

12 June 2013

ASX ANNOUNCEMENT

ROBUST SCOPING STUDY CONFIRMS VIABILITY OF TUNGSTEN MINING'S KILBA PROJECT

Highlights

- Scoping Study delivers very attractive economics for Kilba Project
- Viability of open cut mine and conventional gravity process plant confirmed
- Capital payback within first year of operation
- Results provide confidence to immediately initiate a DFS
- Off take MOU discussions underway
- On target for initial production late 2014
- Key Scoping Study findings* are:
 - Anticipated initial mine life 7 years
 - Total production (LOM), WO₃ 1.1M mtu
 - Average Production p.a., WO₃ 154,000 mtu
 - Capital Cost \$56 million
 - Average LOM Operating Cost US\$212/mtu
 - Tungsten recovery overall 80%
 - Tungsten concentrate grade >68% WO₃
 - IRR 34%
 - NPV at 7% \$36 million

***Cautionary Statement**

Tungsten Mining cautions that the Scoping Study referred to in this report is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource that is the subject of the Scoping Study will be converted into mineral reserve. No mineral reserves were estimated as part of the Scoping Study.

This scoping study is preliminary in nature, as its conclusions are drawn partly on inferred resources (being 70% of the total stated tungsten resource) as well as indicated resources (30% of the total). There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

Australian pure tungsten development company Tungsten Mining NL (ASX:TGN) ("The Company") is pleased to announce results of its Scoping Study ("Study") for the 100% owned Kilba project ("Project") in the Gascoyne region of Western Australia, which have confirmed the economic and technical viability of the Project.

The Project, located near the Nanutarra Roadhouse on the main Northwest Coastal Highway in WA, has a current JORC Resource of 1.4 million mtu (14,000t) of contained Tungstic Oxide, WO₃. Following the positive Study results, Tungsten Mining will now move the Kilba Project on to the next stage of

ASX: TGN

Capital Structure

Shares on Issue 79 million

Unlisted Options (@40c)
15 million

Market Cap (at 7 June)
\$ 14.2 million

Cash on hand at 31 May, 2013
\$1.1 million

Corporate Directory

Patrick McManus
Non-Executive Chairman

Paul Berndt
Managing Director

Francis Loh
Non-Executive Director

Company's main Tungsten Projects

Kilba project in the Gascoyne Region,
WA

Love's Find and other prospects in
the Gascoyne Region, WA

Koolyanobbing prospects in the
Eastern Goldfields, WA

Mosquito Creek historical mine in the
Tennant Creek area, NT

development, including further in-fill drilling and the immediate commencement of Definitive Engineering. Tungsten Mining's objective is for first production in the final quarter of 2014.

The Scoping Study evaluated at a high level the technical and economic parameters of the Kilba Project and confirmed there are no fatal technical flaws in the Kilba Project at this level of study and has delivered a robust financial outcome.

Paul Berndt, Tungsten Mining's Managing Director, commented

"The release of the Scoping Study results is another major milestone for Tungsten Mining and its shareholders.

"The Scoping Study indicates that Kilba is an economically attractive project, and the relatively low pre-production capital cost of \$56 million is a low capital barrier for Tungsten Mining to overcome in order to join the ranks of the world's very few tungsten producers outside China.

"It is important to note that this Study relates to only the 1.2km strike length of mineralisation that Union Carbide originally delineated over 40 years ago, out of a potential strike length of up to 7km for the mineralised zones that encircle the Kilba Granite within our granted Mining Lease ML08/0314. The remaining potential mineralised contact zones have seen very little significant work to date and provide an excellent exploration target and project enhancement opportunity.

