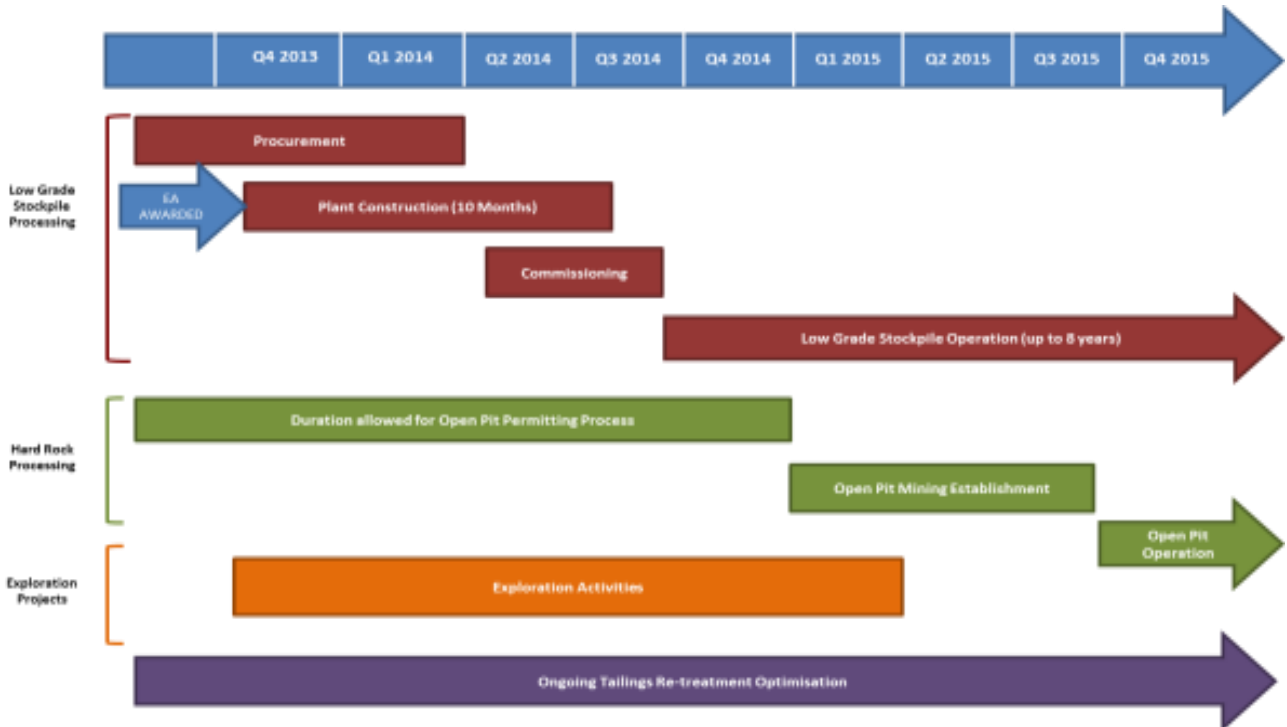


ITIA Delegates Inspect the Mt Carbine Project



HARD ROCK PROJECT – TIMELINE UPDATE

The following updated Hard Rock Project Timeline was announced in the September 2013 Update on 23 September 2013:



EXPLORATION

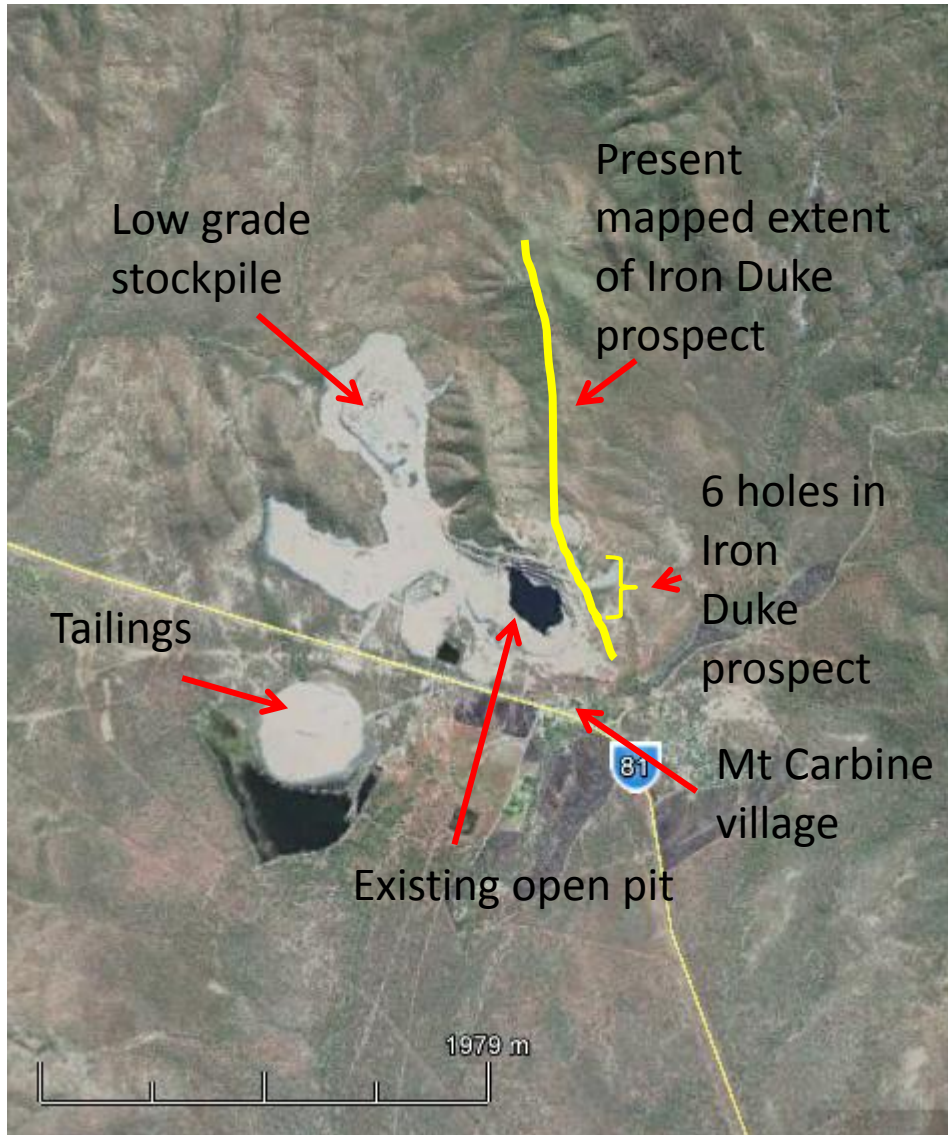
IRON DUKE – MT CARBINE, QUEENSLAND

Although the present resource estimate does not include any Iron Duke mineralisation, this prospect lies within the planned open-pit envelope. The average true width of the prospect is 8m from 6 drill holes and the weighted average grade is 0.32% WO₃. Drilling is planned to establish the resource within Iron Duke prior to the commencement of open-cut mining.

The Iron Duke prospect is hosted by a persistent stratigraphic formation consisting of metabasalt lenses and an associated chert horizon. Scheelite mineralisation with minor wolframite occurs in skarn alteration associated with the metabasalt and scheelite and minor wolframite occur as filling to fracture spaces in the chert horizon. Where the Iron Duke has been drilled on the eastern side of the planned open pit extension, the shallowest drill intercept is 100m below the surface. The surface expression of the Iron Duke in this location is covered by mine dumps from the previous mining operation and future drilling will be aimed at establishing continuity of mineralisation to the surface. Recent detailed surface geological mapping northwards from the planned open pit has revealed that the formation hosting the Iron Duke prospect has a strike length of at least 2.2km. Scheelite and very sparse wolframite have been identified in surface exposures of the formation along its entire strike length.

PETERSEN'S LODE – MT CARBINE, QUEENSLAND

Examination of Petersen's Lode within EPM 14872 confirms a sub-vertical 10m wide zone of scheelite mineralisation hosted by sheared and altered metasediments that has been traced by geological mapping and sampling for 1.3km along strike. This prospect is approximately 1-2km south-east of Mt Carbine and more detailed exploration is planned. The only record of production from Petersen's Lode is 950 tonnes of scheelite concentrate from ore with a grade of 0.6% WO₃.



