

Carbine Tungsten Limited



CARBINE TUNGSTEN

ASX Code: CNO



Jim Morgan, Managing Director & CEO

2014 Annual General Meeting

12 November 2014



CARBINE TUNGSTEN

2014 Annual General Meeting

DISCLAIMER

Forward Looking Statements

Some statements in this presentation relate to the future and are forward looking statements. Such statements may include, but are not limited to, statements with regard to intention, capacity, future production and grades, projections for sales growth, estimated revenues and reserves, targets for cost savings, the construction cost of new projects, projected capital expenditures, the timing of new projects, future cash flow and debt levels, the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as “will”, “expect”, “anticipate”, “believe” and “envisage”. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside Carbine Tungsten Limited’s (“Carbine” or “the Company”) control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation.

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Certain statistical and other information included in this presentation is sourced from publicly available third party sources and has not been independently verified.

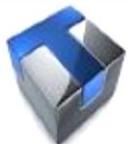
Ore Reserves and Mineral Resources Reporting Requirements

As an Australian company with securities listed on the Australian Securities Exchange (“ASX”), Carbine is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”) and that Carbine’s ore reserve and mineral resource estimates comply with the JORC Code.

Competent Person’s Statement

The information in this document relating to Exploration Targets, Exploration Results, Mineral Resources, Production Targets 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” (the JORC code). Dr White consents to the inclusion of matters based on his information in the form and context in which it appears in this presentation. The potential quantity and grade of exploration targets is conceptual in nature. Where Exploration Targets are stated, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.





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Agenda

1. Chairman's Welcome
2. Housekeeping
3. Notice of Meeting to be Read or Taken as Read
4. Minutes of 2013 AGM
5. Chairman's Address
6. Resolutions
7. Managing Director / CEO Report
8. Other Business
9. Meeting Close



CARBINE TUNGSTEN

Chairman's Introduction

THE CARBINE TUNGSTEN TEAM

Board of Directors



Russell Krause
Non-Executive Chairman



Jim Morgan
Managing Director / CEO



Rolly Nice
Non-executive Director

Board Resignation

- Tony Gordon resigned as a Non-executive Director on 10 November 2014.
- The Board of Carbine would like to sincerely thank Tony for his invaluable contribution and wish him every success in his future endeavours.

Thank-you



Tony Gordon

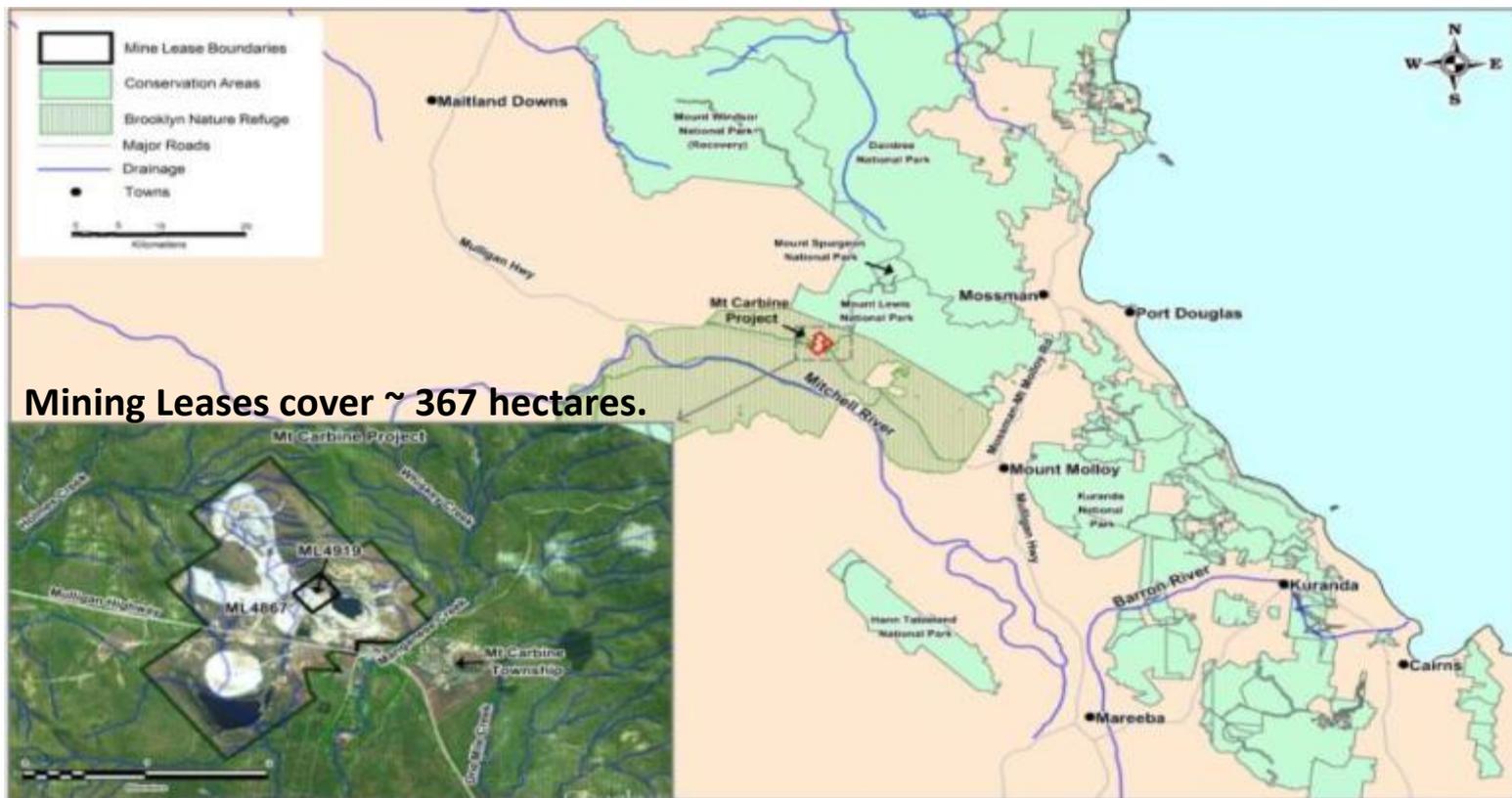


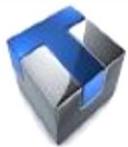


CARBINE TUNGSTEN

Mt Carbine Overview

- Previous large scale, open cut mine operated for 13+ years until 1987. Detailed technical information from historical exploration and mining activity strongly supports Carbine's current and planned activities.
- Transport infrastructure in place:
 - Historical Mt Carbine tungsten mine is located 130km by sealed highway from the port of Cairns and 45 minutes from Port Douglas.