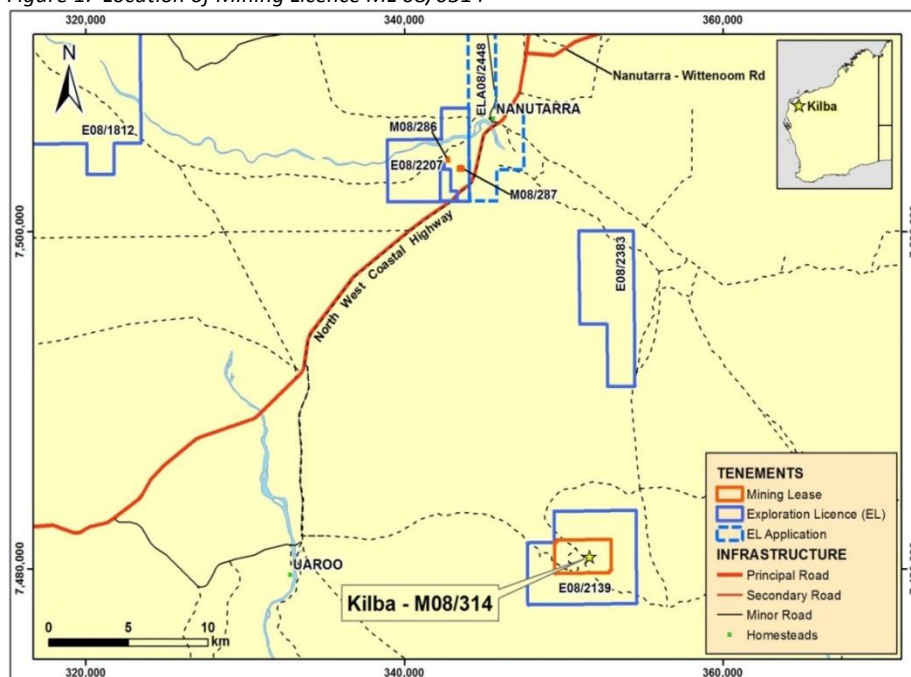
"The results confirm Kilba is a viable, stand-alone operation in its current form, and the expectation is that once the Project is in production and generating positive cash flow, the financial resources will be available to apply to extending the life and/or scale of Kilba by the delineation of additional mineralisation around the periphery of the elliptical eye structure that is the Kilba granite. We now have the confidence to immediately move to the definitive engineering phase of Kilba and move towards finalising potential off-take agreements.

"The Project's attractive margins and relatively low capital requirements combine to provide a payback of the capital in the first year of operation, and the continuity and relatively simple mineralogy of the orebody should ensure an attractive operating environment for efficient tungsten extraction."

Based on the results of the Scoping Study the Company is moving to immediately initiate a Definitive Feasibility Study (DFS), with results expected in the second half of 2013. The DFS will further focus on detailed mine planning, processing optimisation, and firming up contract rates and operating cost reduction initiatives. Further drilling will be undertaken at zones 8 and 11 to infill on an approximately 40m x 40m grid to improve the confidence levels of the resource statement and to possibly extend the current JORC Resource, especially in zone 8.

1. Location

Figure 1: Location of Mining Licence ML 08/0314



Kilba is located within the Gascoyne Region of Western Australia, 320 km northeast of the regional centre of Carnarvon, and 250km southwest of the town of Karratha. The principal access to the project area is provided by the Northwest Coastal Highway, a sealed dual-lane carriageway with direct links to ports at Dampier, Geraldton and Fremantle. Access into Kilba is gained via the Uaroo-Glen Florrie Road, which leaves the Northwest Coastal Highway approximately 20km south of Nanutarra Roadhouse. The prospect can then be accessed by good quality station tracks to Damper Well thence by refurbished exploration tracks to the area of interest.

The terrain is characterised by rugged ranges rising from broad plains. Hills and strike ridges rise up 300m above the surrounding plain. The area is semi-arid, coastal and characterised by a sub-tropical climate regime. Annual rainfall is approximately 350mm, most of which results from tropical depressions during late summer. Vegetation is typified by open, spinifex grassland with scattered trees and shrubs.

2. Work Undertaken

This Scoping Study is based on a Maiden JORC-2012 compliant Resource estimate that the Company released in May, 2013. The Company confirms it is not aware of any new information or data that materially affects the information and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the relevant market announcement continue to apply and have not materially changed. The primary study objectives are to posit a likely project scenario and to establish to the satisfaction of the Tungsten Mining Board whether it would be in the interests of the Company to pursue such a project.

In compiling the Scoping Study, Tungsten Mining prepared:

- Preliminary pit optimisation and Strategic Planning Envelope;
- Broad-level mining and production schedules;
- Metallurgical process flowsheet;
- Major process equipment selection;
- assessment of infrastructural requirements, including access, power, water, communications, offices,

- workshops, shift rosters, transportation, product consignment and accommodation;
- Capital expenditure estimates;
- Operating cost estimates; and
- Operating Plan.

