
TUNGSTEN MINING NL

ABN 67 152 084 403

NOTICE OF ANNUAL GENERAL MEETING

TIME: 12 noon WST

DATE: Tuesday, 29 November 2016

PLACE: BGC Conference Centre
Ground Floor
28 The Esplanade
Perth WA 6000

This Notice of Meeting and accompanying Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9316 9100.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of shareholders of Tungsten Mining NL will be held at BGC Conference Centre, Ground Floor, 28 The Esplanade, Perth, WA 6000.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5:00pm WST on Sunday, 27 November 2016.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

AGENDA

Reports and Accounts

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016, together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act, approval is given for the Company to adopt the Remuneration Report for the financial year ended 30 June 2016."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company. However, if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all the Company's directors (other than the Managing Director) must go up for re-election.

Voting Exclusion: Votes cannot be cast on this Resolution by or on behalf of a member of the Key Management Personnel (or any of their Closely Related Parties), or by a member of Key Management Personnel as proxy for a member otherwise entitled to vote on this Resolution, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote, even though it is connected with the remuneration of Key Management Personnel.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – CHEW WAI CHUEN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 14.4 and clause 11.3 of the Constitution, Chew Wai Chuen, being a Director, retires by rotation and, being eligible, is re-elected as a Director."

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – TECK SIONG WONG

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 14.4 and clause 11.6 of the Constitution, Teck Siong Wong, being a Director, retires and, being eligible, is re-elected as a Director.”

SPECIAL RESOLUTION 4 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purpose of Listing Rule 7.1A, approval is given for the issue of Equity Securities totaling up to 10% of the number of Shares on issue (at the time of the issue) over a 12 month period, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the proposed issue of Equity Securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares if the resolution is passed (and any associates of those persons). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 5 - APPROVAL OF OPTION ISSUE TO EMPLOYEES

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 10,000,000 unlisted Options to Employees of the Company, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the proposed issue of Equity Securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares if the resolution is passed (and any associates of those persons). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 5. Shareholders may also choose to direct the Chair to vote against Resolution 5 or to abstain from voting.

RESOLUTION 6 - APPROVAL OF OPTION ISSUE TO GARY LYONS

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 4,000,000 options to Gary Lyons or his nominee on the terms and conditions in the Explanatory Memorandum."

A voting exclusion statement for Resolution 6 is set out below Resolution 9.

RESOLUTION 7 - APPROVAL OF OPTION ISSUE TO KONG LENG LEE

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 4,000,000 options to Kong Leng Lee or his nominee on the terms and conditions in the Explanatory Memorandum."

A voting exclusion statement for Resolution 7 is set out below Resolution 9.

RESOLUTION 8 - APPROVAL OF OPTION ISSUE TO CHEW WAI CHUEN

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 4,000,000 options to Chew Wai Chuen or his nominee on the terms and conditions in the Explanatory Memorandum."

A voting exclusion statement for Resolution 8 is set out below Resolution 9.

RESOLUTION 9 - APPROVAL OF OPTION ISSUE TO TECK SIONG WONG

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 4,000,000 options to Teck Siong Wong or his nominee on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion for Resolutions 6 to 9 (inclusive)

Each of the respective directors in Resolutions 6 to 9 (inclusive) has an interest in the outcome of the proposed resolutions, in that if passed they will receive the options the subject of their respective resolution.

The Company will disregard any votes cast on Resolutions 6, 7, 8 or 9 respectively by:

- a) the relevant Director and any person who is to receive the securities the subject of the relevant Resolution;
- b) any person who might obtain a benefit if the relevant Resolution is passed, except a benefit solely in the capacity of a holder of ordinary securities; and
- c) any associates of the persons excluded from voting pursuant to paragraphs (a) and (b) above.

