



CARBINE TUNGSTEN

18 November 2015

Company Announcements Office
Australian Securities Exchange

NEW CAPITAL RAISING INITIATIVES

NEW ENTITLEMENTS OFFER AND PLACEMENT TO INSTITUTIONAL INVESTMENT FUND

CANCELLATION OF PREVIOUS NON-RENOUCEABLE 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 and Re-Pricing of 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 issued 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 and Placement

The Company is now seeking to raise up to approximately \$2,206,050 (before costs) through a new pro-rata entitlements offer of one (1) new ordinary share in the capital of the Company (Share) for every four (4) Shares held by eligible shareholders at the record date of 27 November 2015 at an issue price of \$0.025 per Share (New Entitlements Offer).

Carbine also wishes to advise that it has entered into a term sheet with a Lanstead Capital LP ("Lanstead"), an international institutional investment fund, to invest \$2 million. These funds will be used to advance and support the Mt. Carbine Stockpile and Open Pit Projects and provide working capital for the Company.

Separately to the New Entitlements Offer, the Company will complete an initial placement to Lanstead of 43,000,000 shares for an aggregate consideration of \$1,075,000 at an issue price of \$0.025 per share using the Company's existing capacity under ASX Listing Rules 7.1.

The investor has also agreed to take up an additional 45,000,000 shares for an aggregate consideration of \$1,125,000 at an issue price of \$0.025 per share under the shortfall provisions of the New Entitlements Offer. Included in this issue is a value payment to Lanstead of 8 million shares at an issue price of \$0.025 per share (the equivalent of \$200,000) as consideration for entering into an Equity Swap Agreement.

The Company will enter into an Equity Swap Agreement with Lanstead which allows the Company to retain much of the economic interest in the placement.

Accordingly, the New Entitlements Offer will seek to raise \$1.075 million from existing shareholders and \$1.125 million allocated from Lanstead, a total \$2.2 million (before costs).



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The initial placement of 43,000,000 shares and funding transaction is in addition to the New Entitlements Offer. After the New Entitlements Offer is completed (assuming the issue is fully subscribed and any remaining shortfall is placed) and the initial placement is made to Lanstead, the Company will have raised \$3.3 million (before costs) and have 441,210,032 fully paid ordinary shares on issue.

A final set of terms and agreements with Lanstead are being finalised and expected to be signed and initial placement made by Friday 20 November 2015.

Shareholders will have the opportunity to apply for additional shares in excess of their entitlement under the New Entitlements Offer. The Company will place any remaining shortfall from the issue within a period of three months.

Full details of the New Entitlements Offer was announced separately to the ASX on 18 November 2015.

This announcement effectively ceases the trading halt requested by the Company on 16 November 2015. The Company is not aware of any reason why the ASX would not allow trading to recommence immediately.

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