The cost estimates used in the Scoping Study of the Kilba Project were determined by the Company and its consultants. Specialist input was provided in the following areas:

Table 1: Scoping Study Consultants

Activity	Consultant
Resource estimation	CSA Global Consulting
Pit Optimisation	CSA Global Consulting
Infrastructure/ Logistics	Do It Right services
Process plant capital and operating estimates	Mintrex Pty. Ltd.
Metallurgical supervision	Mintrex Pty. Ltd.
Metallurgical testwork	ALS Metallurgy and Nagrom

3. Scoping Study Results

A summary of the salient points from the Scoping Study for the Kilba Project is set out in table 2 below:

Table 2: Scoping Study Summary

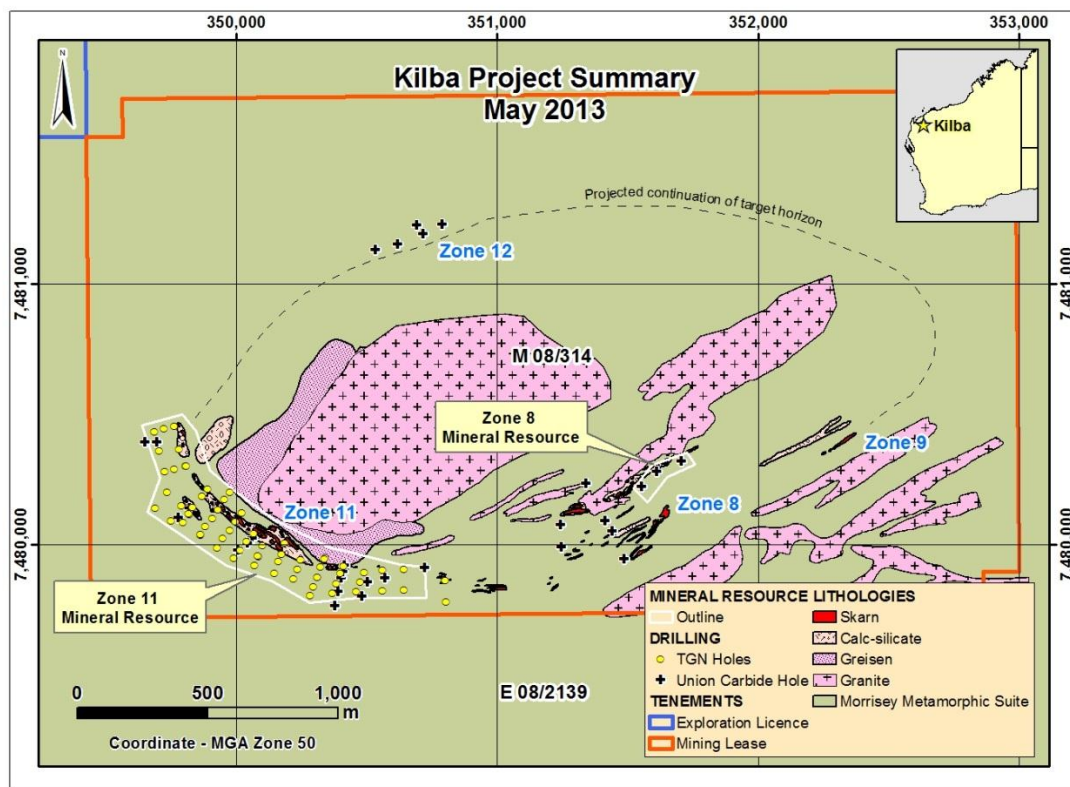
Item	Outcome
Mining Program	Open cut; truck-and-shovel
Capital expenditure	A\$56 million
Ore Feed rate to Process Plant	750,000 tpa
Average Weighted Operating Costs (LOM)	US\$212/mtu
Initial Production (average, first 2 years)	291,000 mtu pa of contained WO ₃
Average Production after year 2	99,600 mtu pa of contained WO ₃
Mine Life	7 years
First production	4Q 2014

4. Resources

At Zone 11, tungsten mineralisation dips from surface at 25 to 65 degrees toward the south to southwest and is associated with skarns and calc-silicate units. Typically, high-grade mineralisation is associated with retrograde skarn units which are often surrounded by low to medium grade disseminated scheelite mineralisation in calc-silicate and sedimentary units.

