

Quarterly Report – September 2017

Highlights

- **Acquisition of modular processing plant for Mt Mulgine Tungsten Project** – Tungsten Mining and Pilbara Minerals entered into an agreement for the acquisition of a modular heavy mineral processing plant. The acquisition represents a step change reduction in the capital requirements for project development and will deliver a competitive advantage to support initial market entry.
- **Substantial improvement in global tungsten prices in the quarter** – Global tungsten prices have improved substantially over the September quarter as environmental inspections in China saw plant closures and tightening supply. Ammonium para tungstate (APT) prices increased by approximately 50% from the same time 12 months ago, with much of the gain in August and September.
- **Major milestone achieved with State and Federal environmental referrals cleared** – The WA State Government has advised that the project does not require formal assessment under Part IV of the Environmental Protection Act 1986. This follows the earlier advice that the Federal Government has declared that the project is not a controlled action and no further assessment is required.
- **Launch of Non-Renounceable Entitlement Offer to raise \$13.87m** – To accelerate project development activities at Mt Mulgine, in early October the Company launched a Non-Renounceable Entitlement Offer to raise \$13.87m before costs. Funds raised will be applied towards completing feasibility studies, detailed engineering, to secure long lead items and other works related to the development of the Mt Mulgine Tungsten Project.
- **Market development activities continue** – Completion and assessment of metallurgical test work by third party tungsten producers in support of market development activities related to off-take of Mt Mulgine tungsten concentrate.
- **Cash position** - The Company's cash position as at 30 September 2017 was \$2.57m. Since the end of the quarter, the company has received a further \$0.46m following the conversion of unlisted options.

Commentary

The September quarter has been a pivotal period in the development of the Mt Mulgine Tungsten Project. The decision to purchase the modular processing plant has allowed the Company to accelerate project development activities at a time of increasing tungsten prices, whilst materially reducing the capital expenditure required to commence production. Significantly, tungsten prices have improved by approximately 50% compared with a year ago.

To accelerate the planned development activities, the Company has launched a Non-Renounceable Entitlement Issue to raise \$13.87m before costs. The funding will augment cash reserves of \$2.57m at the end of September and enable completion of feasibility studies, securing of long lead items and early works at the Mt Mulgine site. Tungsten Mining is ideally placed to take advantage of the improving outlook for tungsten and global markets.

Tungsten Mining

Tungsten Mining NL (“the Company”) is focussed on the discovery and development of tungsten deposits in Australia. The Company’s key projects are Mt Mulgine, Big Hill and Kilba Projects, all in Western Australia.

Through exploration and acquisition, the Company has established a portfolio of advanced tungsten projects with Mineral Resources at a 0.10% WO₃ cut-off comprising Indicated Resources of 14.8Mt at 0.21% WO₃ and 35ppm Mo and Inferred Resources of 72.5Mt at 0.17% WO₃ and 220ppm Mo, totalling 87.4Mt at 0.18% WO₃ and 188ppm Mo. This represents more than 15.6 million MTU (metric tonne units) of WO₃ and 16,400 tonnes of contained Mo, providing the platform for the Company to become a globally significant player within the primary tungsten market through the development of low cost tungsten concentrate production.

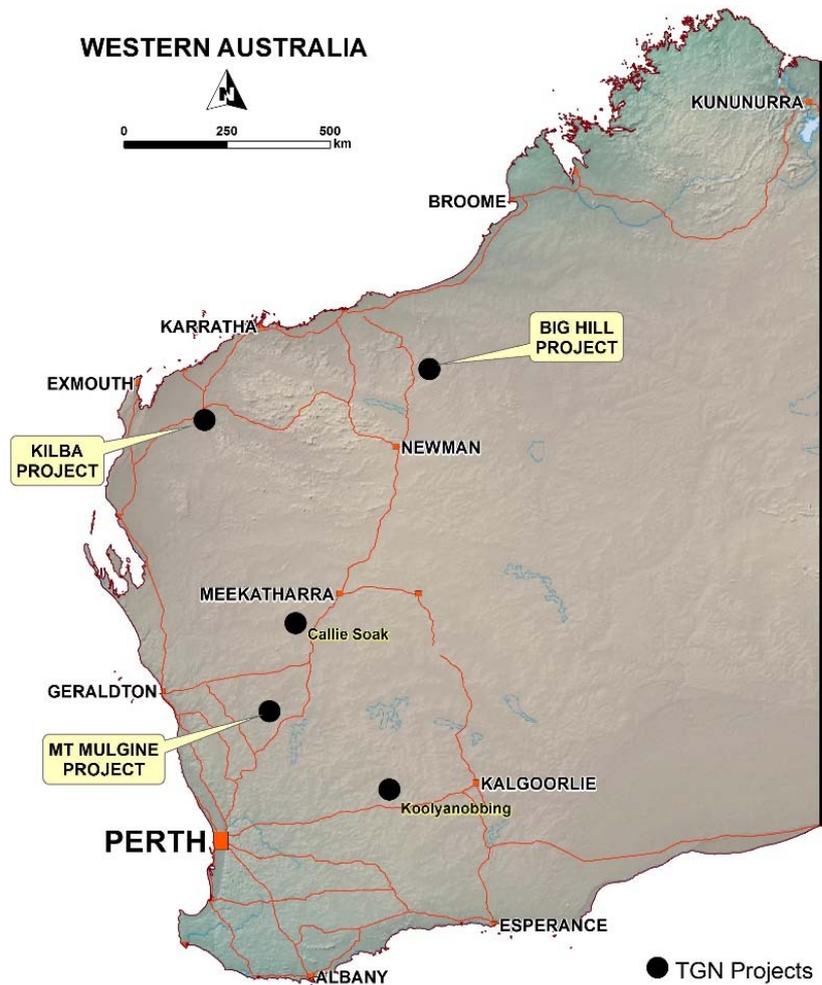


Figure 1 – Project location map

Mt Mulgine Project, Murchison WA

The Mt Mulgine Project is located within the Murchison Region of Western Australia, approximately 350km north northeast of Perth. The Company has 100% of the tungsten and molybdenum rights on a contiguous group of tenements that have been the subject of significant previous exploration for tungsten and molybdenum.

