



## CARBINE TUNGSTEN

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20 November 2015

Company Announcements Office  
Australian Securities Exchange

### **TRANCHE A SHARE PLACEMENT TO LANSTEAD CAPITAL LP COMPLETED**

Carbine Tungsten Limited (ASX: CNQ) ("Carbine" or "the Company") refers to its previous announcement released to the ASX on 18 November 2015 with regard to the term sheet signed with a Lanstead Capital LP ("Lanstead"), an international institutional investment fund, to invest \$2 million.

The Company is pleased to advise that it has concluded binding agreements with Lanstead and completed the Tranche A placement of 40,000,000 shares to Lanstead Capital LP at the price of \$0.025 per share, to raise in aggregate, \$1,000,000.

The Company has issued the shares in accordance with its ASX Listing Rule 7.1 capacity. The associated Appendix 3B and Cleansing Statement with respect to this placement were announced separately to the ASX on 20 November 2015.

Lanstead has agreed to subscribe for a total of 80,000,000 ordinary shares to be issued over two Tranches at a price of A\$0.025 per share. In Tranche A, the Company will receive A\$1,000,000 through the subscription of 40,000,000 ordinary shares. In Tranche B the Company will receive a further A\$1,000,000 through the subscription of a further 40,000,000 ordinary shares.

In addition, the Company has entered into a sharing agreement (Sharing Agreement) with Lanstead which enables the Company to secure much of the potential upside from share price appreciation over the next 18 months.

In Tranche A, the Company will retain A\$150,000 of the aggregate A\$1,000,000 subscription upfront and the remainder will be invested in the Sharing Agreement. The Sharing Agreement provides that the Company will receive 18 monthly cash settlements whereby the Company's economic interest will be determined by Carbine's share price performance and payable in 18 monthly settlements as measured against a Benchmark Price of A\$0.0333 per share.

In Tranche B, the Company will retain A\$150,000 of the aggregate A\$1,000,000 subscription upfront and the remainder will be invested in the Sharing Agreement. The Sharing Agreement provides that the Company will receive 18 monthly cash settlements whereby the Company's economic interest will be determined by Carbine's share price performance and payable in 18 monthly settlements as measured against a Benchmark Price of A\$0.0333 per share.

If the share price exceeds the Benchmark Price for that month the Company will receive more than 100% of the monthly settlement due on a pro rata basis. Importantly, there is no upper limit placed on the additional funds receivable by the Company as part of the monthly settlements. Should the share price be below the Benchmark Price for that month the Company will receive less than 100% of the expected monthly settlement on a pro rata basis.

In no event would a decline in the Company's share price result in any increase in the number of Ordinary Shares received by Lanstead or any other advantage accruing to Lanstead.



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The Company has agreed to make a value payment to Lanstead of 8,000,000 Ordinary Shares in consideration for the Sharing Agreement. A value payment of 3,000,000 shares was issued to Lanstead today as part consideration for the Sharing Agreement. The balance of the value payment of 5,000,000 shares will be issued to Lanstead when the Tranche B shares are issued.

Following completion of the Placement and Subscription Lanstead will own 88,000,000 Ordinary Shares representing approximately 19.9% of Carbine's enlarged issued share capital.

The Chief Executive and Managing Director of Carbine Tungsten, Jim Morgan, comments:

"We are delighted to welcome Lanstead as a shareholder in the Company and very pleased with the outcome of the placements. The fundraising and associated sharing agreements are designed to provide additional financing to progress the development of the Mt. Carbine Stockpile and Open Pit projects whilst allowing the Company to secure much of the potential upside arising from increase in its share price. As a result of these transactions, Carbine will benefit from additional working capital for immediate deployment with further amounts receivable over 18 months subject to the outcome of its investment in the sharing agreements".

**Jim Morgan**

Chief Executive and Managing Director

**Carbine Tungsten Limited**

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