Toward the east of the prospect, tungsten mineralisation tends to occur in a single high-grade zone. In the central and western domains mineralisation is associated with multiple shallow dipping low to medium-grade units, and in Zone 8, skarn mineralisation dips steeply towards the north-northwest. Surface mapping has identified numerous skarn units at Zone 8 that have not been adequately drill-tested and future exploration will focus on evaluating these targets, as indicated in the following figure 2:

Figure 2: Kilba Project, showing projected zones of mineralisation



The Mineral Inventory on which this Scoping Study is based is JORC-2012 compliant and was prepared by CSA Global:

Table 3: Identified Mineral Resources

Zone	Category	Tonnes '000 t	WO ₃ %	WO ₃ t
8	Inferred	230	0.56	1,300
	Total	230	0.56	1,300
11	Indicated	1,300	0.30	4,000
	Inferred	3,500	0.24	8,500
	Total	4,800	0.26	13,000
Total	Indicated	1,300	0.30	4,000
	Inferred	3,700	0.26	9,800
	Total	5,000	0.27	14,000

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

5. Mining

The proposed mining method is conventional drill-and-blast, truck-and-shovel, load/haul/dump, open pit mining. The mining engineering unit of the consultancy, CSA Global, determined the Strategic Planning envelope and carried out the mine modelling and pit optimisation work used for this Scoping Study.

5.1 Pit Optimisation

Dilution and ore recovery factors were applied to the mineral inventory, resulting in a mineral resource used for mine planning, design and cash-flow analysis of 5.2M tonnes at an average grade of 0.25% WO₃. This mineral resource within the pit shell includes dilution of 5% and 95% mining recovery. The bottom cut-off grade of 0.10% WO₃ for the Kilba deposit was calculated from key economic parameters.

5.2 Mining Schedule

Various mining production scenarios were examined. The scenario that was adopted as the base case of the Study was to extract ore at the rate necessary to completely utilise a process plant with 750,000tpa capacity, but initially to treat only the higher grade portion of mined ore above a 0.3% cut-off limit.

The mining schedule is structured such that effectively seven (7) years of open cut ore production is mined in three years. The total production has been sourced from pits based on the optimisation studies.

The plant will process higher grade ore in the first three years and in later years process the lower grade stockpiled ore. This brings forward a large quantity of high-grade ore and maximises product output in the first 2 years with a positive effect on the project economics, allowing project payback in the first year. There is also scope that additional high grade mineralisation might be identified from further drilling at a later date along the line of strike of the tungsten mineralisation, thus potentially allowing this mode of production to be sustained for several more years.

This scenario resulted in mining taking place in only the first 3 years of the project, at a rate of 1.7Mt of ore per year (nominally 300,000 cubic metres of total material shifted per month).

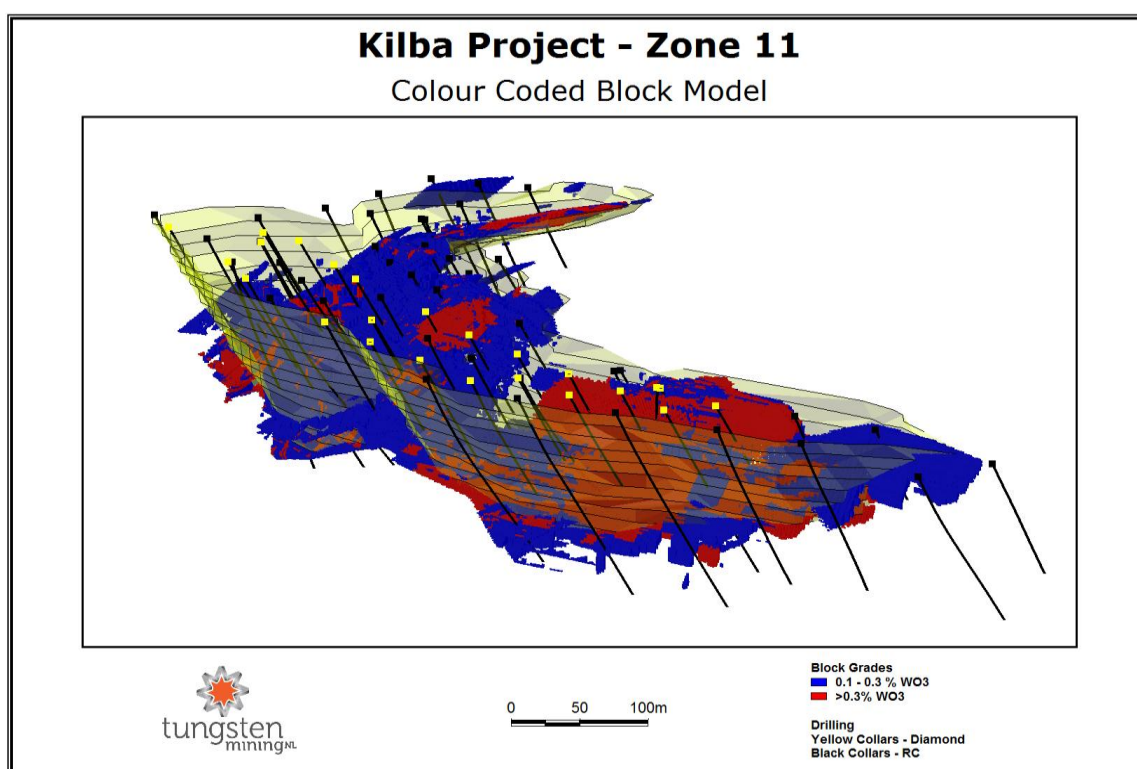
High-grade ore only is processed at the rate of 750,000tpa for approximately 3½ years, and the lower-grade ore below 0.3% WO₃ cut-off is stockpiled for later processing in the remaining 3½ years of the project.