Two near surface Mineral Resources have been delineated at the Mulgine Trench and Mulgine Hill deposits. Currently, there is a combined Mineral Resource estimate of 70.9Mt at 0.18% WO₃ and 230ppm Mo (0.10% WO₃ cut-off) comprising Indicated Resources of 4.5Mt @ 0.24% WO₃ and 120ppm Mo and Inferred Resources of 66.4Mt @ 0.18% WO₃ and 240ppm Mo.

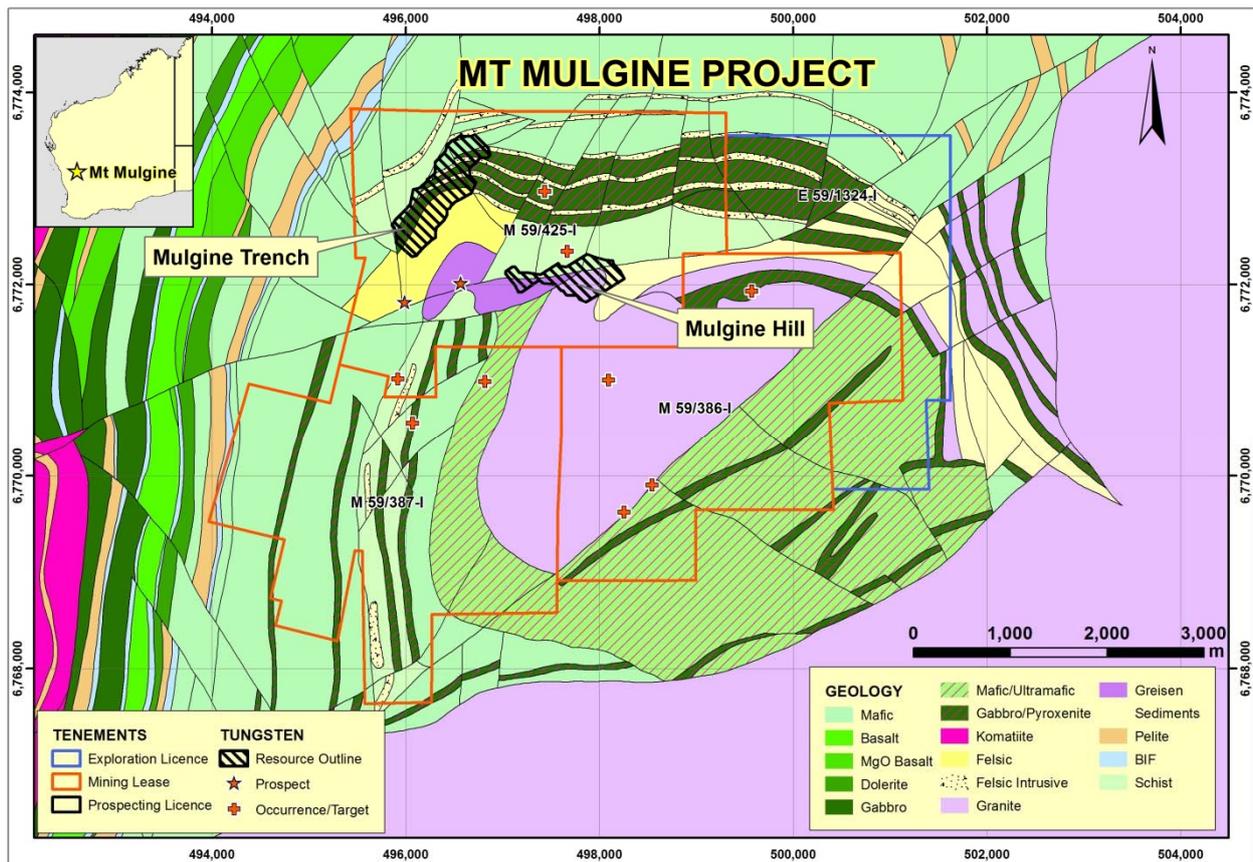


Figure 2 –Mt Mulgine project geology

Mt Mulgine Strategic Development Plan

The Company continues to deliver on the Strategic Development Plan for the Mt Mulgine Project, directed towards the production of tungsten concentrate by the end of 2018.

| Task | Dec 16 | Mar 17 | Jun 17 | Sep 17 | Dec 17 | Mar 18 | Jun 18 | Sep 18 | Dec 18 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Geology and resource development | | | | | | | | | |
| Metallurgy | | | | | | | | | |
| Engineering | | | | | | | | | |
| Pilot Scale Testwork | | | | | | | | | |
| Project management, permitting and approvals | | | | | | | | | |
| Marketing and Commercial | | | | | | | | | |
| Mining | | | | | | | | | |
| Production | | | | | | | | | |

Figure 3 – Mt Mulgine Strategic Development Plan - Project Schedule

For the September quarter, work was focussed on the following activities:

- Negotiation and execution of Agreement for the purchase of the near new modular heavy mineral gravity processing plant from Pilbara Minerals Ltd;
- Order of magnitude capital cost estimation for the process and non-processing infrastructure at Mt Mulgine incorporating the modular heavy mineral processing plant;
- Completion and assessment of metallurgical test work by third party tungsten producers in support of market development activities related to off-take of Mt Mulgine tungsten concentrate;
- Commencement of Phase 2 R&D activities with CSIRO on the recovery of tungsten from the oxide layer of the Mt Mulgine deposit;
- Notification of the level of assessment required for the development of the Mt Mulgine project pursuant to a referral to the EPA under Part IV of the *Environmental Protection Act 1986* was received (refer to section below headed “*Environmental Approval*”).

Major planned activities for the December quarter will focus on improving the definition of the processing flowsheet via an Early Contractor Involvement (ECI) process, and progressing the various activities required to support the preparation of a Mining Proposal, Works Approval and other regulatory requirements prior to operations.

Mulgine Hill

At Mulgine Hill, mineralisation is associated with the sub-horizontal upper contact of a mafic schist unit and overlying quartz-muscovite greisen. Tungsten occurs as scheelite in coarse disseminations within the greisen or within numerous quartz and greisen veins in both the mafic schists and the quartz-muscovite greisen.

