



CARBINE TUNGSTEN

25 February 2013

Dear Shareholder

CARBINE TUNGSTEN SIGNS MOU WITH MITSUBISHI TO SUPPORT DEVELOPMENT OF HARD ROCK TUNGSTEN ASSETS AND PROVIDE OFF-TAKE

Carbine Tungsten Limited (ASX:CNQ) ("Carbine") is pleased to announce that it has executed a Memorandum of Understanding ("MOU") from existing off-take partner, Mitsubishi Corporation Unimetals ("MCU"), outlining that MCU will support the development of Carbine's existing hard rock stockpiles and historical open pit tungsten mine ("The Hard Rock Project"). The MOU outlines MCU's intention to provide funding for the Hard Rock Project and continue to participate in off-take once Carbine enters the development phase for these assets.

The MOU with MCU covers both potential funding and technical collaboration for the development of the Hard Rock Project, and includes an off-take consideration for 80% of the tungsten stockpiles and 50% of the ore produced from the historical open pit tungsten mine, once in production.

As part of the agreement and ongoing negotiation, MCU has started their consideration to fund \$15 million of the capital requirement needed for CNQ to undertake the planned development program of the existing stockpiles, which is Carbine's immediate focus.

Carbine Tungsten's Chief Executive Officer, Jim Morgan, commented: "The progression to an MOU on our Hard Rock Project with our existing off-take partner, MCU, demonstrates the overt demand for tungsten amongst leading players in the industry.

"While we are in the MOU stages, we have also developed a relationship with MCU since 2011, and the support we are receiving coupled with our ongoing technical analysis of the potential of the Hard Rock Project gives us confidence that we can advance from an MOU to a Joint Venture Agreement in due course," Mr. Morgan added.

"CNQ's Board views the MOU as a representation of the potential of our Hard Rock Project, which has the capacity, once in development phase, to meet a supply constrained market.

Yours sincerely

Carbine Tungsten Limited.

A James Morgan
Managing Director