CARBINE TUNGSTEN

History / Transition



Junior Diversified
Exploration Company



2016 Onwards
Significant Mine Development
Major Tungsten Producer



2013 Onwards
Pure Play Tungsten Mining &
Production Company



2014 - 2015 Onwards
Tungsten Stockpile
Development & Production



CARBINE TUNGSTEN



Our Commitment To: Environment, Safety & Community

- Continually modified to keep pace with Company's changing operational activities.
- Carbine endeavours to engender and promote the values of a safe work place and work culture for all its employees and contractors.
- Responsible environmental management is a basic and fundamental principle of Carbine's current and future business activities.
- Engages locally based staff and contractors where possible.
- Aims to fairly spread the economic benefits of its future growth with the local and regional communities within which it operates.

2013– 2014 Safety Statistics

| Total Hours Worked | Lost Time Injuries |
|--------------------|--------------------|
| 14,386 | 0 |





CARBINE TUNGSTEN

Financial Results Summary

| Comprehensive Statement of Profit and Loss as at 30 June 2014 | | 2014 | 2013 |
|--------------------------------------------------------------------------------------|------|--------------------|--------------------|
| | | \$ | \$ |
| | Note | | |
| Revenue from ordinary activities | 2 | 614,208 | 1,494,191 |
| Other income | 2 | 332,818 | 171,204 |
| Cost of Sales | | | |
| Cost of sales | | (1,682,193) | (2,470,005) |
| Administration expenses | | (511,497) | (644,942) |
| Consultant expenses | | (472,957) | (451,374) |
| Depreciation | 8 | (939,326) | (932,330) |
| Loss on revaluation of investments | | (105,598) | (1,326,013) |
| Exploration written off | | (544,846) | (11,314) |
| Finance costs | | - | (14,156) |
| Foreign exchange losses | | - | (53,923) |
| Occupancy expenses | | (183,186) | (77,515) |
| Salaries and employee benefits expense | | (642,301) | (1,544,790) |
| Superannuation | | (51,251) | (115,712) |
| Share based payments | | - | (131,033) |
| Travel and accommodation | | (118,313) | (88,090) |
| Other expenses | | (28,909) | (70,199) |
| LOSS BEFORE INCOME TAX EXPENSE | | (4,333,351) | (6,266,001) |
| INCOME TAX BENEFIT | 3 | 2,331,820 | 1,319,484 |
| LOSS AFTER INCOME TAX EXPENSE | 14 | (2,001,531) | (4,946,517) |
| Other comprehensive income for the year | | - | - |
| TOTAL COMPREHENSIVE (LOSS) ATTRIBUTABLE TO OWNERS OF CARBINE TUNGSTEN LIMITED | | (2,001,531) | (4,946,517) |
| Loss for the year is attributable to: | | | |
| Non-controlling interest | | - | - |
| Owners of Carbine Tungsten Limited | | (2,001,531) | (4,946,517) |
| | | Cents | Cents |
| Basic loss per share | 14 | (0.69) | (1.80) |
| Diluted loss per share | 14 | (0.69) | (1.80) |





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Share Performance

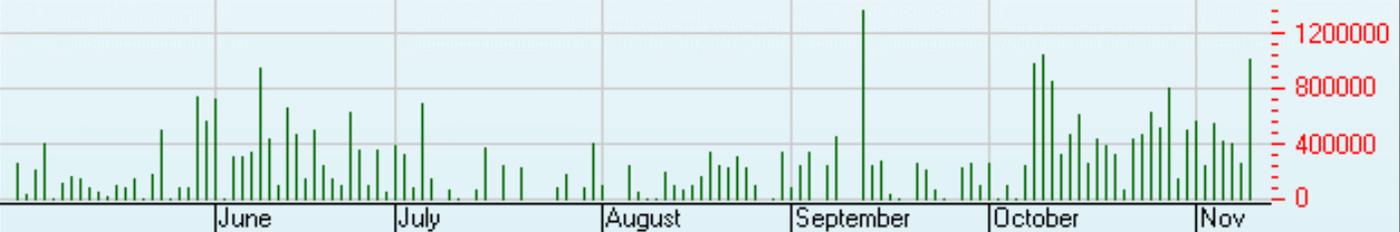


CNQ - Daily Line Chart [Close]

As at Close of Trade on 11 November 2014



CNQ - Volume



Source: ASX Website

<http://www.asx.com.au/asx/research/companyInfo.do?by=asxCode&asxCode=CNQ>



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2013/2014

Funding Activities

Capital Raising Activities

- \$709,750 raised via a share placement to professional and sophisticated investors in November 2013. The placement of 12,904,546 shares carried one unlisted option for every two shares taken up with a strike price of \$0.10 and a term of 12 months.
- \$97,850 raised via an on-market sale of 290,000 ordinary shares in Spencer Resources Limited (ASX:SPA) in December 2013 and February 2014.
- US\$1 million interim loan received from Mitsubishi Corporation RtM Japan Ltd (Mitsubishi RtMJ) in February 2014 for environmental and engineering work associated with the stockpile processing phase of the Hard Rock Project. Loan secured against 2.7% in project level equity.

Revenue from Sales – Tailings Retreatment Plant

- \$614,208

R&D Tax Incentive Refund

- \$2,331,820





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2014/2015

Funding Activities

Hard Rock Stockpile Project:-

- Execution of loan documentation for US\$15 million secured loan (including prepayment fund of previous US\$1 million loan) which was approved by the Board of Mitsubishi RtMJ in late September 2014.

Open Pit Project:-

- Continue to progress discussions with two internationally relevant tungsten off-take and investment groups (under non-disclosure agreements) for future funding and unallocated production off-take.





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Hard Rock Project

KEY FINDINGS RE-CAP

- Feasibility Study completed July 2012 confirmed the technical and financial feasibility of the Mt Carbine Project.
- Pre-tax Internal Rate of Return (IRR) of 60%.
- Net Present Value (NPV) AUD \$161 million using a discount rate of 8% and an average product concentrate sales price of USD \$290 per metric tonne unit (MTU).
- Payback period 1.5 years.
- Included previously stockpiled material readily available at the surface (~12 million tonnes at 0.075% WO₃).