During August 2016, the Company drilled 26 reverse circulation (RC) holes for 1,007 metres and five large diameter (PQ) diamond holes for 202.4 metres at Mulgine Hill to test shallow tungsten mineralisation (refer ASX Announcement 23 September 2016).

Results from this drilling were encouraging, intersecting thick zones of tungsten mineralisation at all target areas. Drilling confirmed continuity of mineralisation within the existing Mineral Resource plus defined extensions in both fresh and weathered material along strike and down dip.

Since April 2016, the Company has sampled 1,956 metres of historical unsampled BQ and NQ core and submitted them for tungsten analysis. Results from this sampling were considered highly encouraging adding to existing intersections plus identifying new zones of mineralisation. A total of 260 samples returned assays greater than 0.05% WO₃ that were either adjacent to existing intersections or in a new intersection of 2 metres at 0.05% WO₃ or better. These 260 samples averaged 0.12% WO₃ and included results of 10.9m at 0.14% WO₃, 10.7m at 0.11% WO₃ and 8.6m at 0.24% WO₃.

Resource Update

Interpretation of all new data collected since the June 2016 Mulgine Hill Mineral Resource estimate was completed during the June 2017 quarter. Specialist Mineral Resource consultants, Optiro Pty Ltd were engaged to update the Mulgine Hill Mineral Resource estimate. Two new components have been added to the 2017 Mineral Resource estimate, comprising the introduction of a high-grade sub-domain for the Main Zone and a Mineral Resource reporting constraint addressing the prospects for eventual economic extraction.

The Mineral Resource estimate for Mulgine Hill as of 30 June 2017 is 7,100,000 tonnes at 0.23% WO₃ and 98 ppm Mo (Refer to ASX announcement dated 28 July 2017).

Mulgine Trench

Tungsten mineralisation at Mulgine Trench is hosted by quartz-scheelite veins in mafic and ultramafic volcanics in a 100 to 250 metre thick zone that extends over 1.5 kilometres of strike. Mineralisation is open along strike and down dip and is associated with foliation parallel quartz veins generally less than 10 centimetres in width. Mineralisation is strongest where quartz veining averages 15 – 20% of the total rock volume.

Tungsten Mining's strategy at Mulgine Trench is to target potentially low strip ratio fresh tungsten and molybdenum mineralisation beneath and adjacent to the Bobby McGee pit and gain a greater understanding of the Mulgine Trench oxide layer.

During August 2016, the Company drilled 9 RC holes for 476 metres at Mulgine Trench to test tungsten mineralisation adjacent to and beneath the Bobby McGee pit (Figure 4). Results from this drilling have been extremely encouraging, intersecting substantial thicknesses of low to medium grade tungsten mineralisation including 72 metres at 0.16% WO₃ and 0.02% Mo from surface in MMC030.

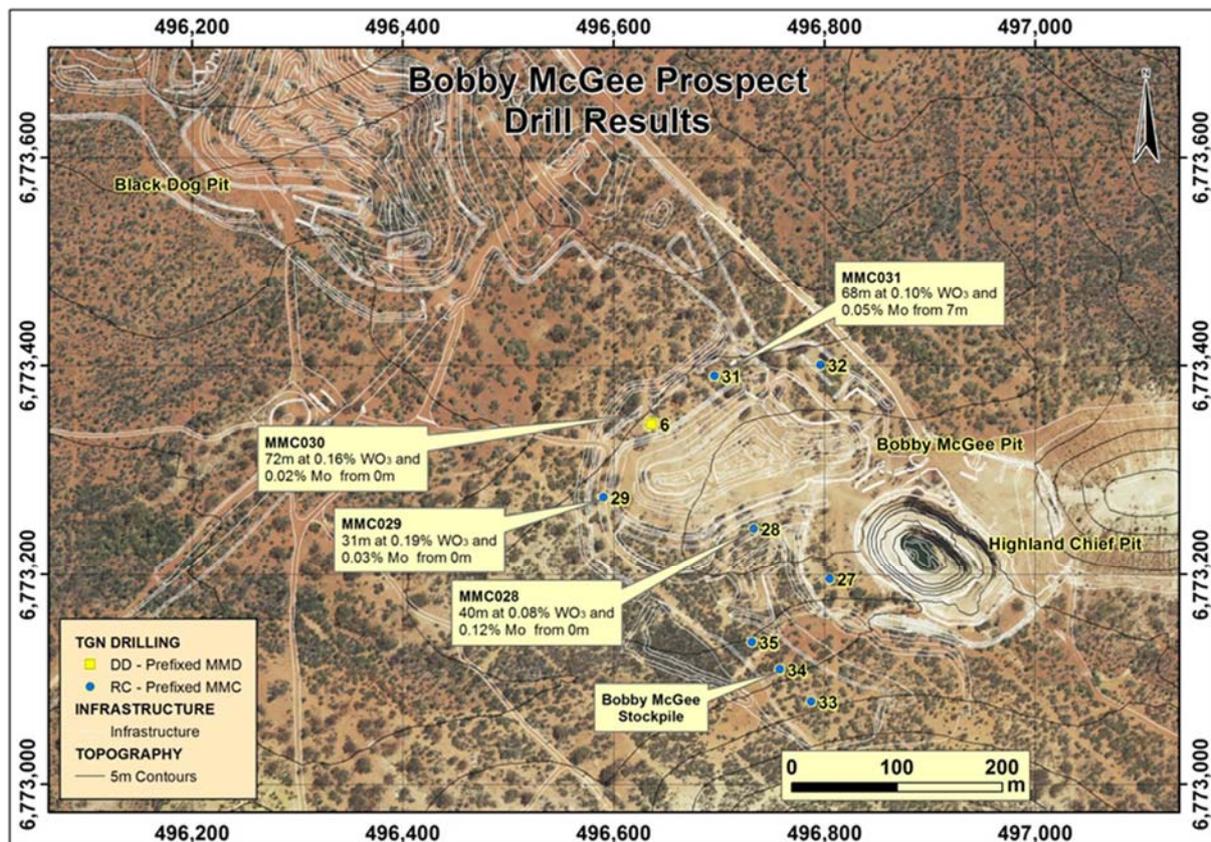


Figure 4 – Plan displaying better results from Tungsten Mining’s drilling around the Bobby McGee pit.

