

Quarterly Report – September 2015

Highlights

Major Asset Acquisition

- Following the end of the quarter TGN announced that it has agreed terms for the acquisition of the Australian tungsten exploration assets of Hazelwood Resources Ltd (ASX: HAZ) comprising the Mt Mulgine and Big Hill tungsten assets (“Projects”).
- The Mt Mulgine and Big Hill Projects together represent a tungsten resource inventory of 88.2 Million tonnes at 0.17% WO₃, representing more than 15 million MTU (metric tonne units) of WO₃.
- Upon completion of the acquisition TGN will control an aggregate tungsten resource inventory of 93 Million tonnes at 0.18% WO₃, representing more than 16.5 million MTU (metric tonne units) of WO₃, providing the platform for TGN to become a globally significant player within the primary tungsten market.
- TGN has agreed to pay \$1,000,000 and issue 5,000,000 fully paid ordinary shares as consideration for the purchase of the Projects. It is expected that completion of the transaction should occur in coming weeks following completion of due diligence and formal documentation.
- Funding for completion of the acquisition will be provided by associated entity, GWR Group Ltd. GWR has a substantial shareholding (16.4%) in TGN and has agreed to assist by offering to fund the cash requirement of the consideration via a convertible note in TGN.

Kilba Project, Ashburton Region, Western Australia

- Geological mapping on E08/2139 surrounding Kilba define favourable lithologies over considerable strike lengths. Soil sampling programme planned to test these targets in the December Quarter.
- Limited project work was undertaken during the quarter following completion of metallurgical test work and mining and infrastructure studies in June. Activities focussed on the assessment of this work and options for project development in the future.

Other Projects

- Lithium Australia NL (ASX:LIT) identify lithium pegmatites up to 300m in length on Seabrook Rare Metals Venture.

Corporate

- The Company completed and released its annual audited financial statements and annual report during the quarter. The annual general meeting of shareholders meeting will be held on Monday 23 November 2015 commencing at 11.30 am in the BGC Conference Centre, Ground Floor, 28 The Esplanade, Perth WA 6000.
- Cash at bank and on deposit at the end of September 2015 was \$0.550m.

Major Project Acquisition

Tungsten Mining NL (ASX:TGN) ("the Company") announced on 26 October 2015 that it had agreed terms for the acquisition of the Australian tungsten exploration assets of Hazelwood Resources Ltd ("Hazelwood") comprising the Mt Mulgine and Big Hill tungsten assets ("Projects").

The Hazelwood Projects include the 100%-owned Big Hill project, located in the East Pilbara of Western Australia which hosts a Measured, Indicated and Inferred Mineral Resource. Hazelwood have reported that pilot-scale test-work has shown excellent processing characteristics producing high-quality tungsten concentrate.

In addition, Hazelwood also owns 100% of the tungsten and molybdenum rights to the Mt Mulgine Project, 350km NNE of Perth, Western Australia. The Mt Mulgine Project has been subject to significant previous evaluation. Two near surface Mineral Resources have been validated at Mt Mulgine, the Mulgine Hill Deposit and Mulgine Trench Deposit. The Mulgine Trench project continues to grow since the maiden estimate announced in April 2014.

The Mt Mulgine and Big Hill Projects together represent a tungsten resource inventory of 88.2 Million tonnes at 0.17% WO₃, representing more than 15 million MTU (metric tonne units) of WO₃ (refer page 3). Further details on the Mineral Resource of the Projects and the individual projects can be found in the June Quarterly Report of Hazelwood released to ASX on 31 July 2015.

For TGN, the acquisition provides the platform upon which to build a business of scale and become a significant player within the tungsten industry.

Acquisition Terms

TGN and Hazelwood have signed a binding letter of offer ("Offer") for the proposed transaction in the following terms:

- TGN to purchase a 100% interest in the relevant Projects comprising the tenements and mineral rights interests and all mining information and related assets;
- Consideration for the purchase to be the cash sum of \$1,000,000 and the issue of 5,000,000 fully paid ordinary shares in TGN ("Consideration Shares");
- The Consideration Shares to be subject to a 12 month voluntary escrow period.