During the course of the next phase of study, Tungsten Mining will test these assumptions by infill RC drilling to increase the confidence in the Resource outlined by the optimised pits. Geotechnical work will be undertaken to assist in the final open pit designs.

5.3 Pit Design

The main Kilba excavation, in zone 11, is a single elongated pit approximately 1.2km long, up to 300m wide and up to 120m deep. Fresh rock (non-weathered) extends almost to surface, and a realistic pit slope of 55°, typical of other open cut mines in similar ground, with a 6m wide basal floor, was assumed.

Figure 2: Schematic of Zone 11 pit outline



6. Processing

A process flowsheet was devised by Mintrex based on the metallurgical testwork carried out. This resulted in a very conventional tungsten plant with a circuit employing 2-stage crushing, rod-mill grinding and gravity separation in spirals and tables in parallel size streams.

Mintrex produced a preliminary mass balance based on the sizing data and process response of the Kilba ore during the laboratory testwork. They then sized all the major items of equipment to handle the duty of 750,000tpa of ore fed to the plant, and used up-to-date costs from their database to factor an overall plant capital cost.

Mintrex calculated the operating cost estimate for the plant based on calculated staffing requirements and contemporary pay scales for the region and a 8/6 fly-in/fly-out roster.

6.1 Metallurgical Testwork

Diagnostic metallurgical tests were carried using a composite sample from a large-diameter drill core to characterise the Kilba ore in terms of its gravity-release behaviour, and to give a prediction of the overall tungsten recovery achievable into a saleable concentrate.

These tests were carried out at the metallurgical laboratory of ALS-Ammtec in Perth. The tests, mainly laboratory sink-float tests in heavy liquids of various densities separating different top-sizes of ore from 10mm to 0.25mm, indicated that the tungsten is present as coarse-grained scheelite, that the optimum liberation size of the tungsten is around 1 - 2mm, and that it should respond well to conventional gravity separation using, for example, spirals and shaking tables. An overall tungsten recovery of at least 80% was indicated.

Follow-up gravity separation testwork to verify the gravity response of the ore was conducted at Nagrom laboratories in Perth. These tests comprised shaking table and super-panner trial