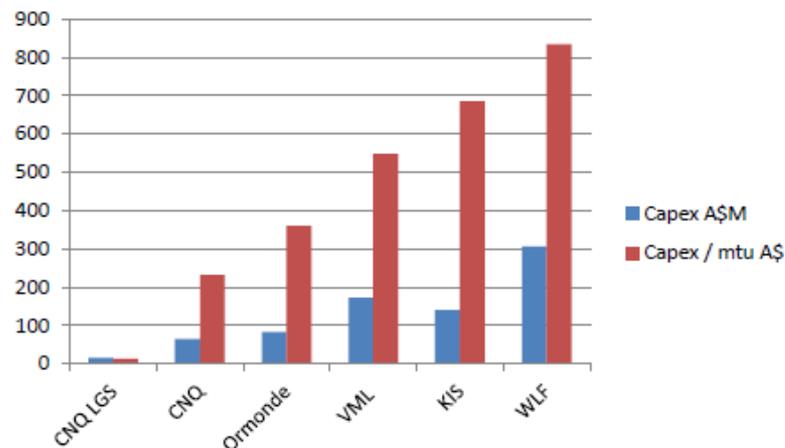
| Mt. Carbine Project Outline | |
|-----------------------------|-------------------------------|
| NPV | \$161 million |
| Resources | |
| Mine | 47Mt @ 0.13% WO ₃ |
| Stockpile | 12Mt @ 0.075% WO ₃ |
| Tailings | 2Mt @ 0.1% WO ₃ |
| Reserves | |
| Mine | 18Mt @ 0.14% WO ₃ |
| Rock feed rate | 3 Mtpa |
| Rock feed grade | 0.12% WO ₃ |
| Ore sorted feed rate | 350 ktpa |
| Ore sorted feed grade | 0.7% WO ₃ |
| Processing recovery | 76% |
| Production WO ₃ | >2,000,000 MTU |
| Project capital | \$55M |
| Operating costs | 130 \$/MTU |
| Budgeted sale price | 290 \$/MTU |



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Hard Rock Project

Mt Carbine Lowest CAPEX Tungsten Project



Carbine Tungsten has the lowest capital expenditure per mtu of WO_3 production of all the likely new western producers.

CNQ LGS – Carbine Tungsten low grade stockpile project

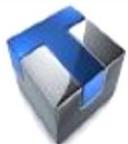
CNQ – Carbine Tungsten low grade stockpile plus hard rock open pit mine.

VML – Vital Metals Watershed project.

KIS – King Island Scheelite project.

WLF – Wolf Minerals Hemerden project (UK)

Source: public domain information.



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Hard Rock Stockpile Project





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“Hard Rock” Project – Stockpile Phase

Funding

MITSUBISHI RTMJ

- Carbine successfully completes the technical due diligence phase of the funding negotiations with Mitsubishi RtMJ in April 2014.
- US\$15 million secured loan (including prepayment fund of previous US\$1 million loan) approved by Mitsubishi RtMJ Board in late September 2014.
- Loan agreement expected to be signed upon completion of conditions precedent.
- The Board of Carbine would like to thank Mitsubishi RtMJ for their ongoing support and look forward to working closely with them on this world class tungsten project.





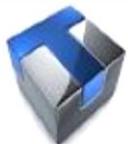
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“Hard Rock” Project – Stockpile Phase

Environmental Approvals

- Environmental Authority for EPML00956913 issued August 2013.
- Plan of Operations approved by Department of Environment and Heritage Protection.
- Financial Assurance in place.
- Covers existing tungsten stockpiles [~12 million tonnes of at-surface stockpiled material] with an annual processing capacity of up to 3 Million Tonnes per Annum (MTPA).
- Commercial resource with a mine life potential of ~8 years @ 1.5 MTPA.