Completion of the sale and purchase will be conditional upon satisfactory completion of TGN's due diligence investigations enquiries.

Whilst the parties have agreed to prepare and execute formal transaction documents, the terms and conditions set out in the Offer are intended to be binding on the parties. It is expected that completion of the transaction should occur in coming weeks.

Convertible Note Financing

Funding for completion of the acquisition will be provided by associated entity, GWR Group Ltd. GWR has a substantial shareholding (16.4%) in TGN and has agreed to assist by offering to fund the cash requirement of the Consideration. GWR has agreed to subscribe to a Convertible Note to be issued by TGN on the following terms:

- Convertible Note with a face value of \$1,000,000;
- Interest to apply at the rate of 12%pa payable quarterly in arrears;
- Repayable in full 12 months from the date of issue; and
- Conversion to be at the election of GWR at any time prior to maturity at a share price of the lesser of: 4cents; the 30 day VWAP for TGN shares immediately prior to receipt of a notice of conversion; or the issue price of an equity raising of at least \$1,000,000 announced by TGN during the term.

Future Funding

The Board of TGN will complete an assessment of the Company's future funding requirements in conjunction with the due diligence process. This will include refining the broader strategic plan for the Company, as well as defining work programs and budgets for the newly acquired projects. The Company will update the market in relation to these matters as the transaction progresses.

Extract from the June 2015 Quarterly Report of Hazelwood Resources Ltd

Table 1 Hazelwood Resources Ltd - Tungsten Resources¹ at 0.1% WO₃ cut-off

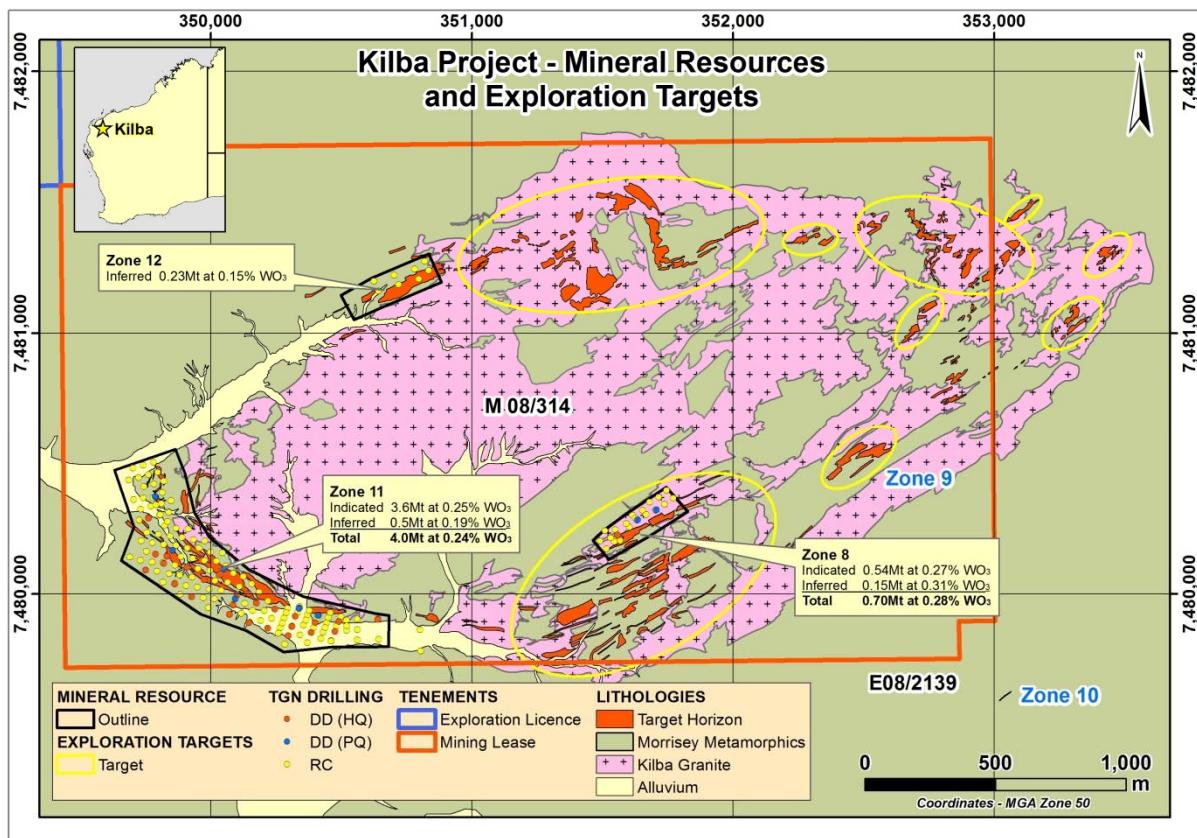
The Trench (Mt Mulgine) JORC 2012 compliant				
Category	Million Tonnes	% WO ₃	MTU (Metric tonne units) WO ₃	Contained tungsten W (tonnes)
Indicated	0.4	0.14	50,000	400
Inferred	63.4	0.17	11,050,000	87,600
Mulgine Hill (Mt Mulgine) JORC 2004 compliant				
	Million Tonnes	% WO ₃	MTU WO ₃	Contained tungsten W (tonnes)
Indicated	5.9	0.22	1,300,000	10,300
Inferred	2.3	0.17	400,000	3,200
Big Hill (Pilbara) JORC 2004 compliant				
	Million Tonnes	% WO ₃	MTU WO ₃	Contained tungsten W (tonnes)
Measured	9.5	0.16	1,540,000	12,200
Indicated	4.5	0.16	700,000	5,600
Inferred	2.2	0.14	300,000	2,400
Total Tungsten Mineral Resource				
	Million Tonnes	% WO ₃	MTU WO ₃	Contained tungsten W (tonnes)
Total	88.2	0.17	15,340,000	121,700