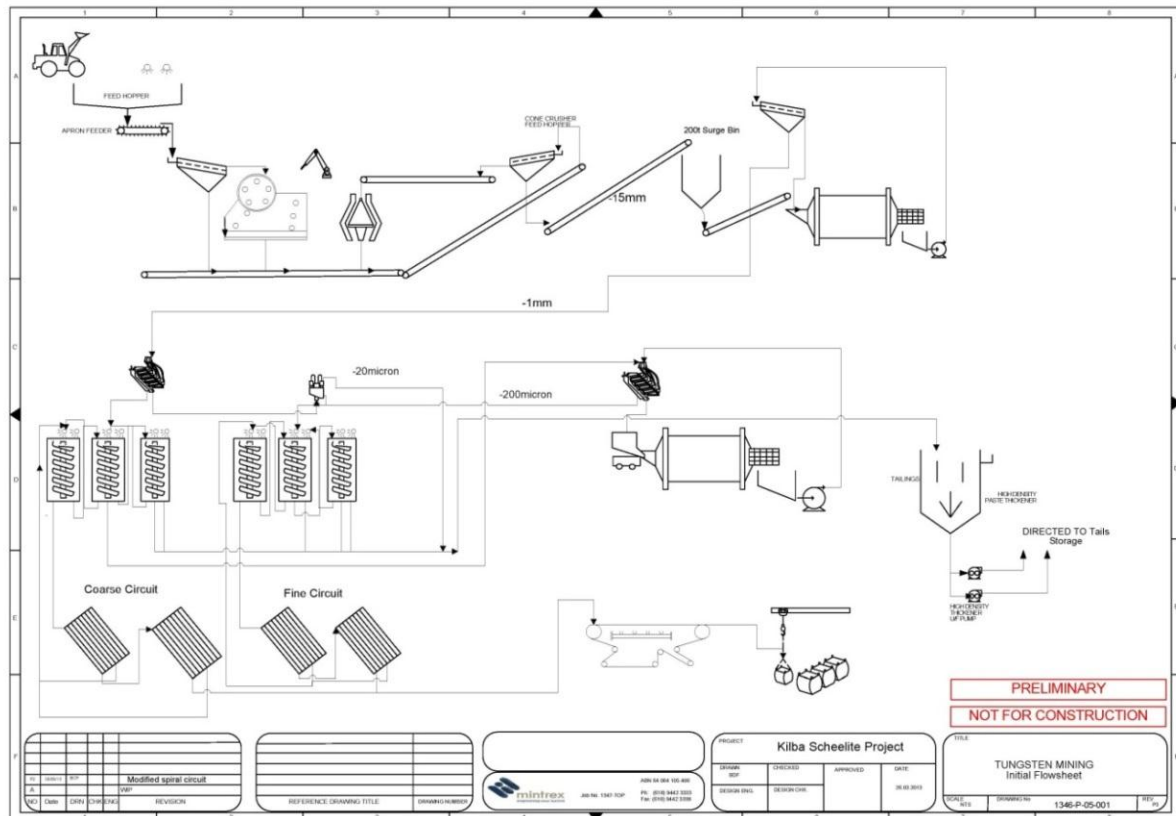
separations, and further demonstrated that there should be no problem in producing a prime concentrate from the Kilba ore with a high tungsten recovery.

There was no magnetic or paramagnetic fraction in the sample tested, nor any sulphides. However, these may occur in practice and the project design does cater for their removal from the gravity concentrate.

6.2 Process Flowsheet

Mintrex derived the following recommended processing circuit.

Diagram 1: Proposed Block Flow Diagram for the Kilba Processing Plant



6.3 Plant Operation

Mintrex estimated process operating costs based on the proposed plant circuit and throughput.

The power component in the Study is based on diesel-powered generators, and Tungsten Mining is currently investigating the opportunity to reduce the unit rate for power by utilising gas turbine generators.

Based on the proposed throughput rate of 750,000 tpa, the tungsten recovery predicted from the metallurgical testwork and ore sourcing as per the mining schedule, the following is the estimated annual production of recovered tungstic oxide contained in concentrate:

Table 4: Tungsten Production

Year	1	2	3	4	5	6	7
mtu produced	264,000	318,000	138,000	96,000	90,000	90,000	84,000
Nom grade, %WO₃	68.0	68.0	68.0	68.0	68.0	68.0	68.0
Conc. tpa	3,900	4,700	2,000	1,400	1,300	1,300	1,200
No. Containers pa	194	235	100	70	66	66	60
Frequency	1 per 2 days	2 per 3 days	1 per 3 days	1 per 5 days	1 per 5 days	1 per 5 days	1 per 6 days

7. Capital Expenditure

A breakdown of the capital expenditure required to implement the Kilba Project is as follows:

Table 5: Project Capital Expenditure

Item	Cost (\$M)	Comment
Process plant	44	750ktpa gravity plant
Infrastructure	9	Camp, buildings, water, airstrip etc
Stores	3	15% of capital equipment
Total	56	Includes 15% contingency

The major capital component of the Project is the process plant. Mintrex estimated the plant capital cost by first deriving a viable process flowsheet based on the testwork results, then determining a major equipment list for the scale of operation envisaged (750,000t per annum) utilising industry standard plant availability and utilisation for this type of plant, based on a continuous working roster schedule.

An off-the-shelf transportable-style crushing circuit, comprising primary jaw-crusher, double-deck screen, secondary cone crusher and all interconnecting conveyors was selected as the crushing system on the basis of limiting site construction and commissioning time and overall cheaper capita. There is scope to source the crushing operation as a service to be provided by a contractor on a toll treatment basis, whereby a contractor will build, own and operate the crushing plant and provide the service of reclaiming ore from the ROM stockpile and crushing it to a nominated top-size (approximately 19mm).