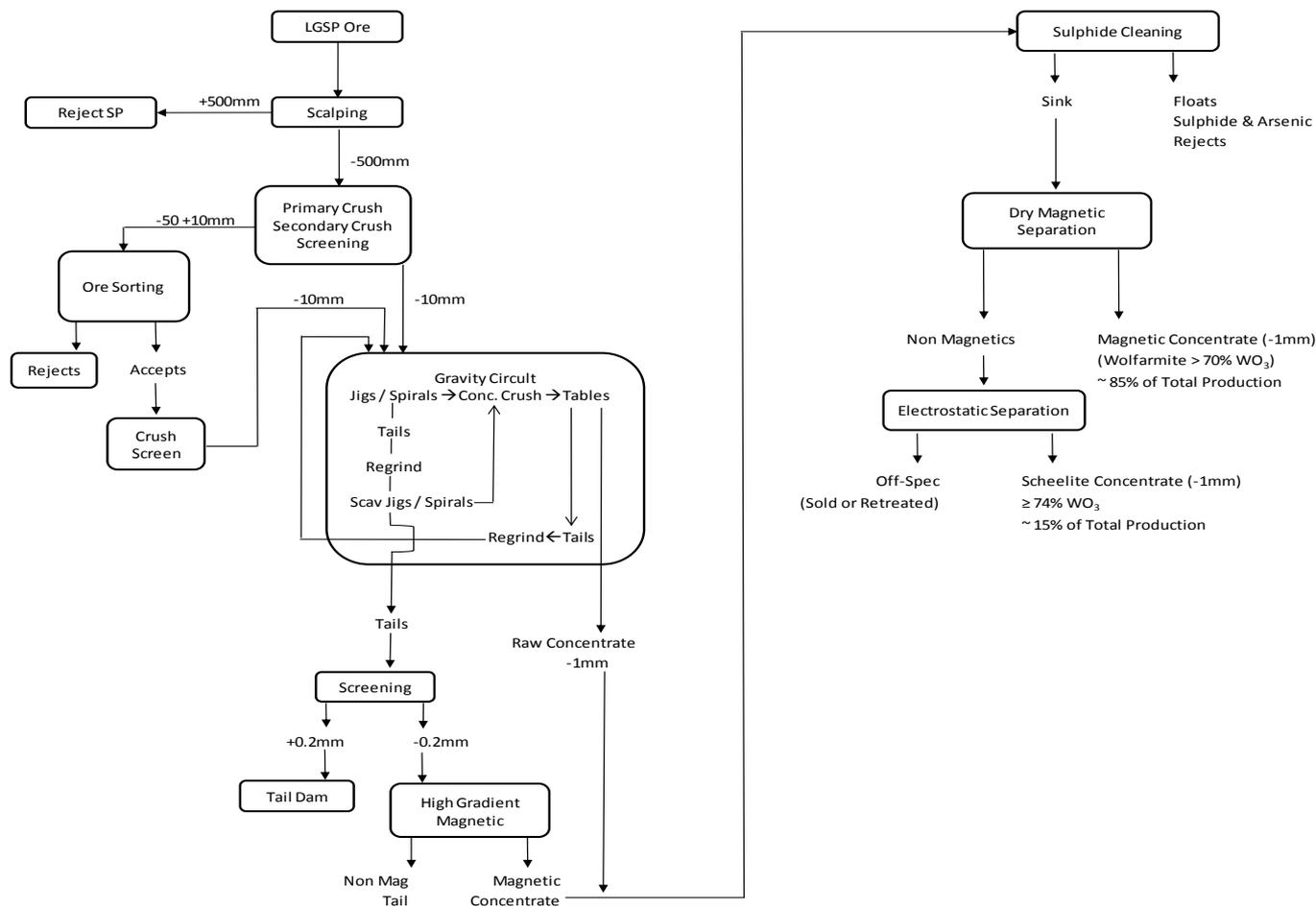


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“Hard Rock” Project – Stockpile Phase

Work Completed to Date

- Detailed Process Flow Diagrams (PFD) for processing the stockpiled ore to final wolframite and scheelite concentrates → 71% WO₃.





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“Hard Rock” Project – Stockpile Phase

Work Completed to Date Cont...

- Detailed mass-metal balance associated with PFDs;
- Detailed equipment list;
- Operating costs;
- Financial Modelling; and
- Jigging tests on:-
 - Open pit reef ore;
 - Ore sorter accepts from 2010 Ore Sorter Tests of Stockpiled Ore confirmed mineralogy similar to Pit ROM Ore.

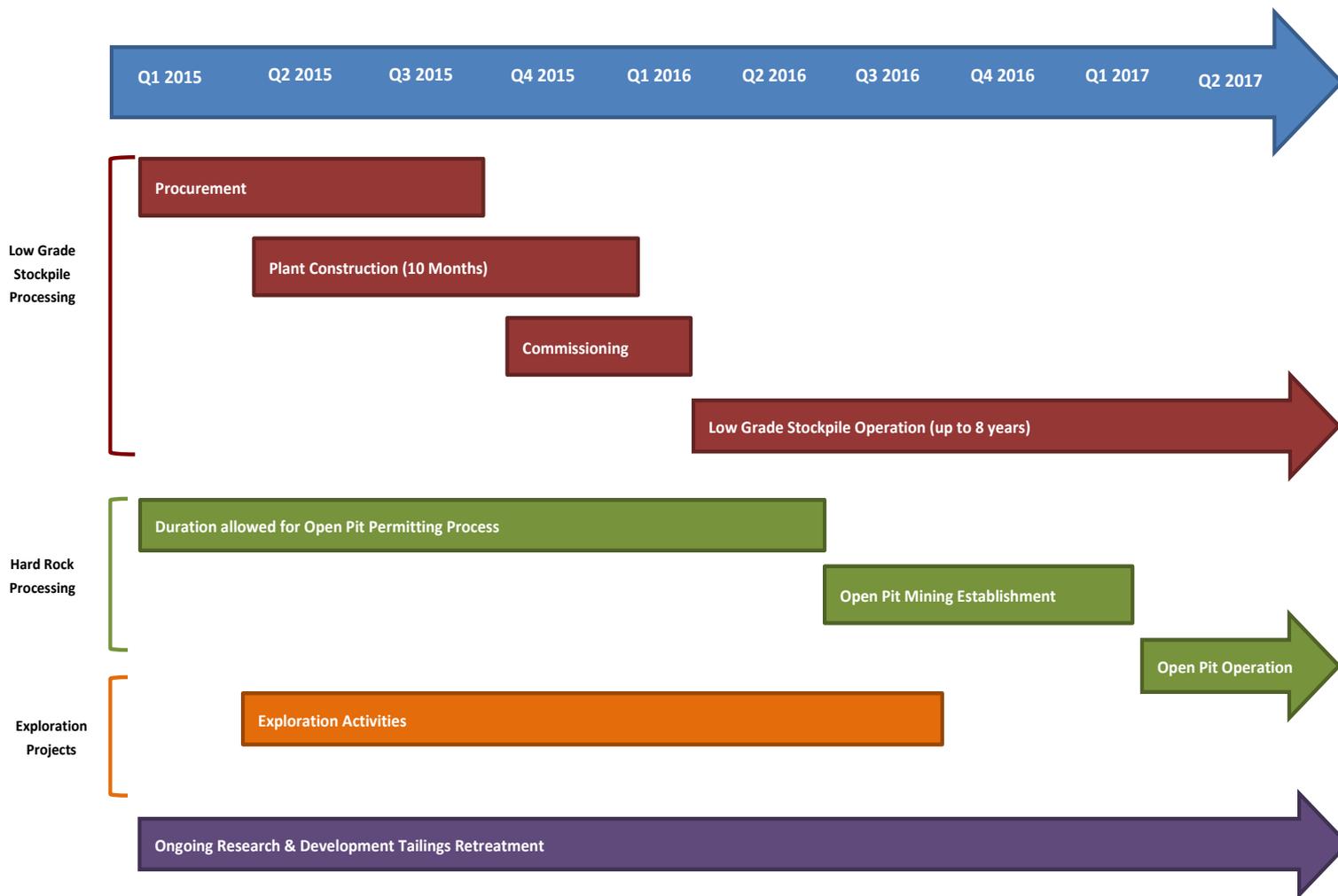
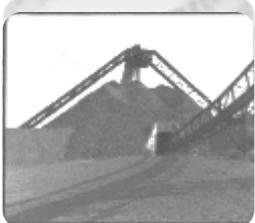




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"Hard Rock" Project

STOCKPILE & OPEN PIT - PROJECT TIMELINE





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Open Pit Project





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“Hard Rock” Project – Open Pit Phase

Funding Options

MITSUBISHI RTMJ

- MOU executed in February 2013 outlined Mitsubishi RtMJ’s continued support towards the development of Carbine’s hard rock stockpiles and historical open pit tungsten projects.
- Includes off-take consideration for 50% of the ore produced from the historical open pit tungsten mine.

OTHER FUNDERS

- Advanced discussions regarding future funding and un-allocated production off-take are continuing with two internationally relevant tungsten off-take and investment groups (under non-disclosure agreements).





