



CARBINE TUNGSTEN

ASX MARKET UPDATE

MAJOR EXTENSIONS TO THE MOUNT CARBINE DEPOSIT CONFIRMED BY DRILLING

- **The first two diamond holes (MTCB004 and 005) drilled during the exploration programme have confirmed the extension of the tungsten sheeted quartz vein system by 600 metres to the northwest of the open pit. Including the open pit, this increases the total strike length of the mineralised system to 1,000 metres.**
- **The third and current hole (MTCB002), targeting the deposit approximately 100 metres north of the pit at depth, has intersected a number of mineralised wolframite and scheelite quartz vein zones, potentially indicating an along strike (to the northwest) and down-plunge extension to the current resource.**
- **Scheelite bearing quartz vein mineralisation has also been discovered in a vertical percussion hole (MB003) drilled for ground water monitoring purposes 360 metres east of MTCB002, confirming that mineralisation extends well east of the present inferred resource of 39 Mt at 0.14% WO₃ (estimated using a cut-off of 0.05% WO₃).**

Carbine Tungsten has previously recognised that the Mt Carbine deposit tungsten is virtually unexplored, except for the immediate vicinity of the historical open pit. In the October 2011 Quarterly Report the Company noted that interpretation of recently acquired airborne magnetic data had enabled a new interpretation of potential extent of mineralisation.

The Company is undertaking a limited NQ diamond drilling programme at Mount Carbine to test the possible lateral and depth potential of the tungsten mineralised sheeted quartz vein system. The first two holes to the northwest have confirmed this extension by at least 600 metres in that direction. Including the existing open pit, these two holes increase the total strike length of the mineralised system to 1,000 metres. The system remains open in both strike directions as well as down dip. The Company views this result as having major implications for the potential size of the Mount Carbine deposit.

Two holes have been completed to date, MTCB004 and 005, and a third is currently in progress (MTCB002). Hole MTCB004 was drilled toward the southwest from a collar position 720 metres northwest of the pit and intersected the interpreted extension of the South Wall Fault, the structure that bounds the mineralisation in the pit on its western flanks. Minor quartz-wolframite veining was intersected to the east of the fault above 35 m down-hole. The hole was terminated at 186.4 metres.

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Hole MTCB005, drilled from the same collar position as MTCB004 but toward the northeast to a depth of 741 metres, intersected a major ~550 metres down-hole corridor of quartz vein zones from 190 metres, some of which contained visible wolframite (particularly above 400 metres down-hole – See Photo 1), while the deeper quartz vein zones contained appreciable narrower scheelite-bearing veins (see Photo 2). Typically veined zones carried 5-10% quartz in intervals up to 20 metres wide, separated by silicified metasediments in between the veined zones. The geology and vein orientations are identical to those observed in the pit, with the exception being that the quartz veins are thinner in this hole leading to the interpretation that the main economic zone is located at depth beneath this hole, i.e. the hole drilled over the top of the main mineralised zone. This is consistent with the Company's view that the Mount Carbine deposit plunges moderately along strike to the northwest from the pit (along the South Wall Fault), as evidenced by the grade distribution of the current resource block model. Assays are pending for both holes.



Photo 1: Hole MTCB005: 194 m. Narrow-bladed and disseminated Wolframite-bearing quartz vein with minor sulphide.

Drilling is currently underway on hole MTCB002, the first of two deep NQ diamond holes testing the down-plunge continuation of economic mineralisation 100 metres to 300 metres to the northwest of the pit. A number of wolfram and scheelite mineralised zones have been intercepted in this hole to a depth of 440 metres, and the main mineralised zone is anticipated further down hole (See Photos 3-4 for examples of mineralisation). The drill core is currently being sampled and sent for analysis.

The Company is excited by the major increase in the known size of the tungsten mineralising system and with the confirmation of the Company's geological concept and exploration strategy.



Photo 2: Hole MTCB005: 532.9-533.25 m. Strong scheelite mineralisation (Blue-White) and Powellite (Calcium Molybdenate – Golden Orange) fluorescing under short wave ultraviolet light.