Based on the processing circuit in diagram 1 above, and as set out below, Mintrex estimated the capital cost of a 750,000 tonnes per annum (tpa) processing plant to the following specification:

- Annual duty: 750,000tpa
- Utilisation: 7,500 hours per year
- Name plate capacity: 1010t/h
- Two-stage crushing circuit
- 200t surge bin
- Open-circuit rod mill to 1.5mm
- 3-stage spirals
- Regrind ball mill
- 2-stage tables
- Classification by high-frequency screens
- Highrate thickener
- Concentrate dressing off-site
- Standard EPCM costs
- Contingency of 15%.

Total site power requirement is 3.8MW. This will be supplied from on-site diesel generators owned and installed by a service provider.

Water make-up for the plant is estimated at 200ML per day. This quantity of raw water will be sourced from a bore field on or adjacent to the mining lease, augmented by water drained from the mining pit. The mine pit will provide water for dust suppression in the mining operation.

The camp cost was based on quotes provided by catering contractors and complied with the industry standard unit cost of \$60,000 per person for the capital component.

The allowance for infrastructure costs includes a 1,800m airstrip at site, and upgrading of the access road and turn-out from the Northwest Coastal Highway.

Pre-strip is not required, as the mineralised zones outcrop at surface.

8. Operating Costs

A breakdown of the Scoping Study's estimate of the life of mine operating costs for the Kilba Project is as follows:

Table 12: Estimated Operating Costs

Operating Cost	Unit cost \$/t	\$/mtu, average
Mining	2.20	70
Processing	22.00	104
Administration	8.00	38
Total Operating Cost		212

Operating costs were estimated based on using on-site diesel-generators to supply electrical energy.

However, it is currently believed that gas turbine electricity generation using either tanker deliveries of LNG, or gas piped from the Dampier-Bunbury pipeline, which passes to within 42km of the mine site, may be more cost-effective, and these options will be further investigated.

9. Implementation Plan

The objective of Tungsten Mining continues to be to develop the Kilba project in the shortest possible timeframe in order to exploit a perceived window of opportunity in the global tungsten market.

The drilling carried out to date by Tungsten Mining has demonstrated remarkably good continuity of the skarn mineralisation, and the Company is confident that further in-fill drilling on 40m x 40m spacing will prove-up the resource to higher category levels consistent with more detailed levels of study. A 6,000m program of mainly Reverse Circulation (RC) holes is planned to be carried out during 2013.

Kilba is located on an already-granted mining lease, ML08/0314, and through its consultants the Company is already working through the Statutory Approvals Process to gain final approval to mine, including mining proposal, native vegetation clearing permit, water licences and management plans, shire approvals and works approvals. The total duration for compliance is estimated at 50 weeks, and has been planned to be concurrent with all other activities as they progress. On the current schedule, final permit for mining is slated for August, 2014.

The status of other known projects in the global project pipeline is such that it is believed there are currently no other projects under investigation or development outside China that could be brought into production before late-2015 at the earliest. As a result, market analysts expect price volatility up to 2016 due to tight supply, and off-takers have expressed a keen interest in securing supply agreements with new sources and have declared their intentions to support new mines into production. Tungsten Mining aims to capitalise on this sentiment by entering into a Memorandum Of Understanding (MOU) with a major tungsten buyer for long-term supply to secure their project support.

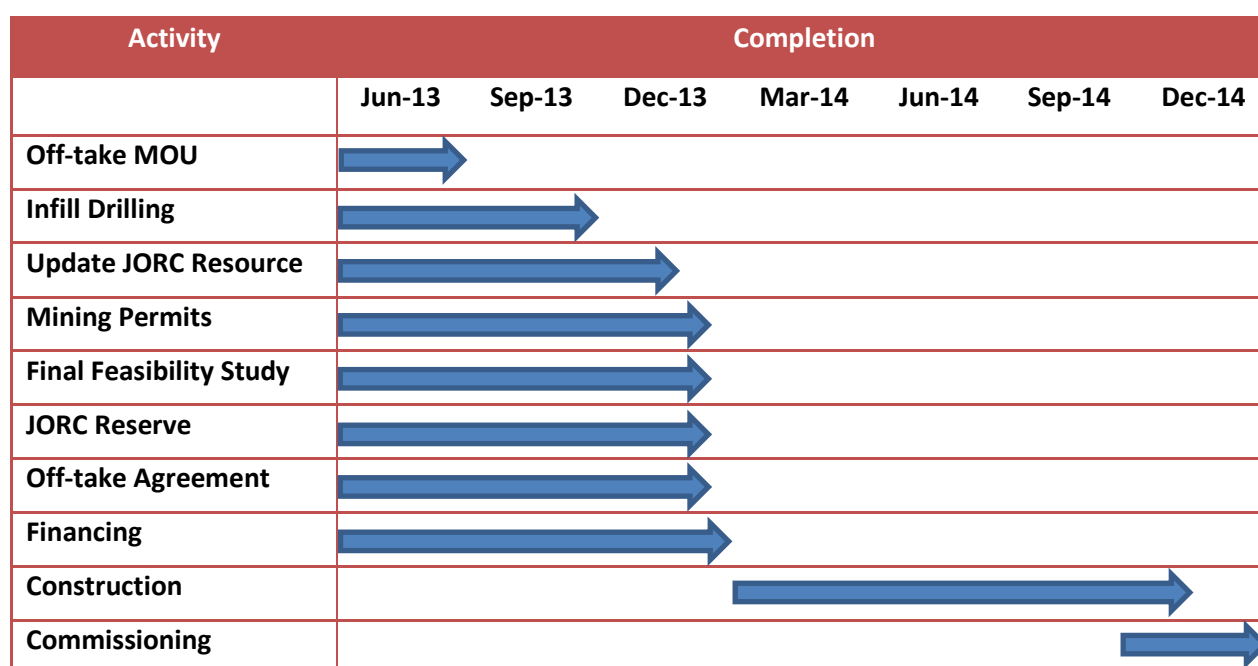
A further level of study complying with Definitive Feasibility standards will be undertaken. The JORC resource will be updated based on the further infill drilling to a level commensurate with the DFS