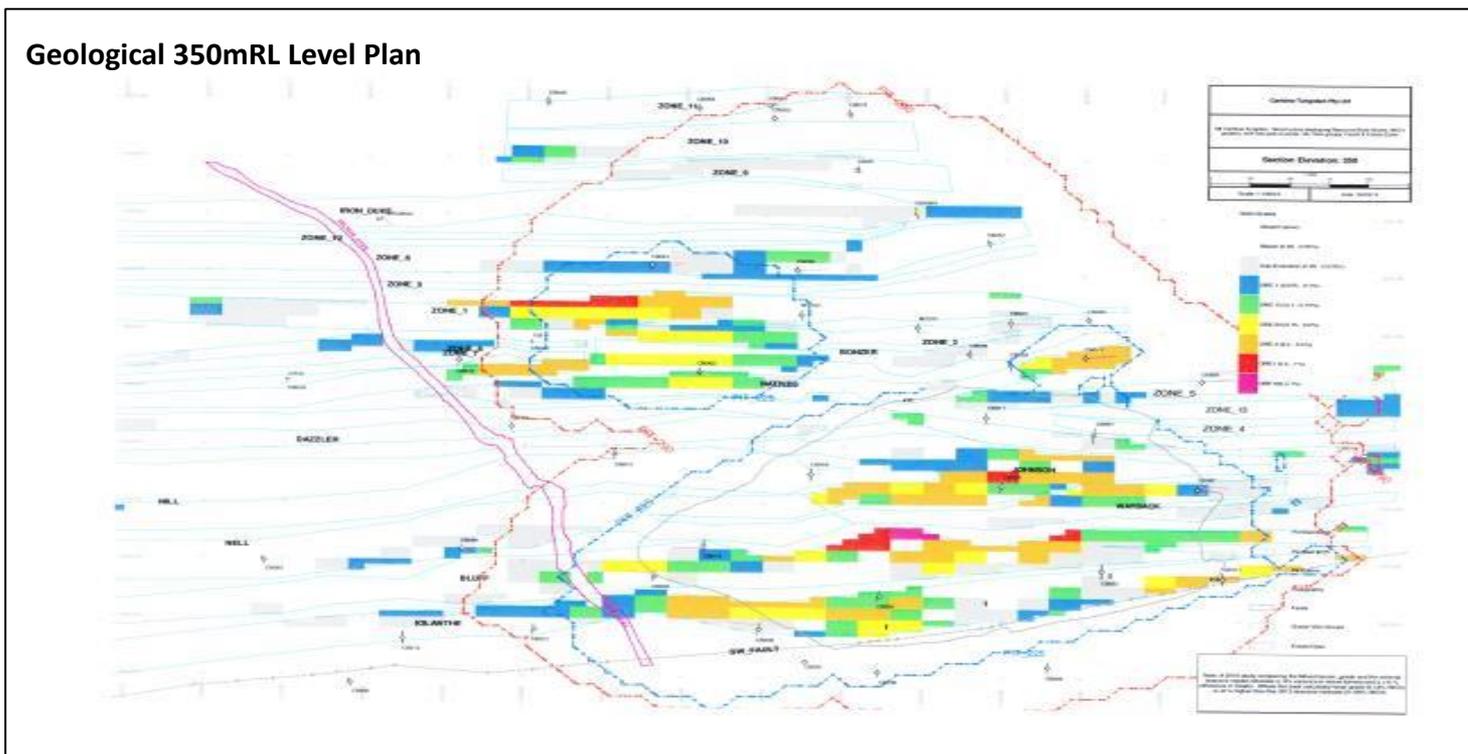
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“Hard Rock” Project – Open Pit Phase

Work Completed to Date

MINE PLANNING

Detailed mine planning has commenced, with the preparation of detailed geological plans and sections incorporating a study of the Ruby Zone as a means of providing high grade ore feed to the start-up ore sorting and milling process.





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“Hard Rock” Project – Open Pit Phase

Work Completed to Date

MINING SEQUENCE - OPEN PIT RUBY ZONE BENCHES

The following slide shows an image for the start of the open pit mining sequence of the Upper Ruby Zone benches of the existing pit.