Diamond Drilling

In August 2016, the large diameter (PQ) diamond hole MMD006 was drilled to provide material for metallurgical studies of the oxide layer at Mulgine Trench. This hole twinned MMC030 that assayed 32 metres at 0.13% WO₃ over the corresponding interval.

Four samples from MMD006 containing tungsten mineralisation were examined to determine the mineralogy and distribution of tungsten in the Mulgine Trench oxide layer, the details of which are described further below.

Metallurgical Testwork

Oxide/Weathered Layer R&D

As previously reported, the quantity of oxidised tungsten minerals in the oxide layer is equivalent to the scheelite found in the fresh material and represents significant upside potential to the project if an economic extraction methodology can be proven.

Building on the preliminary results that indicated that tungsten could be leached from the oxide/weathered layer at Mt Mulgine, the second phase of test work has identified that tungsten is mostly mineralogically associated with iron oxides. Subsequent heavy liquid separation has been successful in concentrating the iron oxides and other heavy minerals. CSIRO are awaiting assays of the heavy liquid separation “heavies” and “lights” to quantify the department of tungsten and other heavy minerals and/or metals.

Environmental Approvals

In August 2017, the Company announced that it had received decisions from both Federal and State Governments in relation to its major environmental referrals for the Mt Mulgine Tungsten Project.

The Federal Government advised the Company that, under the Environment Protection and Diversity Act 1999, it had assessed the Company's proposed action to clear native vegetation to allow for open mining pits, a processing plant, office, water storage facilities, run-of-mine pad, waste rock landforms, mineralised oxide landform and a tailings storage facility.

The Federal Government declared that the proposed activities did not constitute a controlled action and no further assessment is required.

The Company also submitted a proposal to the WA State Government, under Part IV of the Environmental Protection Act 1986 (EP Act). No public comments or submissions were received during this process.

The Western Australian State Government through the Environmental Protection Authority (EPA) advised the Company that the proposed Mt Mulgine Tungsten Project does not require formal assessment under Part IV of the EP Act.

These decisions represent major milestones in the project schedule and enable the standard permitting and approvals process (including the Mining Proposal and Native Vegetation Clearing Permit) to continue through the normal course with the Department of Mines, Industry Regulation and Safety as anticipated. The Company is progressing approvals work during the December quarter to facilitate these submissions early in the new year.

During the September quarter a Spring flora survey and an Aboriginal heritage survey were completed. The flora survey is to identify season specific flora and is required for the preparation of the native vegetation clearing permit. The Aboriginal heritage survey is required for the definition of the project footprint while meeting the Companies responsibilities under the Aboriginal Heritage Act in relation to culturally sensitive areas. The Heritage survey identified four sites of Aboriginal cultural importance and confirmed the location of a previously registered site. Subsequent to the conduct of the heritage survey, a section 18 request has been submitted requesting Ministerial approval for ground disturbing work to be conducted in the area of three of the four newly identified cultural sites.

Acquisition of Modular Processing Plant

In late July Tungsten Mining announced that the Company and Pilbara Minerals Ltd had agreed terms for the acquisition of the modular Tabba Tabba processing plant (refer announcement dated 21 July 2017).

The processing plant was specifically designed and built in modules to recover a variety of heavy mineral concentrates, including tungsten, and to allow for simple installation of additional modular units if required. The plant was constructed in 2015 but decommissioned in early 2016 following suspension of the tantalum project by Pilbara Minerals. The plant and associated infrastructure were subsequently dismantled, relocated and stored at Pilbara Minerals' Pilgangoora site, south of Port Hedland.

The plant consists of a ball milling circuit, coarse and fine gravity recovery circuit, dewatering circuit, pipework, all associated hoppers and pumps, electrical and control equipment, modular concrete footings and tailings dam liners. It has a nameplate capacity of 30 tonnes per hour with upside to increase throughput via optimisation of the existing plant or addition of modules. The plant was designed and fabricated in Australia, with limited components sourced from overseas.

Due to its modular design, the plant offers great versatility to be able to respond quickly by producing a variety of concentrate specifications as determined by prevailing market conditions.

Given its recent construction and limited use, the plant is in excellent condition and has been stored on concrete pads and/or modular footings at Pilgangoora, ready for transport.

The Company believes the processing plant acquisition represents a step change in the capital requirements for project development and will deliver a competitive advantage to support initial market entry. Metallurgical test work has confirmed that the plant has the required configuration for the proposed Mulgine Hill operation.

The Company views the acquisition of the processing plant as a major step forward to fast-tracking the development of the Mt Mulgine Project, with a target of first tungsten concentrate production by the end of 2018.



Figure 5: Bank of spirals in modular processing plant (in-situ prior to dismantling and relocation)

The processing plant is being relocated to a laydown area immediately adjacent to Minjar Gold Pty Ltd's Golden Dragon Mine processing plant, approximately 35km north of the Mt Mulgine project area. This storage site has been chosen to ensure security of the plant equipment with proximity to access roads and other established site infrastructure. The relocation will be completed in late October.

Further details concerning Sale Agreement are described in the Corporate section of this report.

Big Hill Project, Eastern Pilbara, WA

The Big Hill Project area is located approximately 30km northeast of the Nullagine township in the Eastern Pilbara of Western Australia. The project contains the Big Hill deposit where 22,871 metres of diamond and RC drilling have defined a JORC-2012 Mineral Resource estimate totalling 11.5Mt at 0.15% WO₃ (0.10% WO₃ cut-off) comprising an Indicated Resource of 6.2Mt at 0.16% WO₃ and an Inferred Resource of 5.3Mt at 0.13% WO₃.

Metallurgical test work conducted on samples from Big Hill at bench and pilot scale has produced high quality tungsten concentrates at acceptable scheelite recoveries. This work has identified a simple and potentially low cost processing route.