PRODUCT MARKETING

TAILINGS RE-TREATMENT PROJECT, MT CARBINE

Consignments of high grade tungsten concentrate continue to be shipped to Mitsubishi RtMJ from the Company's Tailings Retreatment Plant, with the latest shipment being despatched from Mt Carbine on 14 September 2013.



ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL RUN OFF DIVERSION WORKS

As part of Carbine's Project development and EA requirements runoff water drainage diversion works were undertaken at the Mt Carbine site. This work has been designed to allow for current and future hard rock project operations.



CORPORATE

2013 ANNUAL REPORT & NOTICE OF MEETING

Carbine's 2013 Annual Report was released to the Australian Stock Exchange on 30 September 2013. This document along with the Notice of Annual General Meeting can be viewed by following the link below:

<http://www.carbinetungsten.com.au/ctasx>

The 2013 Annual General Meeting will be held on Friday 15 November 2013 at The Rydges Melbourne, 186 Exhibition Street, Melbourne commencing at 11.00 am, Melbourne time.

JIM MORGAN
CEO & MANAGING DIRECTOR

COMPETENT PERSONS' STATEMENT

The information in this Resource Statement that relates to Exploration Results and Mineral Resources and Ore Reserves is based on information compiled by Dr Andrew White, who is a Fellow of the Australian Institute of Geoscientists and a consultant to CNQ. Dr White has sufficient experience relevant to the style of mineralisation, mining and processing the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr White consents to the inclusion in the Quarterly Report for September 2013 of the matters based on his information in the form and context in which it appears.



CARBINE TUNGSTEN

CARBINE TUNGSTEN LIMITED AT A GLANCE

Directors

Mr R.H. (Russell) Krause, Non-Executive Chairman
Mr A.J. (Jim) Morgan, Managing Director
Mr A.E. (Tony) Gordon, Non-Executive Director
Mr R.W. (Roland) Nice, Non-Executive Director

Company Secretary

Mr Tom Bloomfield

Registered Office & Principal Place of Business

50 Scott Street
Bungalow, Cairns QLD 4870 Australia
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Website and Emails

Please visit Carbine Tungsten's website for the latest announcements and news: www.carbinetungsten.com.au.
To receive Carbine Tungsten's announcements by email, email to: info@carbinetungsten.com.au

General Enquiries

Contact Mr Jim Morgan on 0487 144 834

Issued Capital and Market Capitalisation

At 18 October 2013 Carbine Tungsten's issued capital was 281,936,594 ordinary shares, and 1,400,000 Performance Rights and 2,900,000 unlisted options exercisable between 14 and 34 cents. At a share price of \$0.060 (18 October 2013) the market capitalisation was \$16.92 million.

Number of Shareholders and Major Shareholders

At 18 October 2013 Carbine Tungsten had 1,155 shareholders. The share register records the following as major shareholders at 18 October 2013 accounting for 36.51% of the issued shares:

Shareholder	%
Leon Eugene Pretorius	12.06
Mota Engil Minerals & Mining Investments BV	5.68
Baglora Pty Ltd <Mott Family Super Fund A/C>	4.30
Neil Kenneth Watson & Margaret Helen Moroney <Rossdale Super Fund A/C>	3.22
Silva Pty Ltd	2.64
Andrew Hewlett White and Associates	1.67
Neil Kenneth Watson and Margaret Helen Moroney <Rossdale Super Fund A/C>	1.64
Alan Scott Nominees Pty Ltd <Superannuation Fund A/C>	1.47
Nicholson Super Pty Ltd <Nicholson Family S/F A/C>	1.29
Fallon Nominees Pty Ltd <Fallon Family A/C>	1.27
Andrew James Morgan	1.27

Cash Balance

At 30 October 2013 Carbine Tungsten's cash balance was approximately \$561,000.

Shareholder Enquiries

Matters relating to shares held and changes of address should be directed to the share registry:

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067
Telephone (within Australia): 1300 850 505
Telephone (international): +61 3 9415 4000

ASX Listing Code

The Company's ASX listing code is CNQ (Carbine North Queensland)