¹ Refer ASX Announcement 5 November 2014, "Hazelwood continues to increase tungsten resource"

Kilba Project

The Company is pleased to report on progress at the Kilba Project in the Ashburton Region of Western Australia. During second half of 2014, the Company completed infill drilling at Zone 8 and Zone 11 and have drilled a total of 158 reverse circulation (RC) and 37 diamond holes for 17,172 metres at the Kilba Project (Figure 1).

Figure 1 – plan displaying location of recent drilling and Mineral Resource at the Kilba Project



In May 2013, the Company announced a Maiden Indicated and Inferred Mineral Resource at Zone 8 and Zone 11 of the Kilba project (ASX announcement; 31 May 2013). During the second half of 2014, the Company completed a phased drilling program to increasing the confidence level of the Kilba Mineral Resource at Zones 8 and 11 to an Indicated status in support of future detailed feasibility studies. Drilling infilled sections to a 40 metre spacing over the entire May 2013 Mineral Resource.

Mineral Resource

In early 2015, the Company announce an updated JORC 2012 Indicated and Inferred Mineral Resource of 5.0 million tonnes at 0.24% WO₃ at Zones 8, 11 and 12 of the Kilba Project (Refer to Table 1). The Mineral Resource estimate has been completed by CSA Global Pty Ltd in accordance with the guidelines of the Joint Ore Reserve Committee (JORC) Code – 2012 Edition (refer to ASX announcement; 30 January 2015). The Mineral Resource is located on the Company's 100%-owned Mining Lease 08/314 situated in the Ashburton Region of Western Australia.

Table 1: Kilba Mineral Resource estimate based on a 0.10% WO₃ cut-off grade.

Prospect	Class	Tonnes	WO ₃	WO ₃
		'000 t	%	t
Zone 8	Indicated	540	0.27	1,500
	Inferred	150	0.31	500
	Total	700	0.28	1,900
Zone 11	Indicated	3,600	0.25	9,000
	Inferred	460	0.19	900
	Total	4,000	0.24	9,800
Zone 12	Indicated	230	0.15	400
	Total	230	0.15	400
Total	Indicated	4,100	0.25	10,400
	Inferred	830	0.20	1,700
	Total	5,000	0.24	12,100

Note: Totals may differ from sum of individual numbers as numbers have been rounded to two significant figures in accordance with the Australian JORC code 2012 guidance on Mineral Resource reporting.

