

Quarterly Activities Report For the Quarter Ending 31 December 2012

31 January 2013

Highlights

- Completion of project acquisitions as part of the IPO
- Successful IPO and listing on the ASX
- Completion of flora and fauna studies at the Kilba Project
- Commencement of exploration drilling at the Kilba Project.

Tungsten Mining NL (ASX: TGN) ("Tungsten Mining" or the "Company") successfully listed on the ASX on 13 December 2012, with quotation occurring on 17 December 2012, having raised \$5.1m in the Initial Public Offering (IPO). Throughout the quarter, the Company focused on completing the IPO and becoming admitted to the ASX, including completing the acquisitions forming part of the IPO asset portfolio. Having now successfully listed, the Company is focussed on the operational objectives as set out in the Prospectus to the IPO.

Project Update

Kilba Project

Environmental

a) Flora

A combined Level 1 flora and vegetation assessment and targeted flora survey was carried out by Maia Environmental Consultancy (Maia) during August, 2012. The study was carried out at TGN's Kilba Project Area, primarily on mining lease M08/314 and also over small areas on tenement E08/2139 and E08/1410. The assessment was also carried out along an existing track starting at the junction of the closest north-south main track and leading to the western end of M08/314.

b) Fauna

A Level 1 Terrestrial Vertebrate Fauna Level 1 assessment of the Kilba Well Prospect was carried out by BIOSTAT Pty Ltd in September, 2012.

The goals of the Level 1 assessment were to:

- collate an inventory of the vertebrate fauna species recorded during the site Level 1 assessment;
- list those species not recorded but considered to be likely to occur based on habitat preferences and geographical distribution;
- undertake a Level 1 assessment of the significance of the fauna habitats that occur within the study area;
- map fauna habitats for a 60m corridor along the length of the access track;
- undertake an assessment of the potential for rare, threatened or vulnerable species to occur;
- make recommendations for vertebrate fauna management and/or further work to undertake impact assessment; and
- provide a comprehensive report suitable for integration with the landform, soils, flora and vegetation study documents.

Exploration

High-resolution aerial photography accurate to 10cm was commissioned to cover the area of for Mining Lease ML 08\0314. SJS Resource Management Pty Ltd was engaged to digitise an existing data set from exploration carried out in the 1980s and, using the results, to plan an initial further core drilling program aimed at achieving a resource estimate compliant with JORC reporting standards for the tungsten occurrences in one zone of the deposit known as Zone 11.

During the December quarter Tungsten Mining commenced a diamond drill programme at Kilba on Mining Lease ML08\0314, and as at period-end had completed eight holes for a total of 825.6 metres. The drilling represented the first part of phased programme focussed on the rapid evaluation and potential development of the Kilba project.

The objective of the programme was to twin selected holes drilled in the period of 1975 to 1981 by Union Carbide Corporation and to confirm the presence of high-grade tungsten mineralisation. Geological logging of drill core identified coarse grained scheelite associated with multiple skarn and calc-silicate units at Zone 11. Final results from this drilling are awaited.

After the end of the period, in early January, Tungsten Mining commenced Phase II drilling, consisting of pattern reverse circulation and diamond drilling of tungsten mineralisation at Zone 11. This drilling is designed to define the tonnage potential and tenure of tungsten mineralisation present at Zone 11.

Other Projects

During the quarter, the Company completed the acquisition of assets as part of the IPO, including;

- the Gasgoyne assets, issuing SM3-W Pty Ltd (SM3-W) 4 million shares and \$200,000 to acquire the share capital of SM3-W,
- the Mosquito creek Tungsten Rights, issuing Northern Mineral Ltd 4 million shares and \$100,000 in consideration,
- the Lake Seabrook information, issuing Magnetic Resources NL 500,000 shares in consideration, and;
- the Koolyanobbing Tungsten Data, issuing Emu Nickel NL 500,000 shares in consideration.

Corporate

Tungsten Mining was admitted to the official list of the ASX on December 13th 2012 and commenced quotation on 17 December 2012, following the successful raising of \$5.1m at 20 cents in the IPO. Shares closed at 20.5 cents on 31 December 2012. At 31st December 2012, the Company had cash available of \$4.3 million.

Subsequent to quarter end, non-executive director, Charlton William (Bill) Kable, aged 62, died due to accidental drowning on the NSW Central Coast. The Company would like to reiterate their condolences to Bill's friends and family, and note the significant impact Bill had on the mining industry as a whole, and on the development of Tungsten Mining to an ASX listed entity.

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Competent Person's Statement:

The geological information in this report is based on information compiled by Peter Bleakley, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Bleakley has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bleakley is a consultant to the mining industry. This report is issued with Mr Bleakley's consent as to the form and context in which the exploration results appear.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Tungsten Mining NL

ABN

67 152 084 403

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(491)	(518)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	9	9
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(898)	(1,142)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(300)	(300)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	(92)	(92)
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (Investment in Subsidiary)		
Net investing cash flows	(392)	(392)
1.13 Total operating and investing cash flows (carried forward)	(1,290)	(1,534)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,290)	(1,534)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	5,110	5,110
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Equity Raising Costs)	(422)	(442)
	Net financing cash flows	4,688	4,668
	Net increase (decrease) in cash held	3,398	3,134
1.20	Cash at beginning of quarter/year to date	860	1,124
1.21	Exchange rate adjustments		
1.22	Cash at end of quarter	4,258	4,258

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	44
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 relates to Directors Remuneration, Directors Fees and Superannuation Contributions.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Issue 4,000,000 shares at a fair value of 20 cents per share each (total of 8,000,000 shares) for the acquisition of SM3-W Pty Ltd and acquisition of Northern Minerals Mosquito Creek designated mineral rights.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	
4.3 Production	
4.4 Administration	350
Total	850

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,258	860
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details),,		
Total: cash at end of quarter (item 1.22)	4,258	860

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E23937	Substitute	100%	-
	E24995	Substitute	100%	-
6.2 Interests in mining tenements acquired or increased	E77/2035	Grant	-	100%
	M08/493	Grant	-	100%
	L08/82	Grant	-	100%
	L08/83	Grant	-	100%
	L08/84	Grant	-	100%
	E77/2042	Grant	-	100%
	E77/2043	Grant	-	100%
	E29/616	Grant	-	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	79,054,379	34,054,379	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	(a) 25,554,379 (Public Offering) 8,000,000 (acquisition)	25,554,379	0.20 -	0.20 -
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	15,000,000	-	<i>Exercise price</i> \$0.40	<i>Expiry date</i> 30 June 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 

Date: 31 January 2013

Print name: Paul Berndt
Managing Director

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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