Notwithstanding the above, the Company will not disregard a vote on Resolution 6, 7, 8 or 9 respectively if it is cast by:

- a) a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 6, 7, 8 or 9 respectively if the appointment does not specify the way the proxy is to vote on the Resolution, unless the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolutions 6 to 9 (inclusive). Shareholders may also choose to direct the Chair to vote against any of Resolutions 6 to 9 (inclusive) or to abstain from voting.

RESOLUTION 10 - RATIFICATION OF PRIOR SHARE ISSUE – LISTING RULE 7.1

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 48,000,000 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

A vote on Resolution 10 must not be cast (in any capacity) by a person who participated in the relevant issue, and any associates of such a person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

DATED: 10 OCTOBER 2016

BY ORDER OF THE BOARD



MARK PITTS
COMPANY SECRETARY
TUNGSTEN MINING NL

HOW TO VOTE

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

You can appoint a proxy to attend and vote on your behalf as an alternative to attending the meeting in person or casting a direct vote.

A proxy need not be a Shareholder and may be an individual or a company. If you are entitled to cast two or more votes at the Meeting, you may appoint up to two proxies, and may specify the proportion or number of votes each proxy is appointed to exercise.

If you do not specify a proportion or number, each proxy may exercise half of the votes. To vote by proxy, please complete and sign the enclosed Proxy Form in accordance with the instructions set out on the form and either send the Proxy Form:

- (a) by post, to Tungsten Mining NL, PO Box 517, West Perth WA 6872; or
 - (b) by facsimile, to the Company on facsimile number (08) 9322 2370,
- so that it is received **not later than 12 noon WST on Sunday, 27 November 2016.**

Proxy forms received later than this time will be invalid.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding how to vote on the Resolutions. The Directors recommend that Shareholders read this Explanatory Statement in full, together with the accompanying Notice.

FINANCIAL STATEMENTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.tungstenmining.com.

1. RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

1.1 General

The Corporations Act requires a resolution that the remuneration report be adopted be put to the shareholders at a listed company's annual general meeting. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2016.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

1.2 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

- (a) **If you appoint a member of the Key Management Personnel as your proxy** (other than the Chair) or a Closely Related Party of such a member, **you must** direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
- (b) **If you appoint the Chair as your proxy** (where he or she is also a member of the Key Management Personnel or a Closely Related Party of such a member), you **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you are acknowledging the Chair may exercise his or her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.
- (c) **If you appoint any other person as your proxy**, you **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

2. RESOLUTION 2 – RE-ELECTION OF CHEW WAI CHUEN

Listing Rule 14.4 provides that, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

A retiring director is eligible for re-election. The directors to retire at any annual general meeting must be those who have been longest in office since their last election but, as between persons who became directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot.

Chew Wai Chuen retires and seeks re-election in accordance with Listing Rule 14.4 and clause 11.3 of the Constitution. Details regarding Mr Chuen are set out in the 2016 Annual Report.

The Directors, other than Chew Wai Chuen, recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – RE-ELECTION OF TECK SIONG WONG

Listing Rule 14.4 provides that, a director of an entity appointed by the Board must not hold office (without re-election) past the next annual general meeting following the director's appointment.

A director so appointed is eligible for re-election.

Teck Siong Wong retires and seeks re-election in accordance with Listing Rule 14.4 and clause 11.6 of the Constitution. Details regarding Mr Wong are set out in the 2016 Annual Report.

The Directors, other than Teck Siong Wong, recommend that Shareholders vote in favour of Resolution 3.

4. SPECIAL RESOLUTION 4 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

4.1 General

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the entity's annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$8,173,234 (as at 3 October 2016).

If Shareholders approve Resolution 4, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

4.2 ASX Listing Rule 7.1A

Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being the Shares (ASX Code: TGN).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times B) - C$$

Where:

- A** = the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4;
 - (d) less the number of Shares cancelled in the previous 12 months.
- B** = 10%.
- C** = the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

4.3 Technical information required by ASX Listing Rule 7.1A

In accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 4.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting; and
- (ii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking), after which date, an approval under Listing Rule 7.1A ceases to be valid.