Metallurgical Testwork

A phase 2 investigative metallurgical test work program commenced in November 2014 and was completed at Nagrom's Test Laboratory in June 2015. The program built on the findings and recommendations of the phase 1 test program (undertaken by Mintrex Pty Ltd in 2013), in particular to further investigate the potential of a pre-scalping stage to remove a significant proportion of the feed mass as waste prior to beneficiation. The remainder of the program was to determine the amenability of the sample to upgrading the WO₃ content using gravity, magnetic characterisation and flotation test work. Detailed results of the program were set out in the June 2015 activities report.

In summary, the phase 2 program results were as follows:

- The continuous dense media separation (DMS) test circuit was successful in removing 19% of the feed mass for a loss of only 1% WO₃.
- Subsequent beneficiation test work upgraded the WO₃ from a calculated head grade of 0.3% to 70.6%, with an overall circuit recovery rate of 37%. Magnetic separation has shown to be an effective method for cleaning this gravity concentrate, with high intensity magnetic separation increasing the gravity concentrate grade from 58.9% to 76.6% WO₃ at a recovery of 96.5% within that circuit.
- Middlings flotation test work, directed at improving WO₃ yield, produced a WO₃ recovery >90%, however the grade was well below expectations. It is suspected that insufficient WO₃ liberation is the cause of the poor grade. Future metallurgical test work programs will invest in mineralogical analysis of the middlings and tailings streams to better understand the minerals present and particle liberation size in order to improve yield and optimise the process flow sheet.

Other Studies

During the previous quarter, TGN completed pit shape optimisations using Whittle software, to assess the viability of the Kilba Project using the updated Kilba mineral resource and other economic input factors. The Whittle optimisation results generated positive outcomes for all scenarios investigated.

Upon completion of the optimisations, preliminary design work was undertaken on a number of project elements. Pit parameters have been explored, allowing mining pit and waste dump designs. Site infrastructure layout

options have also been investigated, with infrastructure specialists visiting the Kilba site in June 2015, assisting in layout design options. This information and previously completed studies, including flora and fauna surveys, support ongoing consultation with regulatory bodies.

After compiling a site layout design, total disturbance footprint estimations were possible. Disturbance footprints are an estimation of the impact mining activities and the associated infrastructure will have on the natural surface and topography. TGN plans to minimise disturbance where possible at the Kilba site. The footprint estimations are key part of discussions with regulatory agencies. During the quarter Company personnel undertook consultation with the Office of the Environmental Protection Authority and the Department of Mines and Petroleum.

Geological Mapping

A review of historical data indicates that stream sediment sampling conducted by ANZECO in 1973 defined a number of targets on the exploration licence E08/2139 that surrounds Kilba. Geological mapping of these targets was completed in September 2015 locating favourable lithologies (i.e. calc-silicate units, marbles and skarns) over considerable strike lengths (Figure 3). From UV lamping scheelite mineralisation within these units was considered to be generally narrow. A small soil sampling programme is planned to evaluate these targets in the December Quarter.

Koolyanobbing Project – Seabrook Rare Metals Venture

In November 2014, Tungsten Mining entered into a binding agreement with Lithium Australia NL (ASX:LIT) that provides for LIT to explore for lithium and other metals, on the shores of Lake Seabrook, approximately 60km north-east of Southern Cross, Western Australia. The agreement concerns tenements comprising Tungsten Mining's Koolyanobbing Project, and extends to an area of influence of 20km outside of the Tungsten Mining Tenements. The Seabrook Rare Metals Venture provides LIT with a right to earn an 80% interest to all metals other than tungsten, the right of which remain or are vested in Tungsten Mining.

LIT have been trialling a new geochemical technique on the Seabrook Rare Metals Venture designed for easier identification of potential buried pegmatites of the lithium, caesium, and tantalum (LCT) class. Samples were analysed by field-portable XRF analytical equipment and a geochemical algorithm was used to displayed results as a 'heat map' of prospectivity. The heat-map indicates the relative intensity of certain geochemical indicators, which can be used to locate LCT pegmatites.

