



Mt Carbine Hard Rock Stockpiles

Quarterly Activities Report

For the Period Ended 30 September 2014



Carbine Tungsten Limited

ACN 115 009 106

Registered Office & Principal Place of Business:
50 Scott Street, Bungalow QLD 4870; Tel: +61 7 4052 2400; Fax: +61 7 4052 2444
(ASX: CNQ)

HIGHLIGHTS

- **Following their Board Meeting in late September 2014, Mitsubishi Corporation RtM Japan Limited (“RTMJ”) was pleased to notify Carbine Tungsten Limited (“Carbine”) that approval had been given for a US\$15 million secured loan, subject to the finalisation of documentation, to fund Carbine’s initial phase of its Hard Rock Tungsten Project.**
- **Carbine continues advancing discussions and draft agreements under their confidentiality arrangements with two multinational tungsten off-take and investment parties. This is primarily for the additional funding requirements for the open pit phase of the Mt Carbine development and unallocated production capacity.**
- **Carbine further defines open pit area mine planning details to expedite open pit mine development and operations.**
- **Carbine appoints David Clark as Company Secretary on 10 July 2014 following Tom Bloomfield’s resignation as Company Secretary on the same day.**
- **Carbine to hold its Annual General Meeting on Wednesday 12 November 2014 at the Rendezvous Grand Hotel, 328 Flinders Street, Melbourne commencing at 11.00 am.**

EXECUTIVE SUMMARY

The notification from Mitsubishi Corporation RtM Japan Limited of their Board’s approval for the funding of the first phase of the hard rock development program of the Mt Carbine mine marks a significant and positive turning point for the Company and its flagship Mt Carbine project. This funding decision comes as the culmination of a highly detailed and comprehensive technical and financial due diligence process conducted by a subsidiary of one of Japan’s largest corporations with a globally significant footprint and branding. The US \$15 M funding package will allow the Company to commence the first phase of its hard rock development program and schedule initial production from the stockpiles within 2015. The Company has been preparing for this positive funding decision outcome and initial engineering and project permitting arrangements are already in place. Carbine’s legal advisers have conducted a legal review of the current contract documentation and have advised the Company to complete all conditions precedent requirements prior to the signing of the agreements with Mitsubishi. The completion of this process is well underway and the signing of the agreements is expected to take place imminently.

The Company has also been highly active in advancing its plans both technically and commercially for its open pit re-development project phase and has significantly advanced discussions for future funding and unallocated production from the open pit phase, with two internationally relevant tungsten off-take and investment groups (under non-disclosure agreements) during the past quarter. The technical development of the operational mining plan is underway which allows for detailed economic and production projections and environmental planning. These detailed plans also underpin and support open pit funding and further capital expenditure confidence.

The Company has also attended the annual International Tungsten Industry Association’s conference held in Toronto during this period where significant interest was shown in the near term production capability of the Mt Carbine project by a number of international tungsten interest parties. The projected overall growth in world tungsten demand was generally estimated to be around 4% per annum over the next five years. Whilst lower than last year’s projected 6% per annum growth it reflected an overall consensus downgrading of worldwide GDP growth rates over that period. This 4% growth however would still represent roughly two full scale mines of similar production capacity to Mt Carbine’s coming on-stream each year over the next five years which is a scenario that due to the scarcity of available potential mines worldwide does not seem possible.

The tungsten market therefore faces an ongoing dilemma of shortage of supply and whilst fluctuations in price are expected in the near term the overall trend for tungsten remains one of very strong demand and relatively strong pricing for this essential industrial production and military use metal.

Carbine continues test-work at its tailings retreatment operation and believes it is in an enviable supply and investment position in that it has an advanced brown field's project with a historically proven large scale operation and having all essential infrastructure and permitting in place. The compelling low cost, low risk, early production fundamentals of the Mt Carbine project have been reiterated by the endorsement of the Mitsubishi investment decision.

The Company looks forward confidently to yet another exciting and strong quarter ahead.

