



## CARBINE TUNGSTEN

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18 November 2015

Dear Shareholder

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

Carbine Tungsten Limited (ASX: CNQ) ("Carbine" or "the Company") refers to its previous announcements regarding the non-renounceable entitlements offer released to the ASX on 3 November 2015.

### **Cancellation of Previous Non-Renounceable Entitlements Offer**

Following a review of the Company's capital raising strategy, the Directors have decided not to proceed with the pro-rata non-renounceable entitlements offer of one (1) new ordinary share in the capital of the Company for every five (5) shares at an issue price of \$0.04 per share.

The proposed entitlements offer was always on the basis that the Company reserved the right not to proceed with the whole or part of the offer at any time prior to the issue date. This basis was expressly stated in item 1.4 of the Offer Document announced to the ASX on 3 November 2015.

### **New Non-Renounceable Entitlements Offer**

Carbine is now seeking to raise up to \$2,206,050 (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 four (4) Shares held by Eligible Shareholders on 27 November 2015 at an issue price of \$0.025 per Share ("New Entitlements Offer").

The Offer Document in respect of the New Entitlements Offer was lodged with the Australian Securities Exchange (ASX) on 18 November 2015. A copy of the Offer Document together with an Entitlement and Acceptance Form will be mailed to Eligible Shareholders on 1 December 2015.

Under the New Entitlements 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 four existing shares held on the Record Date being 27 November 2015.

There is no minimum subscription in respect of the New Entitlements 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 New Entitlements Offer will primarily be applied to the advancement of the Company's Mt Carbine Stockpile Project and preparatory permitting works for the open pit development. The Stockpile Project phase will involve the processing of approximately 12 million tonnes of previously-mined stockpiled material. Completion of the New Entitlements Offer will also support the finalisation of the US\$15 million loan facility from Mitsubishi RtmJ subject to an improvement in market pricing conditions and satisfaction of the conditions precedent.



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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 compliance early works rehabilitation is completed to the satisfaction of the Queensland Government’s Department of Environment and Heritage Protection.

A working capital budget of \$200,000 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 2% of the total funds raised.

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

Description of Cash Outflows	AUD \$	%
Expansion and Support of the Mt Carbine Stockpile & Open Pit Projects	600,000	27%
Repayment of Existing Loan Facility with Mitsubishi RtMJ	750,000	34%
Environmental Compliance Early Works Rehabilitation	250,000	11%
Working Capital to Fund the Company’s Operations	200,000	9%
Exploration Drilling at Mt Carbine	200,000	9%
Mt Carbine & Mossman Quarry Purchase – Audit & Evaluation	175,000	8%
Expenses of Entitlements Offer	36,575	2%
<b>Approximate Total Funds Raised under the New Entitlements Offer</b>	<b>\$2,206,050</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 New Entitlements Offer comprises one (1) new Share for every four (4) existing shares held on 11 November 2015 (Record Date) at \$0.025 per Share.
2. Eligible Shareholders will comprise those shareholders with a registered address in Australia New Zealand and Singapore.
3. The New Entitlements Offer is not underwritten.
4. Any fractional entitlements arising from the New Entitlements Offer will be rounded up.
5. Shares issued under the New 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 88,242,006 Shares will be issued pursuant to the New 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 New Entitlements Offer (Top-Up Offer).
8. Any entitlement not taken up by shareholders pursuant to the New Entitlements Offer will form the shortfall offer. The Directors of the Company reserve the right to issue any shortfall shares in their absolute discretion.

Eligible Shareholders' entitlements pursuant to the New Entitlements 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 1 December 2015.

#### Timetable

Further details of the New Entitlements Offer, including details on how to accept and the key risks of the New Entitlements Offer, will be set out in an Offer Document which is expected to be released to the ASX today and dispatched to shareholders on 1 December 2015.

Outlined below is a timetable of relevant events and dates relating to the New 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 New Entitlements Offer closing date.

Event	Date
Announcement of Entitlement Offer	18 November 2015
Lodge Appendix 3B and Offer Document with ASX	18 November 2015
Notice of Entitlements Offer Sent to Option Holders	18 November 2015
Notice of Entitlements Offer Sent to Shareholders	23 November 2015
Shares Traded on an "ex" Entitlement Basis	25 November 2015
Record Date for Determining Entitlements	27 November 2015
Offer Document and Entitlement and Acceptance Form Dispatched to Eligible Shareholders.	1 December 2015
Last Day to Extend the Entitlement Offer Closing Date	8 December 2015
Closing Date for the Entitlements Offer (5pm EDST)	11 December 2015
Securities Quoted on Deferred Settlement Basis	14 December 2015
Notification of Under-Subscriptions (Shortfall) to ASX	15 December 2015
Issue of New Shares under the Entitlement Offer and Deferred Settlement Trading Ends	18 December 2015
Trading of New Shares on ASX Commences on a Normal Settlement Basis	21 December 2015

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



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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 New Entitlements 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 fluid and cursive, with the first letters of each word being capitalized and prominent.

David W Clark  
Company Secretary