objectives and detailed mine modelling will be carried out to a level sufficient to form the technical basis for Invitations to Bid for contract mining. The process plant and infrastructure will be engineered to the level of detail required to obtain a fixed price for its construction backed by performance guarantees.

The critical path for procurement and construction passes through the process plant. Mintrex estimated this to be to be 10 months duration. There are no major lead-time items of equipment that need to be pre-ordered to meet this schedule.

Commissioning is an important activity for a gravity tungsten plant, and 3 months is allowed in the plan to achieve commercial production status.

Diagram 2: Work Plan



Competent Person's Statement

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

About Tungsten

Tungsten is an extremely hard and dense grey-white metal which has the highest melting point of all metals and the highest high-temperature tensile strength, but it is mainly in the form of tungsten carbide, or so-called "hard metal" that it is used as the hard-wearing surfaces in virtually all high-speed industrial machine tool applications, where it cannot be substituted. Such applications account for around 65% of tungsten consumption globally, while another 18% is used in steel alloys where high-temperature tensile strength, low coefficient of expansion or corrosion resistance is critical. Other important use categories are chemical catalysts used in the oil industry, fluorescent compounds, lighting and contact plates in high-capacitance electronic devices or storage batteries. The emerging economies, such as Brazil, India and China, are especially

consuming increasing amounts of tungsten, as they strive to emulate the extent of industrialisation of the developed countries.

Until 2005, China was the world's largest exporter of tungsten concentrate but rapid industrialization within China, structural economic changes, and changes in economic policies towards industry, have resulted in the total ban on exports of tungsten concentrate and restrictions of other tungsten exports from China, such as APT.

China is now the world's largest consumer of tungsten. Escalating Chinese consumption, in conjunction with the ongoing demand in the world's principal economies along with the supply issues noted above, has resulted in increases in the price of tungsten by 70% over the last five years. Tungsten prices are quoted per metric tonne unit (mtu) of contained tungstic oxide (WO_3). One mtu is 10 kilograms of WO_3 and is the standard weight measure of the tungsten trade. Ammonium Paratungstate ("APT") is an intermediate product in the tungsten fabrication chain, and the prices for individual shipments of mine tungsten concentrates under long-term supply agreements are typically calculated according to a set percentage ("pay factor") of the APT price, which can typically be around 80%. The governing price basis of APT used for determining concentrate shipment prices is often that which is quoted weekly or twice-weekly in electronic trade magazines such as Metal Bulletin and Metal-Pages.

Due to the Chinese position on export restrictions, and to the strong global demand for tungsten, particularly in the developing countries, the fundamentals of the tungsten market are quite strong, and Tungsten Mining, with its high quality assets in good mining jurisdictions in Australia, believes it is very well positioned to become a significant supplier of tungsten in a short time frame.

About Tungsten Mining

Tungsten Mining NL was admitted to ASX on 13 December, 2012. The Company is focused on development and exploitation of tungsten deposits. The management and Board of the company have previous experience in tungsten mine development and operations. Tungsten is the right sector to be in, with sound fundamental drivers giving strong demand and firm pricing Visit our website at www.tungstenmining.com.

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