EXPLORATION, TECHNICAL & CORPORATE ACTIVITIES

QUARTER ENDED 30 SEPTEMBER 2014

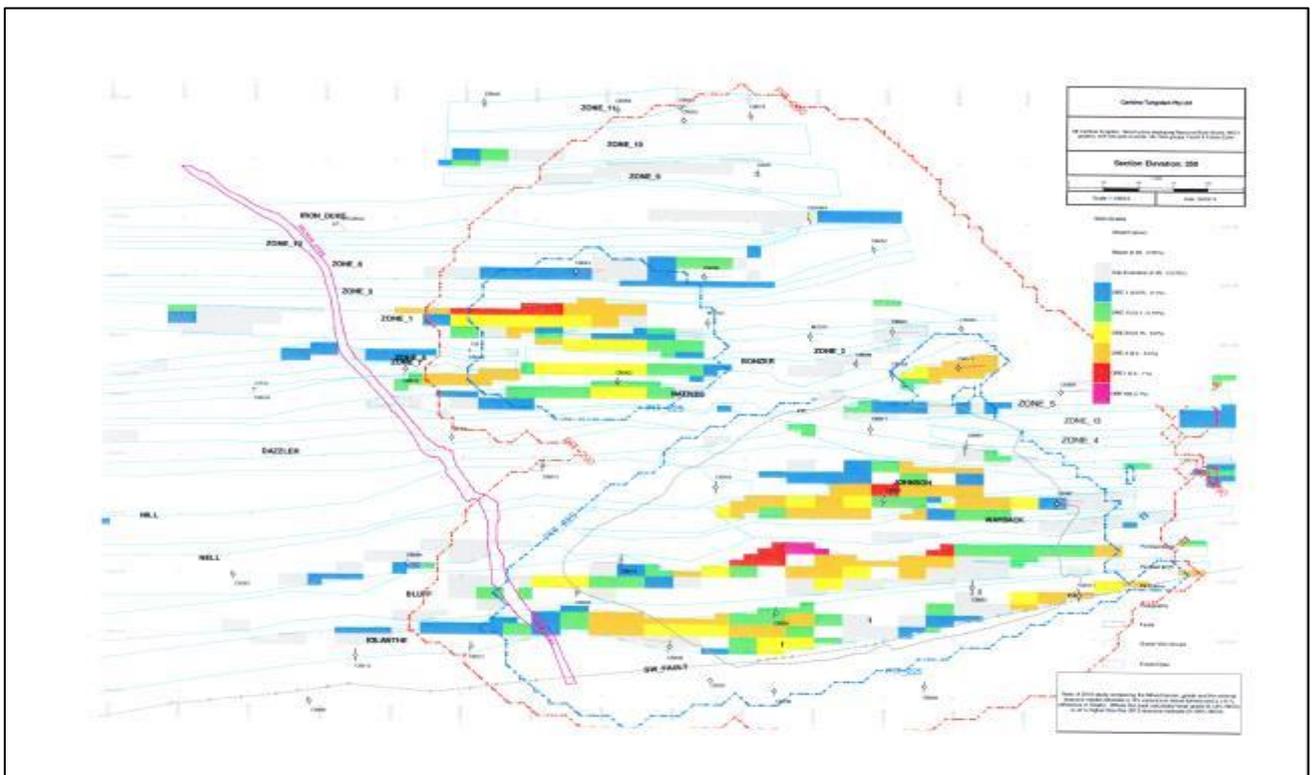
EXPLORATION

Planning has commenced for infill drilling in the upper part of the ore body, and for exploration drilling of the Iron Duke prospect as soon as funding is provided.

Reconnaissance exploration of EPM14871 was completed during the quarter. The main prospect within EPM 14871 is the Mt Holmes prospect 20km south of Mt Carbine, described in previous announcements as being a sheeted quartz vein system similar to the tungsten deposit at Mt Carbine, but with a significant coarse grained tin credit in the quartz veins that host the mineralisation.