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (variable "A" in Listing Rule 7.1A.2)	Dilution based on number of Shares issued (being 10% of the number of Shares at the time of issue)	Dilution		
		Funds raised based on issue price of \$0.0155 (50% decrease in current issue price)	Funds raised based on issue price of \$0.031 (Current issue price)	Funds raised based on issue price of \$0.062 (100% increase in current issue price)
263,652,708 (Current)	26,365,271	\$408,661	\$817,323	\$1,634,647
395,479,062 (50% increase)*	39,547,906	\$612,992	\$1,225,985	\$2,451,970
527,305,416 (100% increase)*	52,730,542	\$817,323	\$1,634,647	\$3,269,294

*The number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with or without Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 3 October 2016.
2. The issue price set out above is the closing price of the Shares on the ASX on 3 October 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company intends to use funds raised:
 - (A) to progress the Company's Mt Mulgine Project; and
 - (B) for general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon any issue of Equity Securities under Listing Rule 7.1A.

(e) Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;

- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is possible that the allottees under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company obtained approval under ASX Listing Rule 7.1A at its previous annual general meeting on 23 November 2015. Since 23 November 2015, the Company has issued the following securities:

Date of Appendix 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price ¹ on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration
14/12/15	5,000,000	Fully paid ordinary shares	Hazelwood Resources Limited	Issued at \$0.038 cents per share (fair value) in part consideration for the acquisition of the Hazelwood tungsten assets.	At the date of this Notice, the shares issued have a market value of \$0.031 each equating to a fair value of \$155,000.
15/01/16	48,000,000	Fully paid ordinary shares	Issued pursuant to a placement to sophisticated investors	Issued at \$0.04 Market price on date traded prior to issue was \$0.047.	\$1.92 million in cash, the funds received were used to fund West Australian Tungsten projects. At the date of this notice there are remaining funds of \$850,000.

(i) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

4.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

5. RESOLUTION 5 – OPTION ISSUE TO EMPLOYEES

5.1 General

The Company is actively trying to conserve its cash reserves and to provide an adequate incentive to its senior executive, employees and contractors. The Directors' are seeking approval to issue up to 10,000,000 unlisted Employee Options to acquire ordinary shares.

The Company proposes to issue the Employee Options to provide an incentive aligned to the performance of the Company. The Options will vest in three tranches, with the second and third tranches subject to certain Key Performance Indicators (KPI's) to be determined by the Board. The terms are set out in Appendix A, but the key terms are as follows:

- a) 20% of the Options will vest on grant (tranche 1), they will be exercisable by payment of 4 cents on or before 48 months from the date of issue;
- b) 20% of the Options will vest on the achievement of certain KPI's relevant to the option recipients (tranche 2), they will be exercisable by payment of 5 cents on or before 48 months from the date of issue;
- c) 60% of the Options will vest on the achievement of certain KPI's relevant to the option recipients (tranche 3), they will be exercisable by payment of 6 cents on or before 48 months from the date of issue.

The Company is able to issue the Options the subject of Resolution 5 without prior Shareholder approval out of its 15% annual placement capacity under ASX listing Rule 7.1. However, the Shareholder approval sought under Resolution 5 for the Option issue means that the Company's 15% placement capacity under listing Rule 7.1 will not be reduced and the Company will retain the flexibility to issue equity securities in the future in accordance with Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Listing Rule disclosures

Listing Rule 7.1 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval for Resolution 5 pursuant to Listing Rule 7.3:

- a) the total number of Options to be issued pursuant to Resolution 5 is up to 10,000,000;
- b) the Options will be issued to the Employees or their nominees;
- c) the unlisted Options will issued for nil cash consideration and are exercisable in three tranches by payment of 4, 5 and 6 cents respectively on or before 48 months from the date of issue. The first tranche will vest on grant, the second and third tranches will vest subject to the certain KPI's to be determined;
- d) the proposed recipients are not related parties of the Company;
- e) the Options are to be allotted either progressively or in one amount as an incentive, but in any event will be issued within three months of the date of this meeting. No funds will be raised from the issue as the Options are to be issued for nil cash consideration;
- f) a voting exclusion statement is included in the Resolution.