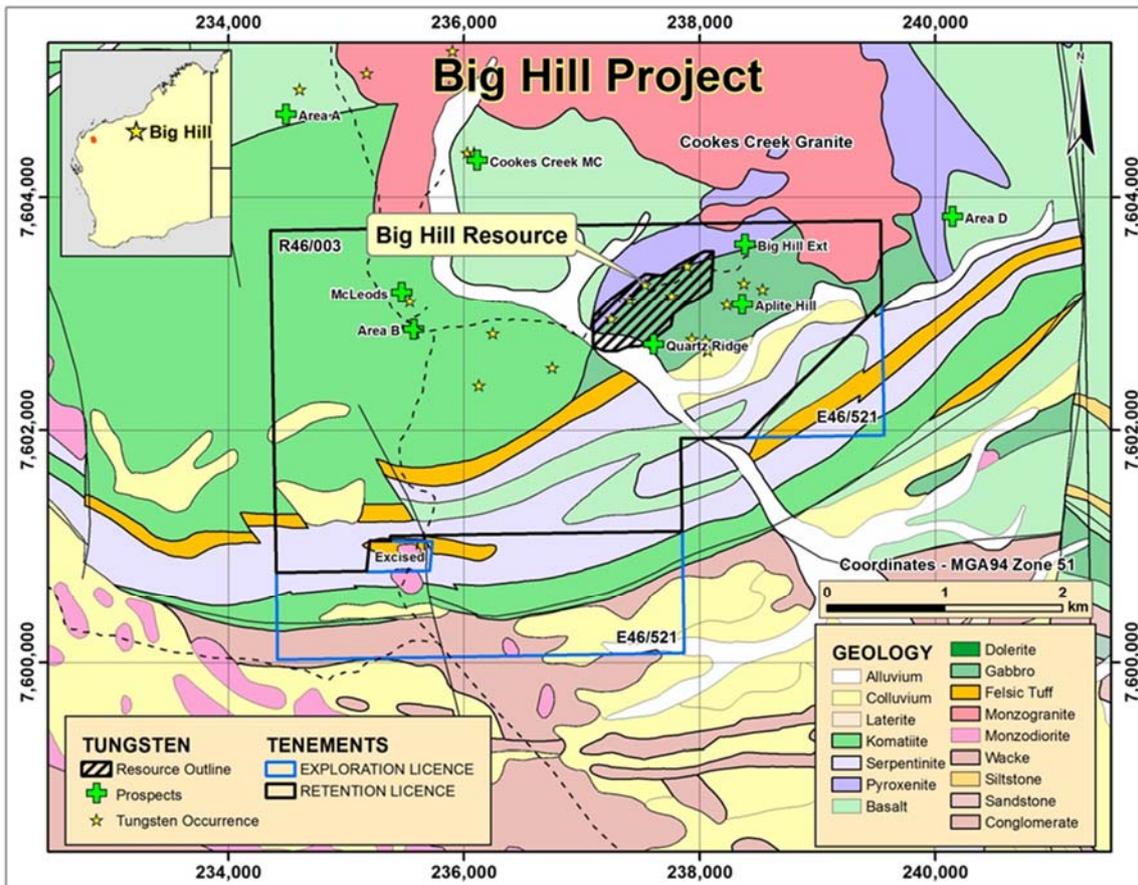


Figure 6 –Big Hill project geology

Retention License R46/003 was granted in April 2017. There are no planned activities for the Big Hill Project in the next quarter.

Kilba Project, Ashburton Region, WA

The Kilba Project is located within the Ashburton Region of Western Australia, 250km southwest of Karratha. To date, Tungsten Mining has focused on the historic Zones 8, 11 and 12 that Union Carbide discovered in the 1970s. Drilling has targeted high-grade tungsten mineralisation associated with skarns and calc-silicate units situated close to the Kilba granite.

This work has defined a JORC-2012 compliant Mineral Resource totalling 5.0Mt at 0.24% WO₃ (0.10% WO₃ cut-off) comprising an Indicated Resource of 4.1Mt at 0.25% WO₃ and an Inferred Resource of 0.8Mt at 0.20% WO₃.

Metallurgical test work shows that the tungsten is present as coarse-grained scheelite that will respond well to conventional gravity separation. Test work completed in 2015 has demonstrated the ability to produce an extremely high grade tungsten concentrate.