Advantages of this approach:-

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



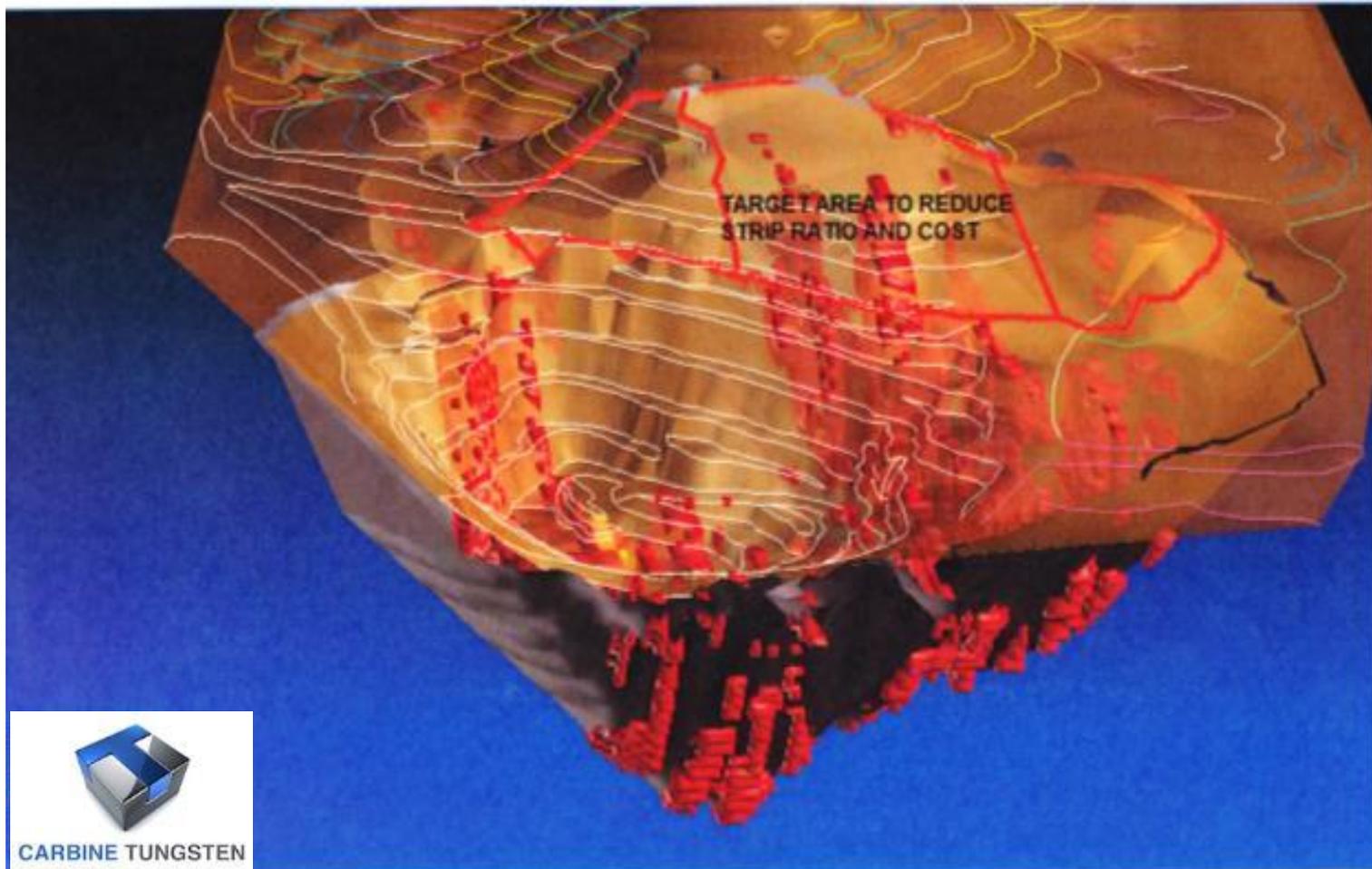


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“Hard Rock” Project

Work Completed to Date

MINING SEQUENCE – OPEN PIT RUBY ZONE BENCHES



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Mt Carbine Mine

Tailings Retreatment Plant



Research & Development
Continuing



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Mt Carbine Mine

ENVIRONMENTAL COMPLIANCE

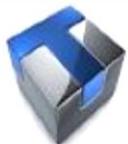


Run-off Water Diversion
Works Completed



and

Overall Site Water Management Plan Finalised



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Mt Carbine Mineral Resource

2012 JORC Compliance achieved during 2013/2014

Resource Summary - July 2014 (No Change from 2014) Tungsten Resource as WO_3

| Resource | Resource | Cut-off Grade (%) | Tonnes (Mt) | WO_3 (%) | WO_3 (mtu) |
|---------------------|-----------|-------------------|-------------|------------|------------------|
| Low Grade Stockpile | Indicated | 0.00 | 12.0 | 0.075 | 840,000 |
| Main Zone Hard Rock | Indicated | 0.05 | 18.0 | 0.140 | 2,520,000 |
| Main Zone Hard Rock | Inferred | 0.05 | 29.3 | 0.120 | 3,516,000 |
| Total | | | 59.3 | | 6,876,000 |





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Mt Carbine Mine

International Tungsten Industry Assn – Site Tour

CARBINE SHOWCASES AUSTRALIA'S TUNGSTEN INDUSTRY



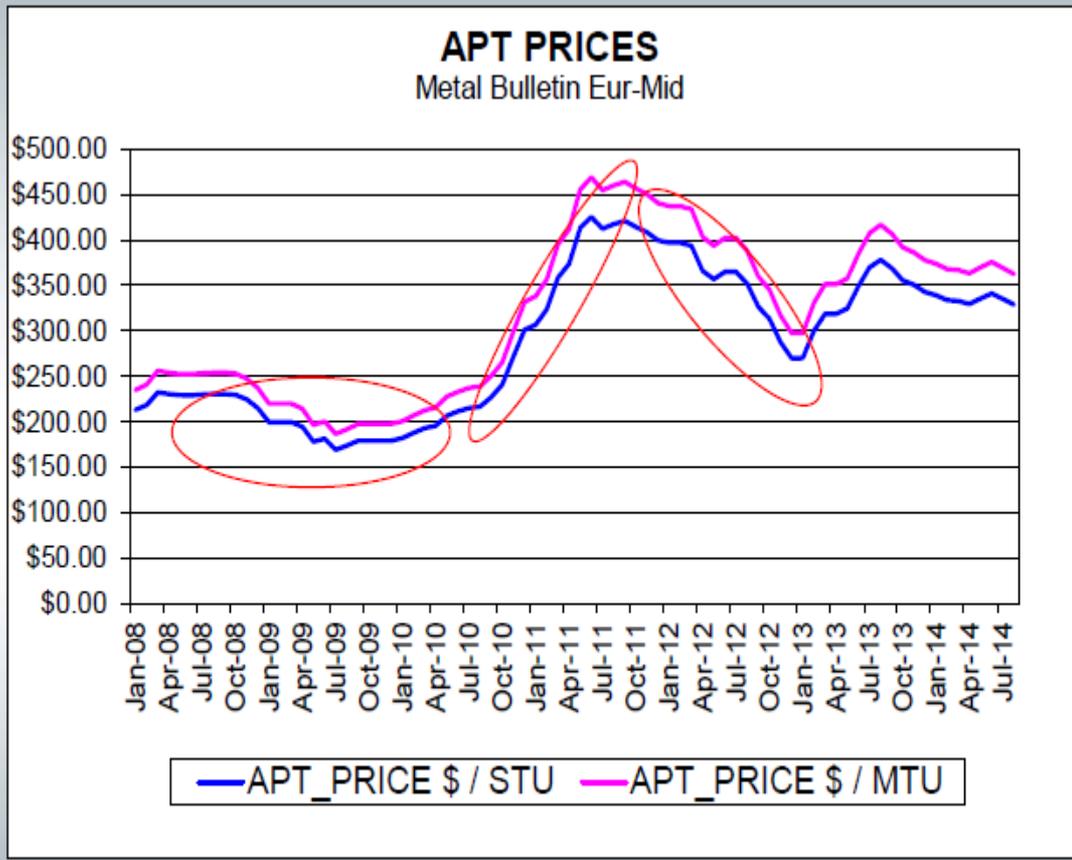
- 80 Delegates from major tungsten investment groups & other interested parties undertook a site tour on 26 September 2013.
- Interest shown by the delegates in the Mt Carbine Project was extremely encouraging.