The Chairman intends to vote all available proxies in favour of Resolution 5.

6. RESOLUTION 6 TO 9 – GRANT OF OPTIONS TO DIRECTORS

6.1 General

Resolutions 6 to 9 seek Shareholder approval in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act for the grant of a total of 16,000,000 Options to the Directors (or their nominees) as follows:

The Options are unlisted but are transferable. No application for quotation of the Options will be made by the Company.

The Board considers the issue of Options pursuant to Resolutions 6 to 9 to be reasonable in the circumstances given the Company's size, stage of development, and the need to attract and retain directors of high calibre, whilst still maintaining cash reserves. Given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the Directors and the performance and value of the Company are closely related. As such, the Director Options proposed to be granted will generally only be of benefit if the Directors perform to the level whereby the value of the Company increases sufficiently to warrant exercising those Director Options.

6.2 Reason approval required

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because the Director is a related party of the Company.

If Shareholder approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Furthermore, Shareholder approval of the issue of Options means that the grant will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

6.3 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Listing Rule 10.13 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant:

- a) 4,000,000 Options will be offered to each of the Directors the subject of resolutions 6 to 9 (or their nominees), equating to 16,000,000 in total.
- b) the unlisted Options will be issued for nil cash consideration and are exercisable in three tranches by payment of 4, 5 and 6 cents respectively on or before 48 months from the date of vesting. The first tranche (20%) will vest on grant; the second tranche (20%) will vest 12 months from the date of issue and the third tranche (60%) will vest 24 months from the date of issue;
- c) the Options will be unlisted and transferable only with the consent of the Company.
- d) The full terms and conditions of the Options are set out in Appendix B.
- e) The Company will issue the Options no later than one month after the date of the Meeting or such longer period of time as ASX may in its discretion allow.
- f) the dilutive effect if all of the Options granted are exercised is as follows:

Current number of Shares on issue	263,652,708
Number of Options to be granted under Resolution 6	16,000,000
Dilution effect if all Options granted are exercised	6.06%

- g) the current relevant interests in security holdings of the Directors are set out below.

	Current Shareholding	Current Option Holding
Gary Lyons	-	-
Kong Leng Lee	-	-
Chew Wai Chuen	416,667	-
Teck Siong Wong	-	-

- h) a voting exclusion statement is included in the Notice.
i) each director noted their interest in the outcome of their respective resolutions when the matters were considered by the Board.
j) no funds will be raised by the grant of the Options as they are being issued for nil consideration.
k) remuneration of the Directors in the twelve months to 30 June 2016 was as follows:

	Salary / Director Fees	Non-monetary Benefit	Super	Share based Payments	Long Service Leave	Termination Benefits	Consulting Fees	Total
	\$		\$	\$	\$	\$	\$	\$
Gary Lyons	54,795	-	5,205	-	-	-	-	60,000
Kong Leng Lee	36,530	-	3,470	-	-	-	9,500	49,500
Chew Wai Chuen	40,000	-	-	-	-	-	-	40,000
Teck Siong Wong	15,862	-	-	-	-	-	-	15,862

- l) On the basis of the assumptions below the Company has determined the economic value of one Option for each tranche is approximately as follows; Tranche 1 A\$0.0146; Tranche 2 A\$0.0129; and Tranche 3 A\$0.0115. This valuation imputes a total value of A\$198,400 to the Options.