TECHNICAL ACTIVITIES

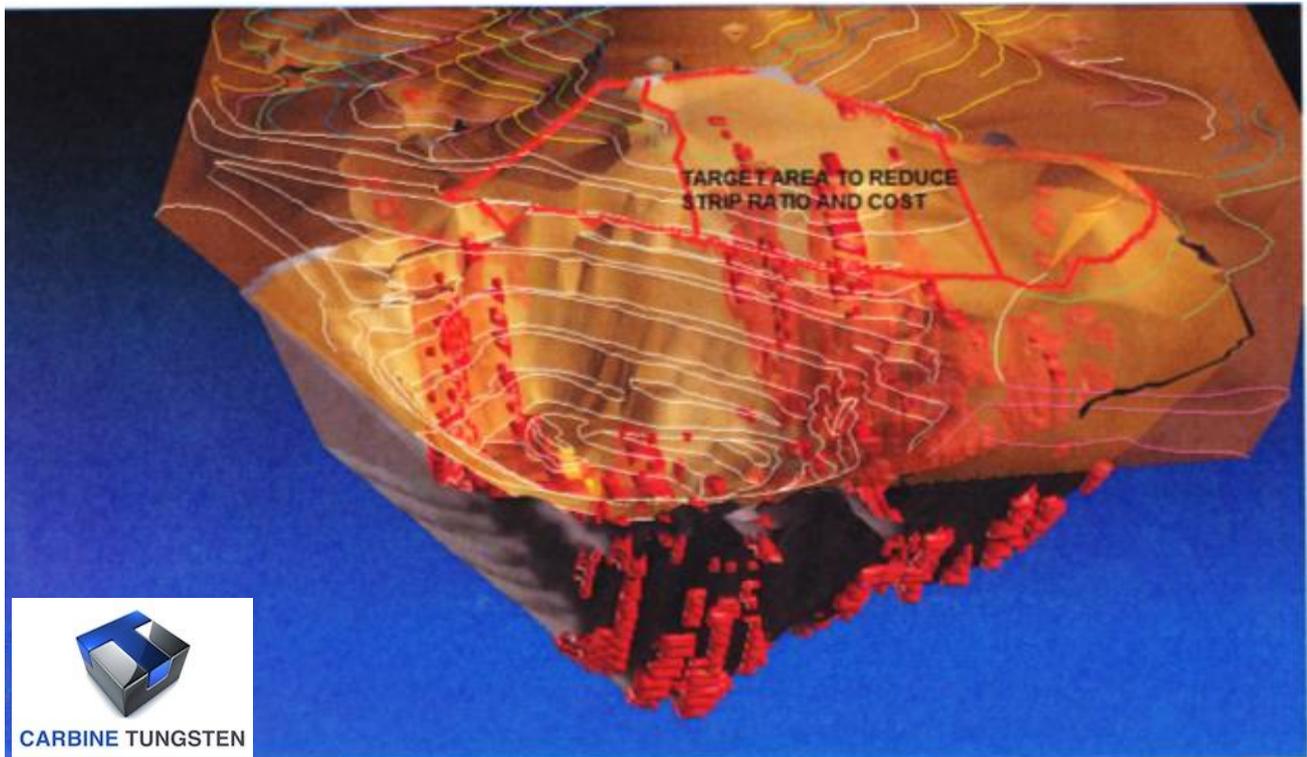
MINERAL RESOURCE MODELLING



Detailed mine planning commenced during the quarter, with the first step being the preparation of the following geological plans and sections:

- 58 bench level plans at 10m intervals;
- 69 Easting geological cross-sections;
- 51 Northing geological long-sections; and
- a study of the Ruby zone as a means of providing high grade ore feed to the start-up ore sorting and milling process.

The above image is for the geological 350mRL level plan showing the previously mined ore (inside the black contour) and current unmined ore (outside the black contour).



The above image is for the start of the open pit mining sequence of the Upper Ruby Zone benches of the existing pit.

- Existing excavated areas show broken ore on surface containing wolframite and visible cross-striking veins within exposed faces;
- utilise existing 440mRL and 415mRL ramps;
- shortest haul distance; and
- no immediate de-watering of pit required.

JIGGING TRIALS

A jig test unit has been installed at the site and testing of the tailings material is being conducted. Jig tests have been conducted on:

- The coarse (+0.2mm) particles recovered from the 2013 Tailings Retreatment operation; and
- The in-situ tailings material (coarse and fine particles) within the TSF4 impoundment area.

Product samples have been collected for subsequent processing using wet tables. Test-work is continuing.



