



CARBINE TUNGSTEN

ASX ANNOUNCEMENT

28th May 2013

Company Announcements Office
ASX Limited
Exchange Centre
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SYDNEY NSW 2000

Market Update – Mt Carbine Tungsten Project

- **CNQ dispatches its monthly shipment of high-grade Tungsten concentrate to Mitsubishi**
- **\$1.32 Million R&D tax reimbursement received**
- **\$400,000 advance production payment agreed with Mitsubishi**
- **Global Tungsten prices remain strong with increasing supply constraint**

Carbine Tungsten Limited (**ASX: CNQ**) (“Carbine”) is pleased to provide an update on the Company’s operational and corporate activity. Further to the announcement yesterday, CNQ advises that the Company dispatched another monthly shipment of high grade Tungsten concentrate from the Mt Carbine tailings retreatment facility on 24 May 2013. The shipment was dispatched to CNQ’s major off-take partner Mitsubishi Corporation RtM Japan Ltd (“Mitsubishi”).

As outlined in an announcement to the Australian Securities Exchange (“ASX”) on 18 March 2013, CNQ has now received \$1.32 million from the Australian Taxation Office in the form of a research & development tax reimbursement. This payment, combined with the recent \$400,000 advanced production agreement with Mitsubishi, strengthens CNQ’s cash position.

The increased cash position, and ongoing revenue generated from the tailings retreatment facility, is expected to underpin the near term development of the existing Tungsten stockpiles and open pit mine (“The Hard Rock Project”). CNQ remains on track to complete the permitting and approvals for the Hard Rock stockpiles in the September quarter 2013.

CNQ’s Managing Director, Jim Morgan, said: “we continue to strengthen our longstanding relationship with Mitsubishi following the recent execution of an advanced production payment agreement, and a Memorandum of Understanding (MoU) signed in February to provide funding for the Hard Rock Project.

“With the receipt of the R&D tax reimbursement and advance production payment, CNQ is sufficiently funded to progress it’s near term development and permitting program for the Hard Rock Project.



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“The Mt Carbine project offers a uniquely robust and flexible, project execution and investment opportunity. CNQ has a number of options for growth from our existing R&D tailings operational base, through to processing the substantial 12 Million tonnes of hard rock stock piles and onto the open pit operations. The project also represents tremendous exploration potential, which we believe makes it a long term world class Tungsten investment opportunity.

“In addition, the global Tungsten price remains buoyant and this trend is expected to continue with a number of other prospective Tungsten projects experiencing significant viability hurdles, Tungsten concentrate supply shortages are likely to continue.

“The Chinese are reporting a desire to increase their strategic Tungsten concentrate stockpiles. These conditions and the apparent stability in the Tungsten price therefore continues to support the company’s existing development planning and is a positive indication for an expected increase in revenue, once the Hard Rock Project development enters the production phase.”

Yours sincerely

Carbine Tungsten Limited

A James Morgan

Managing Director