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Tungsten Market Outlook



Source: Metal Bulletin

Major Phases:

- Price Stabilization
 - 2008 - 2010
- Metals Increase
 - 2010-2011
- Price Deterioration
 - 2012
- Price Increase
 - 2013
- Price Stabilization
 - 2014

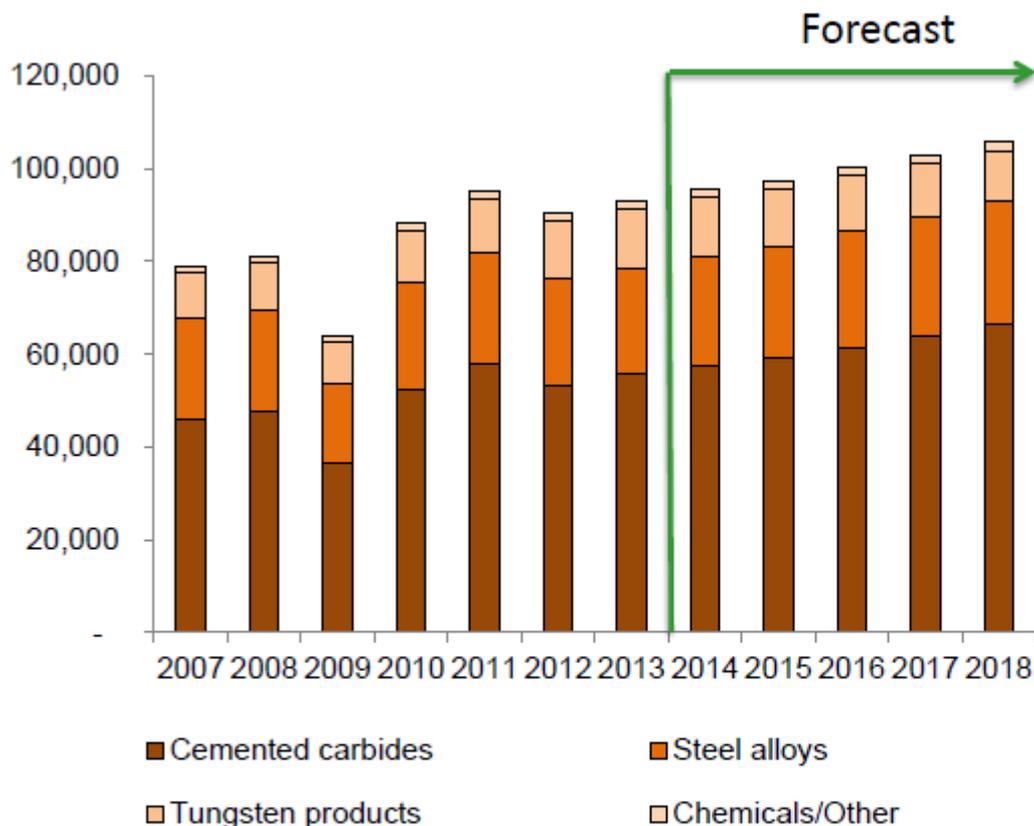
Source: Global Tungsten Powders Presentation – 2014 ITIA AGM, Toronto, Canada



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Tungsten Market Outlook

World: Forecast consumption of tungsten by end-use, 2007-2018 (t LCE)



- **Base-line** growth of 2.6%py = ~105,000t W
- **CC** growth of 3.6%py = ~66,000t W
- **SA** growth of 3.0%py = 26,500t W
- **TP** growth of -3.2%py = ~11,000t W
- **CO** growth of 3.5%py = 1,900t W

Source: Roskill estimates

Source:- Roskill Presentation – 2014 ITIA AGM, Toronto, Canada





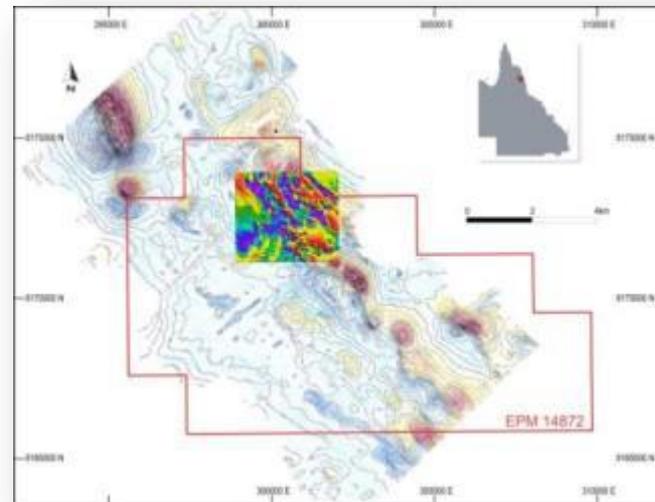
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Future Exploration Activities

MT CARBINE, QUEENSLAND

- Two prospects, Iron Duke and Petersen's Lode, exist within EPM 14871 and 14872 and in the case of Iron Duke, the mining leases.
- These prospects are dominated by scheelite mineralisation.
- Mapping and sampling indicate both prospects have extensive strike length.
- Work is underway to prepare these prospects for exploration drilling.

Figure 1 - Diagram of stitch of 1986 airborne magnetic survey data (contours) with high resolution Helimag survey data acquired from Kangaroo Metals Ltd in 2010.

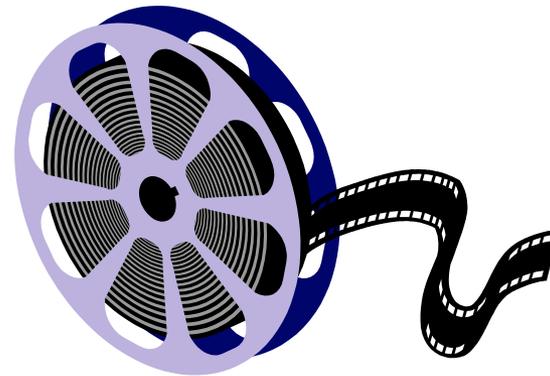




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Video – Mt Carbine Mine Site