Jig test-work being carried out at the Tailings Retreatment operation.

CORPORATE

COMPANY SECRETARY APPOINTMENT / RESIGNATION

On 10 July 2014 the Board of Carbine welcomed David Clark to the position of Company Secretary upon the resignation of Mr Tom Bloomfield on the same day.

Mr Clark's appointment as Company Secretary complements his existing responsibilities as Chief Financial Officer, a position he was appointed to on 17 April 2014.

The Board thanked Mr Bloomfield for his dedication and service whilst he held the position of Company Secretary and wished him every success for his future endeavours.

2014 ANNUAL REPORT

Carbine's 2014 Annual Report which was released to the market on 30 September 2014 can be viewed on the following link:-

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



DEVELOPMENT & CORPORATE ACTIVITIES

SINCE QUARTER END

DEVELOPMENT ACTIVITIES

US\$15 MILLION SECURED LOAN APPROVAL NOTIFICATION

On 7 October 2014 Carbine was pleased to announce that it had received notification from RtMJ that their Board had approved, subject to the finalisation of documentation, a US\$15 million secured loan (including prepayment fund of the previous US\$1 million loan) to fund Carbine's initial phase of its Hard Rock Tungsten Project for the implementation of its 12 million MT stockpile project.

The Board of Carbine wishes to thank RtMJ for their notification and looks forward to working closely with them on this world class tungsten project development.

The finalisation of the loan agreement which contains various conditions precedent to drawdown is subject to final legal confirmation and Carbine's Board approval.

CORPORATE

ANNUAL GENERAL MEETING

On 10 October 2014 Carbine's distributed its Notice of Annual General Meeting and Proxy Form to shareholders advising that this year's Annual General Meeting would be held on Wednesday 12 November 2014 at the Rendezvous Grand Hotel, 328 Flinders Street, Melbourne commencing at 11.00 am.

TENEMENT INFORMATION REQUIRED UNDER LISTING RULE 5.3.3

In accordance with Listing Rule 5.3.3 the following information is submitted with respect to the tenements held by Carbine and its wholly owned subsidiaries:-

Tenement Number	Tenement Location
Queensland	
EPM 14871	Mt Carbine
EPM 14872	Mt Carbine
ML 4867	Mt Carbine (Sub-lease)
ML 4919	Mt Carbine (Sub-lease)

During the period no farm-in or farm-out agreements were entered into nor were any mining tenements acquired.

JIM MORGAN
CEO & MANAGING DIRECTOR



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. (Rolly) Nice, Non-Executive Director

Company Secretary

Mr Tom Bloomfield (Resigned 10 July 2014)
Mr David Clark (Appointed 10 July 2014)

Registered Office & Principal Place of Business

50 Scott Street
Bungalow, Cairns QLD 4870 Australia
Telephone: +617 4052 2400 / Facsimile: +617 4052 2444

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 (07) 4052 2400

Issued Capital and Market Capitalisation

At 20 October 2014 Carbine Tungsten's issued capital was 296,745,179 ordinary shares and 7,942,273 unlisted options exercisable between 10 and 19 cents. At a share price of \$0.13 on 20 October 2014 the market capitalisation was \$38.58 million.

Number of Shareholders and Major Shareholders

At 20 October 2014 Carbine Tungsten had 1,212 shareholders. The share register records the following as major shareholders at 21 July 2014 accounting for 36.06% of the issued shares:

Shareholder	%
Dr Leon Eugene Pretorius	12.13
Mota Engil Minerals & Mining Investments BV	5.39
Rossdale Superannuation Pty Ltd <Rossdale Super Fund A/C>	4.61
Baglora Pty Ltd <Mott Family Super Fund A/C>	4.50
Silva Pty Ltd	1.90
Andrew Hewlett White and Associates	1.86
Alan Scott Nominees Pty Ltd <Superannuation Fund A/C>	1.62
Andrew James Morgan	1.47
Max Mobile Auto Clinic Pty Ltd	1.31
JA Johnstone Pty Ltd <Waterhouse Super Fund A/C>	1.27

Cash Balance

At 30 September 2014 Carbine Tungsten's cash balance was approximately \$1,023,000.

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)