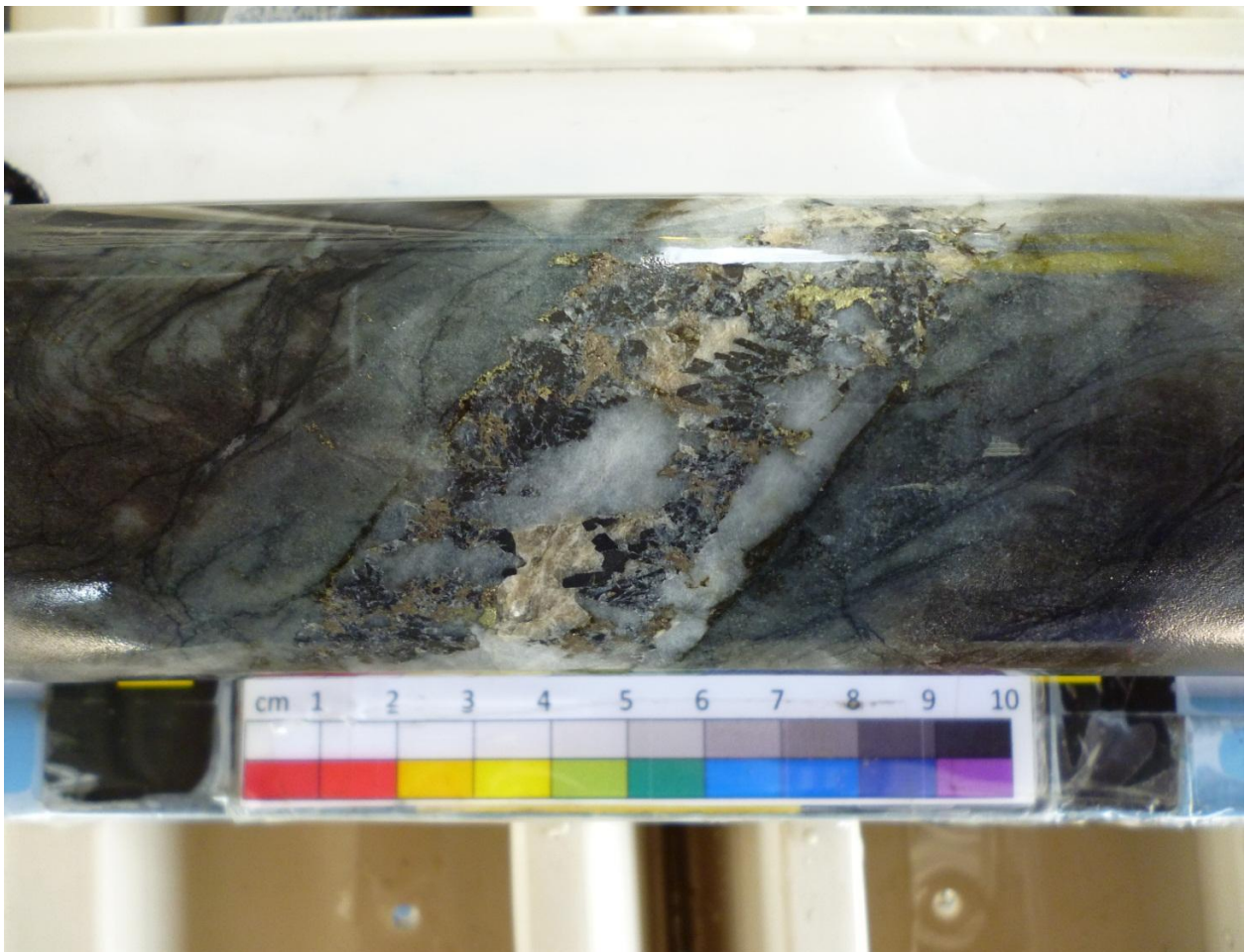


Photo 3: Hole MTCB002: 185.5 m. Intense wolframite and scheelite mineralisation in 5cm wide quartz vein.



Photo 4: Hole MTCB002: 289.5 m. Typical scheelite bearing quartz vein.

Information in this report that relates to Exploration Results is based on information compiled by Dr. Kris Butera who is a Member of the Australian Institute of Geoscientists (MAIG). Kris is a full time employee of Carbine Tungsten or its subsidiary/affiliate companies, and has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activity he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. Butera consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