The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:

- interest rate set at 1.59% which is based on indicative rate of the capital market bonds by the Reserve bank of Australia for a similar term;
- the date of valuation for the purposes of settling the current market value of a Share is 3 October 2016;
- at this date the Share price was A\$0.031 which is the price used in the valuation;
- the exercise price of \$0.04; \$0.05; and \$0.06 respectively for each tranche;
- volatility of 70%; and
- the Options will be exercisable in accordance with their terms.

- m) The market price of Shares would normally determine whether the Directors will exercise the Options or not. If the Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.
- n) Historical share price information for the last twelve months is as follows:

	Price	Date
Highest	\$0.059	28/12/2015
Lowest	\$0.031	3/10/2016
Last	\$0.031	3/10/2016

- o) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to consider Resolutions 6 to 9.

6.4 Directors' recommendation and basis of recommendation

All of the Directors have an interest in and will benefit from the issuance of options as outlined above and in Resolutions 6 to 9 and so they decline to make a recommendation to Shareholders.

The Chairman intends to vote all available proxies in favour of Resolutions 6 to 9.

7. RESOLUTION 10 – RATIFICATION OF PRIOR SHARE ISSUE

7.1 General

On 7 January 2016 the Company advised the market that it had finalised a placement of 48,000,000 shares to sophisticated and institutional investors.

The Placement raised \$1.92 million before costs and was undertaken to fund working capital and the Company's project development activities following the settlement of the acquisition of the Mt Mulgine and Big Hill tungsten projects from Hazelwood Resources Limited (refer TGN announcements dated 15 December 2015).

7.2 Specific information required by Listing Rule 7

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

Listing Rule 7.4 allows an issue of securities made without the approval of shareholders to be ratified by shareholders, in order to refresh the Placement Capacity, provided that, at the time the issue was made, the issue was made within the Company's existing Placement Capacity.

By ratifying the issue of the Shares the subject of Resolution 10, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 10:

- a) 48,000,000 Shares were issued at an issue price of \$0.04 per Share;
- b) The Shares were issued at a price of 4 cents each raising \$1.92 million before costs of the issue.
- c) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- d) The Shares were issued to sophisticated investors, none of whom are related parties of the Company;
- e) The Placement was made to fund development activities as outlined above; and
- f) A voting exclusion statement is included in the Resolution.

The Chairman intends to vote all available proxies in favour of Resolution 10.

QUESTIONS AND COMMENTS

In accordance with the Corporations Act at the Annual General Meeting the Chair will provide an opportunity for Shareholders to ask questions and make comments in relation to the management of the Company.

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 4 of this Explanatory Statement.

2016 Annual Report means the Company's annual report for the year ended 30 June 2016, which can be downloaded from the Company's website at www.tungstenmining.com.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 724 791).

ASX Listing Rules or **Listing Rules** means the official Listing Rules of ASX.

Board means the Board of Directors of the Company.

Company or **Tungsten Mining** means Tungsten Mining NL (ABN 67 152 084 403).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Employees means full time and part time employees of the Company and consultants and contractors.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement to this Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Meeting means the meeting convened by the Notice.

Notice means the notice of meeting accompanying this Explanatory Statement.

Plan means the Director and Senior Management Fee and Remuneration Sacrifice Share Plan.

Proxy Form means the proxy form accompanying this Explanatory Statement.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2016 Annual Report.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time.

Appendix A – Terms and Conditions of Employee Options

(a) Entitlement

The Options entitle the holder to subscribe for one (1) Share upon the exercise of each Option.

(b) Tranche Vesting Conditions and Exercise Price

The Options will be issued in three Tranches each with different vesting and exercise conditions, Options are able to vest whilst the recipient remains an employed by or contracted to the Company, unvested Options will lapse if an employee or contractor is terminated, subject to the discretion of the Board.

Tranche 1 (20% of allotment) – will vest on grant and will have an exercise price of \$0.04.

Tranche 2 (20% of allotment) – will vest on achievement of certain Key Performance Indicators to be determined by the Board and will have an exercise price of \$0.05.

