CARBINE TUNGSTEN

ASX ANNOUNCEMENT

15 November 2013

Company Announcements Office
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EXPLORATION ACTIVITY ENHANCES RESOURCE POTENTIAL AT MT CARBINE TUNGSTEN PROJECT

- **Geological mapping conducted within 3km from existing open pit - part of Carbine's Hard Rock Project.**
- **Mapping revealed potential strike extensions to mineralisation intersected in drilling at Iron Duke and prospectivity of Petersen's Lode.**
- **Proximity of priority prospects to open pit present potential to increase existing resource.**
- **Further exploration planned including drilling program to test high grade prospects.**

Carbine Tungsten Limited (ASX:CNQ) ("Carbine") is pleased to report on exploration progress at the priority tungsten prospects proximal to the existing open pit at the Mt Carbine tungsten project in Far North Queensland. Previously, Carbine has previously identified three prospective target areas proximal to existing operations (see Figure 1) that are subject to ongoing exploration activity.

Recent detailed surface geological mapping within a radius of 3km of the existing open pit, has provided further confirmation of potential mineralisation at the Iron Duke and Petersen's Lode prospects. These prospects are located within the existing Mining Lease or in the adjacent EPM held by Carbine.

Carbine's Managing Director, Jim Morgan, said: "While we are currently focused on planned development activities for the stockpile processing phase of Carbine's Hard Rock tungsten project, it is encouraging to receive further confirmation of exploration upside in very close proximity to the open pit at Mt Carbine.

"Carbine has a substantial existing JORC resource base, and the Company will continue to target the priority exploration prospects to better define the potential resource upside."

Background

The northern-most prospect, the Iron Duke, remains largely untested except immediately adjacent to the existing open pit, where 6 drill holes returned high-grade assays over an average true width of 8m and a weighted average grade of 0.33% WO_3. There is a single record of production from the southern prospect, Petersen's Lodes, of 960 tonnes of ore with a grade of 0.6% WO_3 being sold.

The geological mapping program is continuing with the Iron Duke prospect remaining open along strike to the north.

Mt Carbine has an Indicated Resource of 12Mt at 0.075% WO_3 in stockpiles at surface, and 18Mt at 0.14% WO_3 (using a cut-off of 0.05%WO_3) in the planned open pit mine. The dominant tungsten mineral in these two resources is wolframite (iron tungstate). The prospects identified from old workings, and from the recent mapping, are dominated by the tungsten mineral scheelite (calcium tungstate).

Financing is currently being negotiated for the construction of a plant to process the surface tungsten stockpiles, and this will include a component to fund the drill testing program for the potentially high grade prospects being targeted.

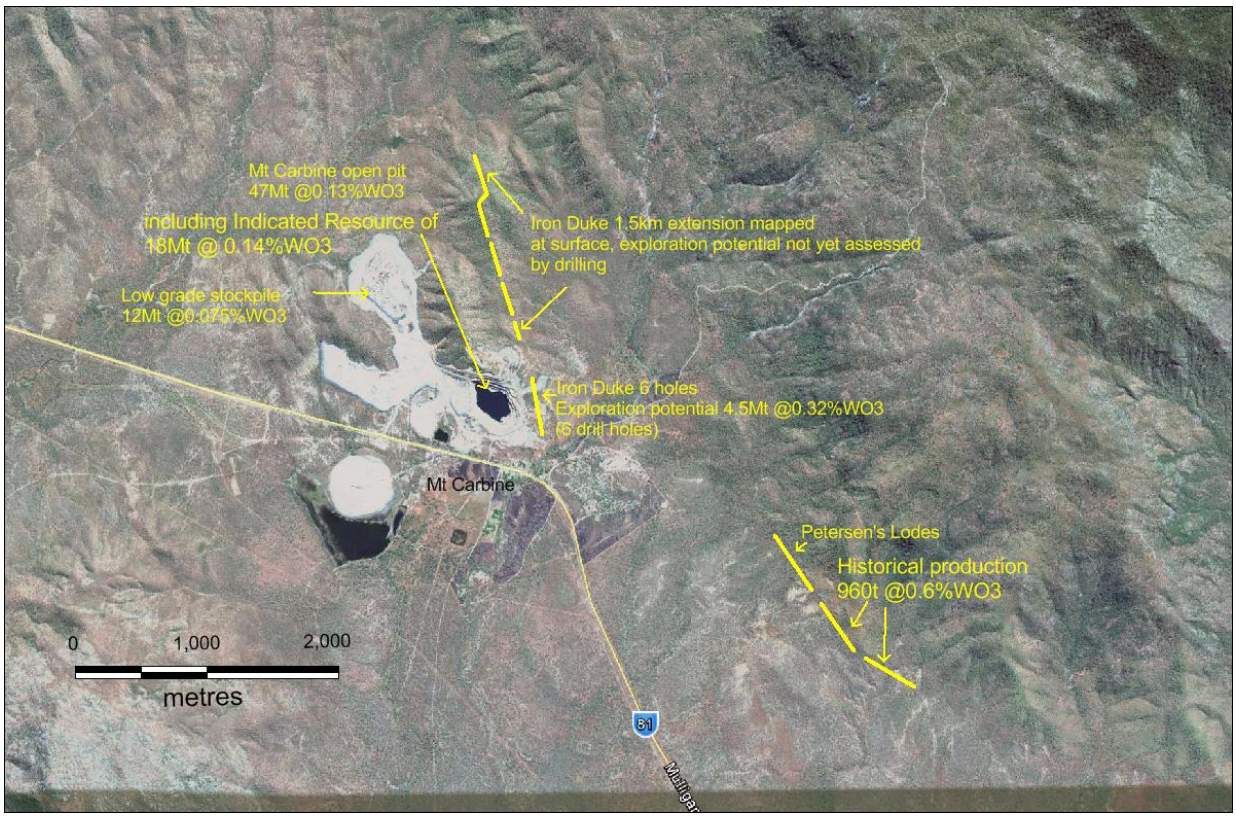

Figure 1.

The Iron Duke Prospect

The potential of the Iron Duke prospect was recognised after the scheelite-dominated mineralised zone was intersected in 6 core holes that formed part of confirmatory drilling of the wolframite-dominated resource beneath the present open pit. The holes were drilled from east of the pit and intersected the Iron Duke zone at depths below 100m from surface.

The surface area above the Iron Duke zone is covered by mineralised waste dumps from the previous mining operation, and without removing these dumps there is no opportunity to sample any surface exposures.

However, in the recent detailed surface geological mapping exercise, the package of rocks that contains the Iron Duke mineralisation was recognised two hundred metres north of the drill intercepts and followed for 1.5km to the north. A zone with an average width exceeding 20m in surface exposures strikes north for a distance of 1.7km from the drill intercepts. Scheelite and minor wolframite have been found in an outcrop of the zone over the entire strike length.

Petersen's Lodes

Petersen's Lodes consist of a semi-continuous exposure of a mineralised zone that has a strike length of 1.2km. The zone is widest (60m) at its northern end approximately 1.7km south east of Mt Carbine and continues to the south east but narrows so that 3km south east of Mt Carbine it averages 2-3m width in old workings that date from the 1970's. A sample taken over 20m at the northern end of the lode assayed 0.2%WO_3.

The grades indicated in sampling of the Iron Duke and Petersen's Lodes are higher than the estimated global average grade in the present open pit resource.

Yours sincerely
Carbine Tungsten Limited

A James Morgan
CEO and 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 Carbine. 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr White consents to the inclusion of the matters based on his information in the form and context in which it appears.