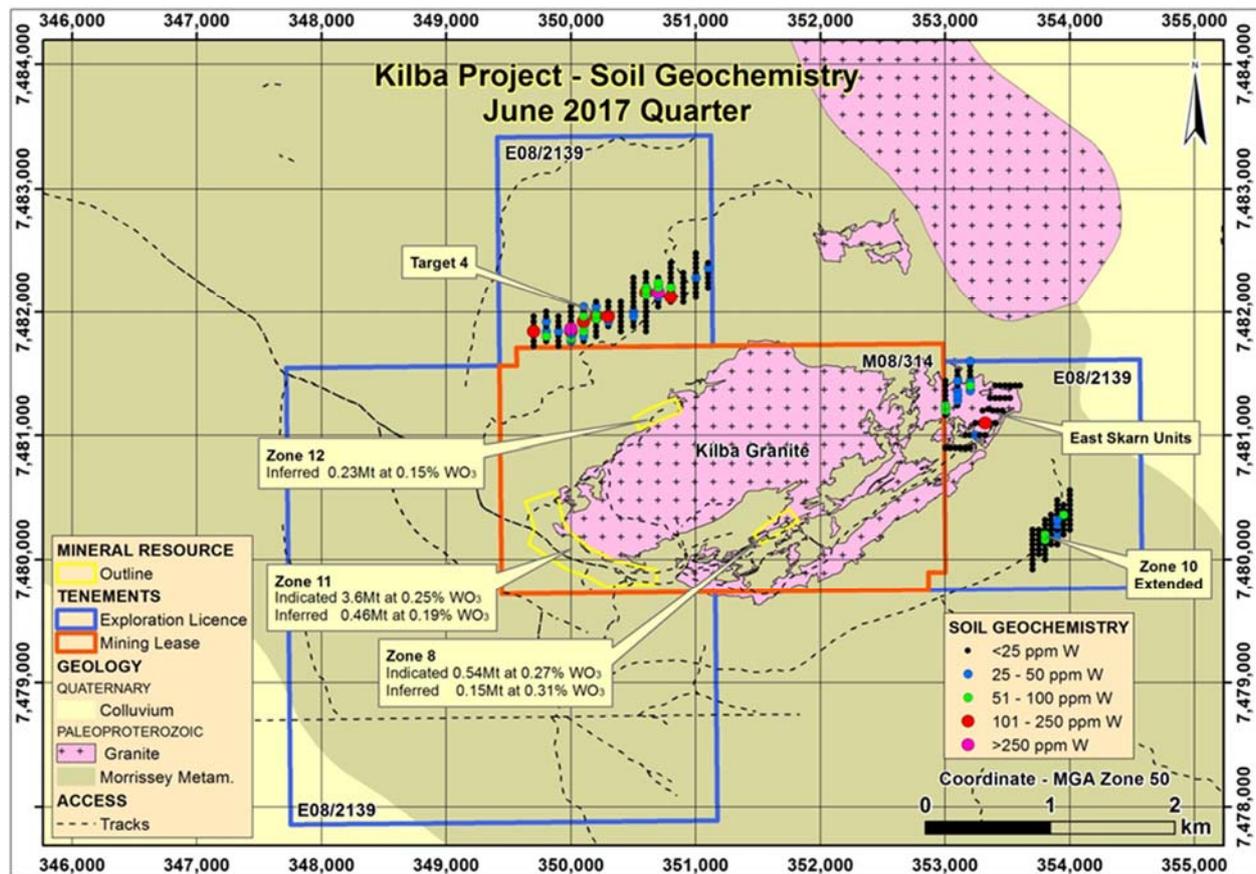


Figure 7 – plan displaying location of recent soil geochemistry and Mineral Resource at the Kilba Project

In May 2017 the WA Department of Mines, Industry Regulation and Safety approved a 5 year exemption from expenditure for M08/314 pursuant to the Mining Act. No work was undertaken during the September quarter.

Other Projects

Tungsten Mining has a portfolio of other projects in Western Australia prospective for tungsten. These include the Koolyanobbing and Callie Soak projects. Work on these projects is in the initial stages of reconnaissance and target generation and it is hoped that these tenements will yield additional mineralisation, which Tungsten Mining can exploit.

Corporate

Completion of Acquisition of Modular Processing Plant

The Company announced to the ASX on 21 July 2017, that it had agreed to terms with Pilbara Minerals to acquire a modular processing plant for the acquisition price of \$600,000, comprising \$300,000 cash payable at settlement and \$300,000 in Tungsten Mining shares (“Consideration Shares”). The formal Sale Agreement was executed on 20 September and settlement occurred prior to the end of September.

The Consideration Shares were agreed to be issued in two tranches, with the first tranche equating to \$150,000 at a deemed price of \$0.04 (3,750,000 shares) allotted on 28 September 2017. Those shares are subject to a 6 month escrow period. The second tranche, representing deferred consideration equating to \$150,000, are to be issued six months after settlement at an issue price being the lesser of \$0.04 per share and the five-day volume weighted average price immediately preceding the date of issue.

Tungsten Price

Global tungsten prices (by reference to price quotations for European ammonium paratungstate – APT) have increased by approximately 60% from January to September and 40% since the beginning of July.

The resurgence in the tungsten price, to levels not seen since late 2014, resulted from tightening supply in tungsten concentrates, particularly in China where environmental inspections have impacted on production.

The improving market for tungsten endorses the Company’s commitment to continuing development activities through the different stages of the commodity cycle and its strategic development plan for the Mt Mulgine Tungsten Project.

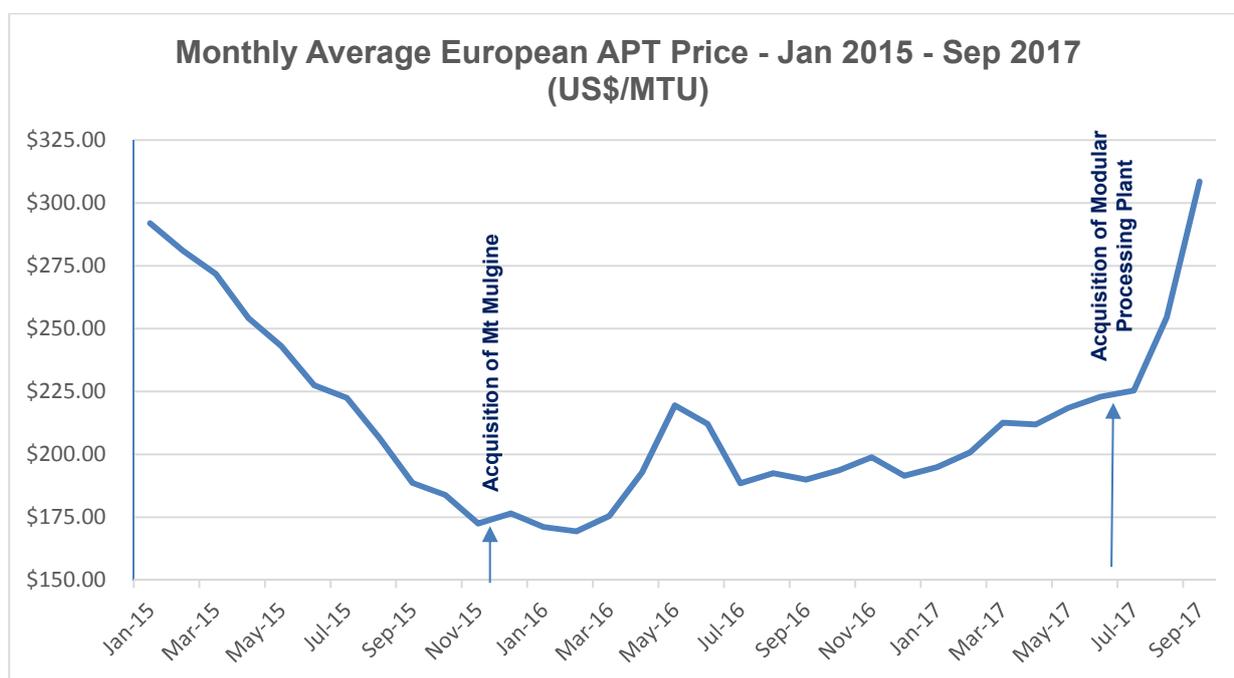


Figure 8 – APT Price (source: Metal Bulletin, Argus)