On the recently granted exploration licence E77/2279, LIT completed surface reconnaissance of pegmatite swarms now thought to be extensions of the mineralized system previously identified further to the north-west. Reconnaissance including surface mapping and geochemistry identified lithium pegmatites up to 300m in length that fall within the zone in which soil geochemistry indicates high prospectivity.

The successful results and correlation of mineralizing events has prompted LIT to plan further exploration on prospective ground, in the north-west extremities of the project.

Corporate

The Company completed and released its annual audited financial statements and annual report during the quarter. The annual general meeting of shareholders meeting will be held on Monday 23 November 2015 commencing at 11.30 am in the BGC Conference Centre, Ground Floor, 28 The Esplanade, Perth WA 6000.

Cash at bank and on deposit at the end of September 2015 was \$0.550m.

Since the end of the quarter the Company has received Notice of Registration from AusIndustry in relation to the 2014/15 R&D Tax Incentive.

Tenement Summary

Tenement Name	Tenement	Interest held at 30 Jun 2015	Interest acquired/ disposed of during quarter	Interest Held at 30 Sep 2015
Whiskey Pool	E08/1812	100%	N/A	100%
Moodong Well	E08/2139	100%	N/A	100%
Loves Find	E08/2207	100%	N/A	100%
Loves Find	M08/286	100%	N/A	100%
Loves Find	M08/287	100%	N/A	100%
Kilba Well	M08/314	100%	N/A	100%
Green Gate Granite	M08/493	100%	N/A	100%
Green Gate Granite	L08/82	100%	N/A	100%
Green Gate Granite	L08/83	100%	N/A	100%
Green Gate Granite	L08/84	100%	N/A	100%
Mt Murray 2	E08/2641	100%	N/A	100%
Koolyanobbing	E77/1853	100% mineral rights for tungsten, 20% for other commodities	N/A	100% mineral rights for tungsten, 20% for other commodities
Koolyanobbing	E77/1854	"	N/A	"
Koolyanobbing	E77/1855	"	N/A	"
Koolyanobbing	E77/2021	"	N/A	"
Koolyanobbing	E77/2022	"	N/A	"
Koolyanobbing	E77/2035	"	N/A	"
Koolyanobbing	E77/2279	Nil	Tenement Granted	"
Callie Soak	E20/854	PENDING	N/A	PENDING

* This tenement was granted during the quarter and is held by Lithium Australia NL and subject to the terms of the Seabrook Rare Metals Venture - TGN entitled to an interest in 100% of the tungsten rights and 20% for all other commodities.

Competent Person's Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Peter Bleakley, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bleakley is not a full-time employee of the company. Mr Bleakley is a consultant to the mining industry. Mr Bleakley has sufficient experience that is 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bleakley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where the Company refers to the Kilba Resource Upgrade referencing the release made to the ASX on 30 January 2015 it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the resource estimate with that announcement continue to apply and have not materially changed.

For further information contact:

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Colin Hay PPR Public Relations Tel: + 61 8 9388 0944

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Tungsten Mining NL

ABN

67 152 084 403

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(93) - - (136)	(93) - - (136)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	3
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		(226)	(226)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(226)	(226)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(226)	(226)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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 (provide details if material)	-	-
Net financing cash flows			
Net increase (decrease) in cash held			
1.20	Cash at beginning of quarter/year to date	776	776
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	550	550

Payments to directors of the entity, associates of the directors, 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	35
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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

+ See chapter 19 for defined terms.

- 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
-

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	75
4.2 Development	-
4.3 Production	-
4.4 Administration	145
Total	220

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	550	57
5.2 Deposits at call	-	719
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	550	776

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements and petroleum tenements acquired or increased				

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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	212,652,708	212,652,708		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				

+ See chapter 19 for defined terms.

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 1,800,000	<i>Exercise price</i> \$0.400 \$0.250	<i>Expiry date</i> 30 Jun 2016 4 Dec 2015
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>			

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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 30 October 2015

Print name: Mr Craig Ferrier
CEO

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

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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+ See chapter 19 for defined terms.