Can be viewed at:-

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



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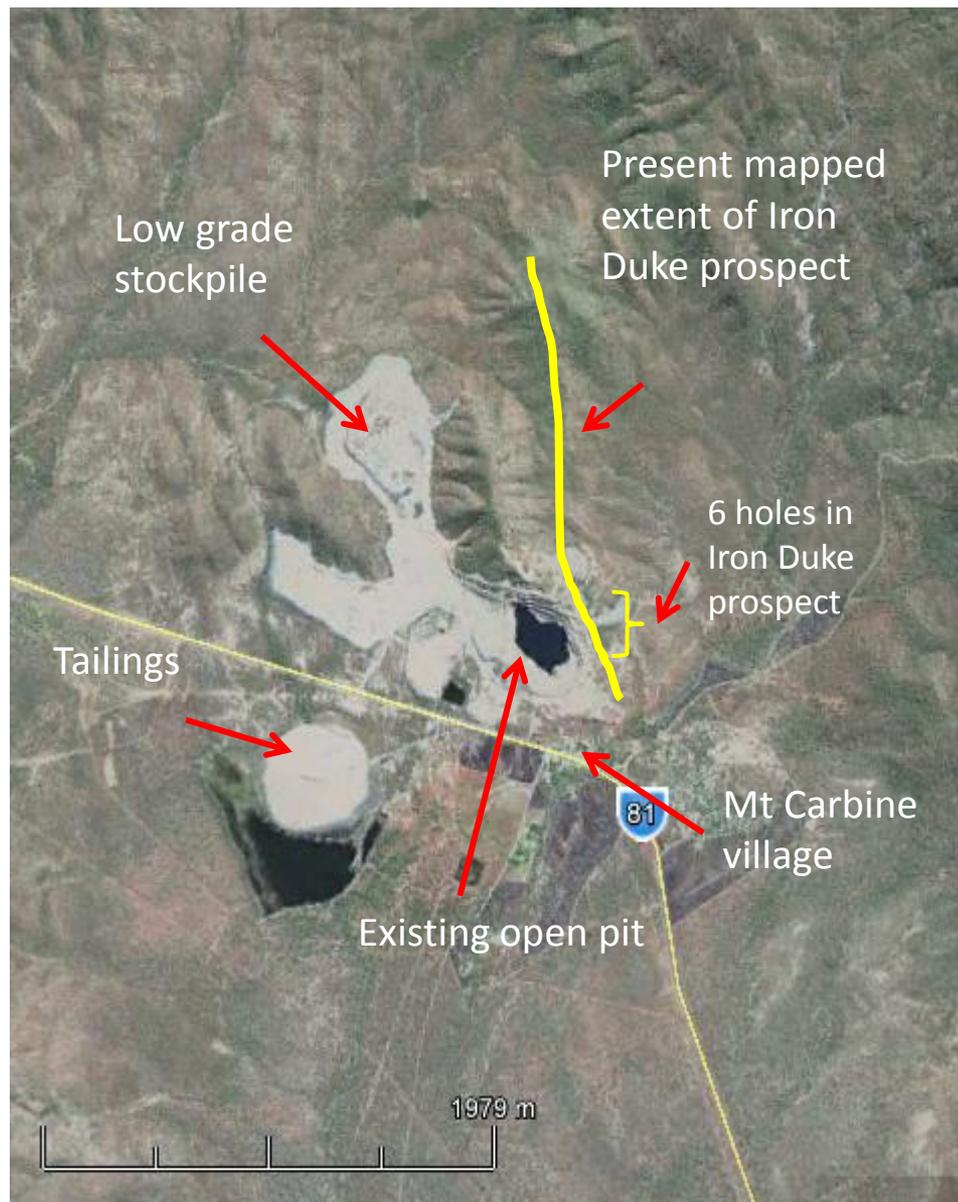


Future Exploration Activities

IRON DUKE

MT CARBINE, QLD

- Present resource estimate does not include any Iron Duke mineralisation.
- Lies within the planned open-cut envelope.
- Average true width 8m from 6 drill holes with an average weighted grade of .32% WO_3 .
- Mapping indicates a strike length of at least 2.2km.
- Drilling is planned to establish the resource prior to the commencement of open-cut mining.





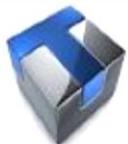
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Future Exploration Activities

PETERSEN'S LODES - MT CARBINE, QLD

- Lies within EPM 14872 and is ~1-2km south-east of Mt Carbine.
- Sub-vertical 10m wide zone of scheelite mineralisation hosted by sheared and altered metasediments traced for 1.3 km along the strike.
- More detailed exploration is planned.
- Only record of production is 950 tonnes of scheelite concentrate from ore with a grade of 0.6% WO_3 .





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Other Projects

As part of its pure play tungsten strategy Carbine also divested its exploration portfolio of the following tenements during the 2013/2014 financial year:-

EPM 14589

Elizabeth Creek, Queensland

EPM 17895

Constance Range, Queensland

EPM 17071

Iron Pot Creek, Queensland

EL 6532

Tara, New South Wales





CARBINE TUNGSTEN

Tenement Schedule



| State | Ownership | Area | Status | Notes | Expiry Date |
|-------------------|-------------------------------------|---------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Queensland | | | | | |
| ML 4867 | Mt Carbine Quarries Pty Ltd 100% | 358.5 ha | Granted | Subject to sub-lease agreement with Tungsten Resources Pty Ltd (a wholly owned subsidiary of Carbine), with pre-emptive right to purchase. | 31/07/2022 |
| ML 4919 | Mt Carbine Quarries Pty Ltd 100% | 7.891 ha | Granted | Subject to sub-lease agreement with Tungsten Resources Pty Ltd (a wholly owned subsidiary of Carbine), with pre-emptive right to purchase. | 31/08/2023 |
| EPM 14871 | Carbine Tungsten Limited 100% | 32 sub blocks | Granted | Transferred from Carbine's wholly owned subsidiary, Tungsten Resources Pty Ltd to Carbine Tungsten Limited on 21 May 2014. | 12/12/2015 |
| EPM 14872 | Carbine Tungsten Limited 100% | 35 sub blocks | Granted | Transferred from Carbine's wholly owned subsidiary, Tungsten Resources Pty Ltd to Carbine Tungsten Limited on 21 May 2014. | 11/12/2015 |

ML = Mining Lease

EPM = Exploration Permit for Minerals

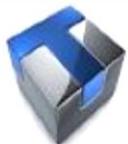


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2015 Outlook

- Engineering, procurement and plant construction activity to commence – Stockpile Project.
- Conclude discussions with a range of potential development funding partners and investors, including Mitsubishi RtMJ, for the development of the former open pit mine.
- Secure approvals and permitting for open pit mining operation and move to development phase.
- Ongoing exploration activity at priority prospects with **Exploration Target of 25.5Mt.**





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Questions?