Non-Renounceable Entitlement Offer

To accelerate project development activities at Mt Mulgine, in early October the Company launched a Non-Renounceable Entitlement Offer to raise \$13.87m before costs. The Entitlement offer to existing Shareholders is on the basis of one new share for every three shares held at the Record Date. The Closing Date of the Offer is 5.00pm WST on 3 November 2017. Funds raised will be applied towards completing

feasibility studies, detailed engineering, to secure long lead items and other works related to the development of the Mt Mulgine Tungsten Project.

Other

The Company's cash position as at 30 September 2017 was \$2.57m. Since the end of the quarter, the company has received a further \$0.46m following the conversion of unlisted options.

During the September quarter, 5.87m shares were issued on exercise of options. Since the end of the quarter the Company has issued a further 11.48m shares on exercise of options.

The Company continued to build relationships with certain tungsten producers in China and other Asian markets concerning technical co-operation and other opportunities, including concentrate offtake potential. As described elsewhere in this report, this included completion and assessment of metallurgical test work by third party tungsten producers.

December Quarter Activities

During the December quarter, the Company, subject to a successful capital raising, intends to advance its strategic development plan by undertaking the following activities:

- Re-location of the heavy mineral separation plant to Minjar Gold Mine;
- Early Contractor Involvement (ECI) engineering phase to define and develop the project parameters that most greatly affect the project economics and support the implementation phase;
- Commencement of various studies including waste rock/tailings characterisation, hydrogeology, geotechnical investigations and tailings storage facility design in support of the preparation of a Mining Proposal, Works Approval, and associated regulatory requirements.
- Sterilisation drilling to allow the project footprint to be finalised;
- Infill reverse circulation drilling to convert "inferred" to "indicated" resource status.
- Continued R&D activities to determine a recovery method for tungsten from the oxide layer at Mt Mulgine.

For further information:

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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.

The information in this report that relates to Mineral Resources is extracted from the report titled 'June 2016 Mineral Resource Update and Core Sampling' released to the Australian Securities Exchange (ASX) on 24 June 2016 and the report titled 'Mulgine Hill Resource Update' released to the ASX on 28 July 2017, both are available to view at www.tungstenmining.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in either of the ASX announcements and that all material assumptions and technical parameters underpinning the estimates in original ASX announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcements.

About Tungsten Mining

Emerging Australian tungsten developer, Tungsten Mining NL is an Australian based resources company listed on the Australian Securities Exchange. The Company's prime focus is the exploration and development of tungsten projects in Australia.

Tungsten (chemical symbol W), occurs naturally on Earth, not in its pure form but as a constituent of other minerals, only two of which support commercial extraction and processing - wolframite ((Fe, Mn)WO₄) and scheelite (CaWO₄).

Tungsten has the highest melting point of all elements except carbon – around 3400°C giving it excellent high temperature mechanical properties and the lowest expansion coefficient of all metals. Tungsten is a metal of considerable strategic importance, essential to modern industrial development (across aerospace and defence, electronics, automotive, extractive and construction sectors) with uses in cemented carbides, high-speed steels and super alloys, tungsten mill products and chemicals.

Tungsten Mining has three advanced tungsten projects in Australia: the Mt Mulgine Project in the Murchison region, the Big Hill Project in the Pilbara region and the Kilba Project in the Ashburton region of Western Australia. The Mt Mulgine, Big Hill and Kilba Projects, together contain Mineral Resources reported at a 0.10%WO₃ cut-off grade comprising Indicated Resources of 14.8Mt at 0.21% WO₃ and 35ppm Mo and Inferred Resources of 72.5Mt at 0.17% WO₃ and 220ppm Mo, totalling 87.4Mt at 0.18% WO₃ and 188ppm Mo. This represents more than 15.5 million MTU (metric tonne units) of WO₃ and 16,400 tonnes of contained Molybdenum.

Tungsten Mining is currently identifying opportunities for near term tungsten production, particularly from the Mulgine Hill and Mulgine Trench deposits within the Mt Mulgine Project.

Tenement Summary

| Tenement Name | Tenement | Interest held at 30 June 2017 | Interest acquired/ disposed of during quarter | Interest Held at 30 September 2017 |
|----------------|------------|---|---|---|
| Kilba Well | E08/2139 | 100% | N/A | 100% |
| Kilba Well | M08/314 | 100% | N/A | 100% |
| Koolyanobbing* | E77/2279 | 100% mineral rights for tungsten, 20% for other commodities | N/A | 100% mineral rights for tungsten, 20% for other commodities " |
| Callie Soak | E20/854 | 100% | N/A | 100% |
| Mt Mulgine** | E59/1324-I | 100% mineral rights for tungsten and molybdenum | N/A | 100% mineral rights for tungsten and molybdenum |
| Mt Mulgine** | M59/386-I | " | N/A | " |
| Mt Mulgine** | M59/387-I | " | N/A | " |
| Mt Mulgine** | M59/425-I | " | N/A | " |
| Big Hill | E46/521-I | 100% | N/A | 100% |
| Big Hill | L46/70 | 100% | N/A | 100% |
| Big Hill | R46/3 | 100% | N/A | 100% |

* This tenement is held by Lithium Australia NL and subject to the terms of the Seabrook Rare Metals Venture

**Mt Mulgine tenements are registered in the name of Minjar Gold Pty Ltd with Mid-West Tungsten Pty Ltd, a subsidiary of Tungsten Mining NL being the holder of the Tungsten and Molybdenum Mineral Rights.