Tranche 3 (60% of allotment) – will vest on achievement of certain Key Performance Indicators to be determined by the Board and will have an exercise price of \$0.06.

(c) Expiry Date

Four years after the date of issue.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date, subject to clause (b)

(e) Notice of Exercise

The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(f) Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the Shares of the Company.

(g) Quotation of Shares on Exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

(h) Timing of issue of Shares

After an Option is validly exercised, the Company must as soon as possible:

(i) issue the Share; and

(ii) do all such acts matters and things to obtain

(A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option; and

(B) receipt of cleared funds equal to the sum payable on the exercise of the Options.

(i) Participation in New Issues

There are no participation rights or entitlements inherent in the Options and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of Options the opportunity to

exercise their Options prior to the date for determining entitlements to participate in any such issue.

(j) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one (1) Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

(l) Adjustments for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) Quotation of Options

The Options will be unlisted Options. No application for quotation of the Options will be made by the Company.

(n) Options transferable

The Options are transferable with the consent of the Company.

(o) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

(a) Appendix B – Terms and Conditions of Director Options

(a) Entitlement

The Options entitle the holder to subscribe for one (1) Share upon the exercise of each Option.

(b) Tranche Vesting Conditions and Exercise Price

The Options will be issued in three Tranches each with different vesting and exercise conditions, Options are able to vest whilst the recipient remains employed by the Company, unvested Options will lapse if the recipient is terminated, subject to the discretion of the Board.

Tranche 1 (20% of allotment) – will vest on grant and will have an exercise price of \$0.04.

Tranche 2 (20% of allotment) – will vest 12 months from the date of issue and will have an exercise price of \$0.05.

Tranche 3 (60% of allotment) – will vest 24 months from the date of issue and will have an exercise price of \$0.06.

(c) Expiry Date

Four years after the date of issue.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date, subject to clause (b)

(e) Notice of Exercise

The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(f) Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the Shares of the Company.

(g) Quotation of Shares on Exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

(h) Timing of issue of Shares

After an Option is validly exercised, the Company must as soon as possible:

(i) issue the Share; and

(ii) do all such acts matters and things to obtain

(A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option; and

(B) receipt of cleared funds equal to the sum payable on the exercise of the Options.

(i) Participation in New Issues

There are no participation rights or entitlements inherent in the Options and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(j) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

(iii) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and

(iv) no change will be made to the Exercise Price.

(k) Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one (1) Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

(l) Adjustments for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

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The Options will be unlisted Options. No application for quotation of the Options will be made by the Company..

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The Options are transferable with the consent of the Company.

(o) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

PROXY FORM

**APPOINTMENT OF PROXY
TUNGSTEN MINING NL
ABN 67 152 084 403**

ANNUAL GENERAL MEETING

I/We

of

being a member of Tungsten Mining NL entitled to attend and vote at the Annual General Meeting, hereby
Appoint

Name of proxy

OR the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at the BGC Conference Centre, Ground Floor 28 The Esplanade, Perth 6000, Western Australia at 12 noon WST on Tuesday, 29 November 2016, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Chew Wai Chuen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Teck Siong Wong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval for Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for Issue of Employee and Contractor Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for Issue of Options to G Lyons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for Issue of Options to K L Lee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for Issue of Options to C W Chuen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval for Issue of Options to T S Wong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Ratification of Prior Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s): _____ Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

E-mail Address: _____ Consent for contact by e-mail YES NO

Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - Directors of the Company;
 - a Director and a company secretary of the Company; or
 - for a proprietary company that has a sole Director who is also the sole company secretary – that Director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the Proxy Form enclosed and either send the Proxy Form :
 - (a) by post, to Tungsten Mining NL, PO Box 517, West Perth WA 6872; or
 - (b) by facsimile, to the Company on facsimile number (08) 9322 2370,so that it is received not later than **12 noon WST on Sunday, 27 November 2016.**

Proxy forms received later than this time will be invalid.