Tungsten Mining Mineral Resource Estimates - reported at a WO₃ cut-off grade of 0.10%

| Class | Tonnes | Grade WO ₃ % | Metric Tonne Units | Mo (ppm) | Contained Mo Tonnes |
|---|-------------------|----------------------------|-----------------------|------------|------------------------|
| Mulgine Trench (October 2014) ¹ | | | | | |
| Measured | 0 | - | - | - | - |
| Indicated | 400,000 | 0.14 | 50,000 | 400 | 150 |
| Inferred | 63,400,000 | 0.17 | 11,050,000 | 250 | 15,600 |
| Total | 63,800,000 | 0.17 | 11,100,000 | 250 | 15,700 |
| Mulgine Hill (June 2017) ² | | | | | |
| Measured | 0 | - | - | - | - |
| Indicated | 4,100,000 | 0.25 | 1,030,000 | 90 | 400 |
| Inferred | 3,000,000 | 0.19 | 570,000 | 110 | 300 |
| Total | 7,100,000 | 0.23 | 1,630,000 | 98 | 700 |
| Mt Mulgine (Total) | | | | | |
| Measured | 0 | - | - | - | - |
| Indicated | 4,500,000 | 0.24 | 1,080,000 | 80 | 500 |
| Inferred | 66,400,000 | 0.17 | 11,620,000 | 240 | 15,900 |
| Total | 70,800,000 | 0.18 | 12,600,000 | 230 | 16,400 |
| Big Hill (June 2016) ³ | | | | | |
| Measured | 0 | - | - | - | - |
| Indicated | 6,200,000 | 0.16 | 992,000 | - | - |
| Inferred | 5,300,000 | 0.13 | 689,000 | - | - |
| Total | 11,500,000 | 0.15 | 1,681,000 | | |
| Kilba (January 2015) ⁴ | | | | | |
| Measured | 0 | - | - | - | - |
| Indicated | 4,100,000 | 0.25 | 1,030,000 | - | - |
| Inferred | 830,000 | 0.20 | 170,000 | - | - |
| Total | 5,000,000 | 0.24 | 1,200,000 | | |
| Total Resource Inventory | | | | | |
| Measured | 0 | - | - | - | - |
| Indicated | 14,800,000 | 0.21 | 3,080,000 | 35 | 500 |
| Inferred | 72,500,000 | 0.17 | 12,490,000 | 220 | 15,900 |
| Total | 87,400,000 | 0.18 | 15,610,000 | 188 | 16,400 |

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

1. Refer ASX (HAZ) Announcement 5 November 2014, "Hazelwood continues to increase tungsten resource"

2. Refer ASX (Tungsten Mining) Announcement 28 July 2017, "Mulgine Hill June 2017 Mineral Resource Update"

3. Refer ASX (Tungsten Mining) Announcement 23 June 2016, "Big Hill June 2016 Mineral Resource Update"

4. Refer ASX (Tungsten Mining) Announcement 30 January 2015, "Kilba Mineral Resource Update"

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, 01/05/13, 01/09/16

Name of entity

Tungsten Mining NL

ABN

67 152 084 403

Quarter ended ("current quarter")

30 September 2017

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (311) | (311) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | - | - |
| (e) administration and corporate costs | (260) | (260) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 20 | 20 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | | |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (551) | (551) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | (301) | (301) |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 2.2 Proceeds from the disposal of: | | |
| (a) property, plant and equipment | - | - |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |
| 2.3 Cash flows from loans to other entities | - | - |
| 2.4 Dividends received (see note 3) | - | - |
| 2.5 Other (provide details if material) | - | - |
| 2.6 Net cash from / (used in) investing activities | (301) | (301) |

| | | |
|---|------------|------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | - | - |
| 3.2 Proceeds from issue of convertible notes | - | - |
| 3.3 Proceeds from exercise of share options | 235 | 235 |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | (1) | (1) |
| 3.5 Proceeds from borrowings | - | - |
| 3.6 Repayment of borrowings | | |
| 3.7 Transaction costs related to loans and borrowings | - | - |
| 3.8 Dividends paid | - | - |
| 3.9 Other (provide details if material) | - | - |
| 3.10 Net cash from / (used in) financing activities | 234 | 234 |

| | | |
|---|--------------|--------------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 3,188 | 3,188 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (551) | (551) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (301) | (301) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | 234 | 234 |
| 4.5 Effect of movement in exchange rates on cash held | - | - |
| 4.6 Cash and cash equivalents at end of period | 2,570 | 2,570 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Bank balances | 1,270 | 188 |
| 5.2 Call deposits | 1,300 | 3,000 |
| 5.3 Bank overdrafts | | - |
| 5.4 Other (provide details) | | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 2,570 | 3,188 |

| 6. Payments to directors of the entity and their associates | Current quarter \$A'000 |
|--|----------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | 49 |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

Payments to Directors for fees and consulting.

| 7. Payments to related entities of the entity and their associates | Current quarter \$A'000 |
|--|----------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | 126 |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |

Payments to associate entity GWR Group Limited for management and technical services and the reimbursement of expenses incurred by GWR Group on behalf of the Company.

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|--|---|
| 8.1 Loan facilities | - | - |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | - | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

| 9. | Estimated cash outflows for next quarter | \$A'000 |
|------------|---|------------|
| 9.1 | Exploration and evaluation | 300 |
| 9.2 | Development | - |
| 9.3 | Production | - |
| 9.4 | Staff costs | - |
| 9.5 | Administration and corporate costs | 300 |
| 9.6 | Other (Payments related to plant acquisition) | 200 |
| 9.7 | Total estimated cash outflows (see note 4) | 800 |

| 10. | Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|------|---|---------------------------------|--------------------|----------------------------------|----------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | E77/2035 | Surrendered | 100% | 0% |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased | | | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Chief Executive Officer)

Date: 30 October 2017

Print name: Craig Ferrier

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. The estimated cash outflows for the next quarter are subject to change and may significantly increase. This potential increase in cash outflows is dependent on the outcome of the 1-for-3 non-renounceable Entitlement Issue at 10 cents per share, to raise up to approximately \$13.5 million that was announced to the ASX on 2 October 2017.